(Convenience Translation into English from the Original Previously Issued in Portuguese)

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Individual and Consolidated
Financial Statements for the Year Ended
December 31, 2024 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Financial statements

December 31, 2024

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EARNINGS RELEASE 2024

Intelbras reports consolidated net revenue of R$1,287,676 thousand and EBITDA of R$165,315 thousand in the quarter.

São José (SC), February 26th, 2025 – Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira ("Intelbras" or "Company") announces its consolidated results for the quarter ended December 31st, 2024 and for the fiscal year 2024. The figures presented here are compared with those for the quarter ended December 31st, 2023 and the 2023 financial year, unless otherwise indicated. The accounting balances presented herein were extracted from the financial statements prepared in accordance with Brazilian corporate law and the practices adopted in Brazil, already in accordance with international accounting standards (IFRS).

4Q24 Highlights

Net Operating Revenue was R$1,287,676 thousand this quarter, representing a variation of 3.5% compared to 3Q24 and 10.8% compared to the same period of the previous year.

Our **EBITDA** was R$165.315 thousand, which represents a variation of 5.8% compared to the Adjusted EBITDA of the same period of the previous year, representing an EBITDA margin of 12.8%, an increase of +0.7 percentage points compared to 3Q24.

The Company's consolidated **ROIC (pre-tax)** obtained during the last four quarters was 18.1%, -3.2p.p. below this consolidated indicator achieved in the third quarter and -3.7 percentage points compared to the same period of the previous year (adjusted).

Our **Net Income** in the fourth quarter was R$127.539 thousand, which represents a variation of -1.4% in relation to the net income reported in the previous quarter and a net margin of 9.9%.

Management Message

During the 2023 and 2024 fiscal years, the Company faced some decisive moments that could impact its business in both the short and the long terms. The 2024 year was a period of structural preparation to ensure continuous growth, carried out through significant investments that influenced some of the results of the period.

Our ERP system, which has supported our operations for the last 20 years, has reached the limit of its capacity, calling for an update. We, then, structured an internal team with the support of competent consultancies, who formed a group of more than 200 people, responsible for planning and executing the transition project. This process lasted 18 months, involved the Company as a whole and culminated in the launch of the new system's operation in the early days of January 2025. The attention dedicated to aligning this transition with the distribution channel and other customers was essential to minimize the impacts of the flow of goods. It is possible to say that the strategy worked properly, and from the additional inventories built up throughout the year, the supply chain did not suffer significant impacts during the gradual resumption of operations in the new system.

Regarding the business segments, even with the logistical challenges and the currency devaluation that have been observed since the second quarter, which increased costs, we recorded significant revenue growth and preservation of results in line with our history. We believe that our evolution must always be structured and robust, which guarantees to the Company a continuous and long-term growth trajectory. In this sense, the introduction of new lines in our ICT segment has been implemented and has already contributed to the evolution of the segment. In the Security segment, we were successful in rebuilding stocks, which had been consumed by the severe drought in the Amazon River in 2023, and we were able to expand our capacity to meet the growing demands for security equipment observed in 2024. Our additional investments in inventory and industrial capacity were essential to sustain the rapid pace of revenue growth. Finally, in the Energy segment, we observed the recovery of business profitability, which had been negatively affected in the previous year.

In the fourth quarter, we announced the succession of our CEO, which will take place on April 1st, 2025. On that date, Mr. Altair Silvestri will leave the position and Mr. Henrique Fernandez, an executive with 17 years of experience in the Company, will assume the position. The succession process, conducted with rigor and attention, was successfully concluded.

We ended the year in a challenging scenario, with a deteriorated macroeconomic environment, but with several opportunities under our management, which allow us to keep the Company on its historical path of success. We remain confident that, with the investments made and with our growth avenues in full development, the Company should continue its growth trajectory according to its history. External variables, such as interest and exchange rates, must be reflected in the price lists, which requires an even more efficient management of the variables under our control.

Therefore, we continue to strengthen our relationship with partner resellers and distribution channel, offering more value to everyone through a broad and competitive portfolio, in addition to our increasingly relevant pre and after-sales services, which reinforce our differentiation in the market. We reiterate our commitment to permanently seek efficiency in our processes and the competitiveness of our products, while leading innovative processes in our market.

It was a year of new learnings that prepared us to face the challenges of 2025. We extend our gratitude to everyone who stood by the Company and contributed to these results, especially our partners, employees, and shareholders.

Main financial indicators

R$ thousands	4Q24	3Q24	Δ%	4Q23*	Δ%
Net operating revenue	**1,287,676**	**1,243,880**	**3.5%**	**1,162,421**	**10.8%**
Gross profit	**373,353**	**364,482**	**2.4%**	**342,634**	**9.0%**
Gross Margin	29.0%	29.3%	-0.3p.p	29.5%	-0.5p.p
EBITDA	**165,315**	**150,534**	**9.8%**	**156,191**	**5.8%**
EBITDA Margin	12.8%	12.1%	+0.7p.p	13.4%	-0.6p.p
Profit for the period	**127,539**	**129,383**	**-1.4%**	**150,012**	**-15.0%**
Net Profit Margin	9.9%	10.4%	-0.5p.p	12.9%	-3.0p.p
ROIC (pre-tax)	**18.1%**	**21.3%**	**-3.2p.p**	**21.8%**	**-3.7p.p**

* **NOTE**: adjusted values as presented in the 2023 Management Report.

R$ thousands	2024	2023*	Δ%
Net operating revenue	**4,756,146**	**4,103,676**	**15.9%**
Gross profit	**1,462,629**	**1,306,420**	**12.0%**
Gross Margin	30.8%	31.8%	-1.0p.p
EBITDA	**642,151**	**566,045**	**13.4%**
EBITDA Margin	13.5%	13.8%	-0.3p.p
Profit for the period	**528,412**	**511,038**	**3.4%**
Net Profit Margin	11.1%	12.5%	-1.4p.p
ROIC (pre-tax)	**18.1%**	**21.8%**	**-3.7p.p**

* **NOTE**: adjusted values as presented in the 2023 Management Report.

Net Operational Revenue

According to the seasonality expected for the period, net operating revenue in the fourth quarter was the highest of the year and reached a growth of 10.8% compared to the same period of the previous year. With the amount of R$1,287,676 thousand in the last quarter of the year, the Company reports a total annual revenue of R$4,756,146 thousand, 15.9% higher than the previous year. Growth was observed in the three segments of operation, and a positive and constant evolution of our business throughout the year.

Gross Profit

Throughout the 2024's fourth quarter, the devaluation of the Brazilian currency against the US dollar continued to impact our costs. Although softer than in the third quarter due to the evolution of inventories, this factor contributed to the growth of gross profit being lower than the growth of net revenue, reaching 9.0% compared to the same period of the previous year.

R$ thousands	4Q24	3Q24	Δ%	4Q23	Δ%
Net operating revenue	**1,287,676**	**1,243,880**	**3.5%**	**1,162,421**	**10.8%**
Cost of sales and services	(914,323)	(879,398)	4.0%	(849,200)	7.7%
Gross profit	**373,353**	**364,482**	**2.4%**	**313,221**	**19.2%**
(+) Non-recurring cost	-	-	-	29,413	-
Adjusted gross profit	**373,353**	**364,482**	**2.4%**	**342,634**	**9.0%**
Gross margin	**29.0%**	**29.3%**	**-0.3p.p**	**26.9%**	**+2.1p.p**
Adjusted gross margin	**29.0%**	**29.3%**	**-0.3p.p**	**29.5%**	**-0.5p.p**

When calculating the consolidated gross margin, there is also a negative oscillation of 0.5 p.p. comparing to the same period of the previous year, and 0.3p.p. quarter over quarter, a margin oscillation considered within the normality of the operation, even in the face of a scenario of relevant devaluation of the local currency.

R$ thousands	2024	2023	Δ%
Net operating revenue	**4,756,146**	**4,103,676**	**15.9%**
Cost of sales and services	(3,293,517)	(2,826,669)	16.5%
Gross profit	**1,462,629**	**1,277,007**	**14.5%**
(+) Non-recurring cost	-	29,413	-
Adjusted gross profit	**1,462,629**	**1,306,420**	**12.0%**
Gross margin	**30.8%**	**31.1%**	**-0.3p.p**
Adjusted gross margin	**30.8%**	**31.8%**	**-1.0p.p**

Compared to the 2023 fiscal year, there is a compression of 1.0 percentage points in gross margin, mainly affected by the increase in operating costs throughout the year, as a result of the currency devaluation from the second quarter of this year, the increase in logistics costs and the higher industrial costs for the construction of additional inventory to face the water crisis in the Amazon River and the transition of the Company's ERP.

Operating Expenses

Total operating expenses in the fourth quarter performed according to the plan and were slightly lower than in the third quarter.

Sequentially, selling expenses grew at a slower pace than net operating revenue, as expected for the period and in line with the trend observed since the second quarter of 2024.

R$ thousands	4Q24	3Q24	Δ%	4Q23	Δ%
Selling expenses	(174,354)	(170,379)	2.3%	(142,534)	22.3%
General and administrative expenses	(64,190)	(65,526)	-2.0%	(57,438)	11.8%
Other operating expenses, net	3,729	(2,872)	-229.8%	55,427	-93.3%
Operating income (expenses)	**(234,815)**	**(238,777)**	**-1.7%**	**(144,545)**	**62.5%**
(-) Write-off financial debt	-	-	-	(63,933)	-
Adjusted operating income (expenses)	**(234,815)**	**(238,777)**	**-1.7%**	**(208,478)**	**12.6%**

In addition, throughout the 2024 fiscal year, expenses grew 12.0%, below the net operating revenue growth, but in the same proportion as the growth in gross profit, mainly due to the compression of the gross margin observed during the second half of the year. The annual data can be observed in the table below:

R$ thousands	2024	2023	Δ%
Selling expenses	(644,734)	(560,321)	15.1%
General and administrative expenses	(259,342)	(238,140)	8.9%
Other operating expenses, net	(14,236)	42,779	-133.3%
Operating income (expenses)	**(918,312)**	**(755,682)**	**21.5%**
(-) Write-off financial debt	-	(63,933)	-
Adjusted operating income (expenses)	**(918,312)**	**(819,615)**	**12.0%**

EBITDA

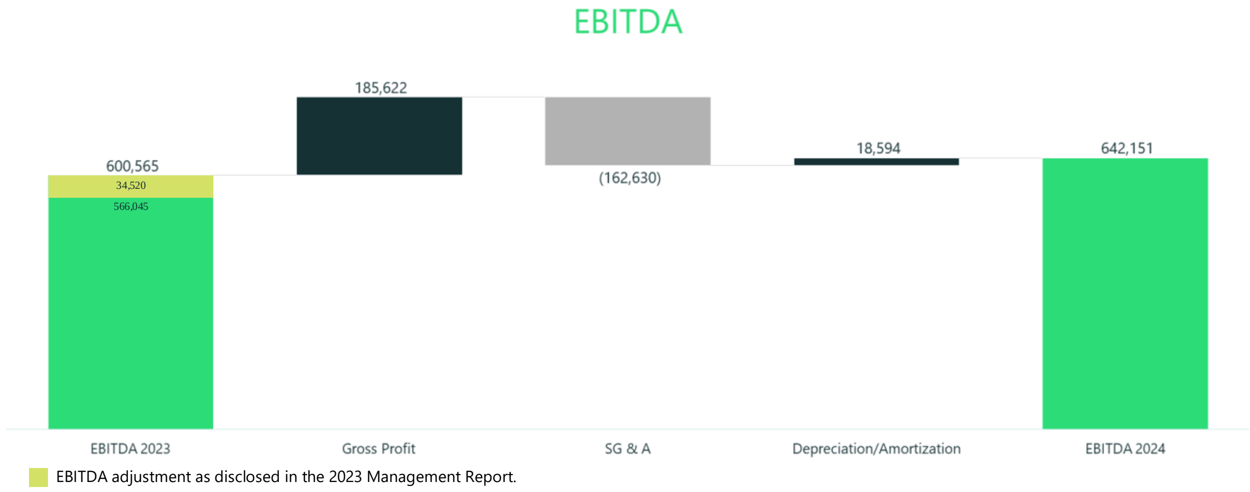
Despite the strong macro-economic pressure on costs, associated with the devaluation of the real, there was a growth of 5.8% compared to adjusted Ebitda in the fourth quarter of 2023. Considering the evolution of the result throughout the year, the sequential improvement of 0.7p.p. in the Ebitda margin in relation to the third quarter reflects the Company's ability to control expenses and price adjustments. The following table presents the quarterly data:

R$ thousands	4Q24	3Q24	Δ%	4Q23	Δ%
Net operating revenue	1,287,676	1,243,880	3.5%	1,162,421	10.8%
Gross profit	373,353	364,482	2.4%	313,221	19.2%
(-) SG & A expenses	(234,815)	(238,777)	-1.7%	(144,545)	62.4%
(+) Depreciation	15,484	14,653	5.7%	14,424	7.3%
(+) Amortization	11,293	10,176	11.0%	7,611	48.4%
EBITDA	**165,315**	**150,534**	**9.8%**	**190,711**	**-13.3%**
(+) Non-recurring cost	-	-	-	29,413	-
(-) Write-off financial debt	-	-	-	(63,933)	-
Adjusted EBITDA	**165,315**	**150,534**	**9.8%**	**156,191**	**5.8%**
% EBITDA	**12.8%**	**12.1%**	**+0.7p.p**	**16.4%**	**-3.6p.p**
% Adjusted EBITDA	**12.8%**	**12.1%**	**+0.7p.p**	**13.4%**	**-0.6p.p**

Regarding the annual evolution, as already commented in the Gross Profit section, throughout the 2024 fiscal year, the Company faced an increase in its operating costs, due to the increase in logistics costs and the depreciation of the local currency, as well as with the additional construction of inventories to face the migration of its ERP and avoid new shortages in the market due to the expected drought in the Amazon River. Facing this scenario, the Company executed price increases in its portfolio whenever necessary and controlled its expenses, which contributed to ending the year with its Ebitda margin in line with the Company's historical results. The Ebitda margin of 13.5% was 0.3p.p. lower than the adjusted margin recorded in 2023 and represents a growth of 13.4% compared to the adjusted Ebitda of the same period.

R$ thousands	2024	2023	Δ%
Net operating revenue	4,756,146	4,103,676	15.9%
Gross profit	1,462,629	1,277,007	14.5%
(-) SG & A expenses	(918,312)	(755,682)	21.5%
(+) Depreciation	55,932	52,027	7.5%
(+) Amortization	41,902	27,213	54.0%
EBITDA	**642,151**	**600,565**	**6.9%**
(+) Non-recurring cost	-	29,413	-
(-) Write-off financial debt	-	(63,933)	-
Adjusted EBITDA	**642,151**	**566,045**	**13.4%**
% EBITDA	**13.5%**	**14.6%**	**-1.1p.p**
% Adjusted EBITDA	**13.5%**	**13.8%**	**-0.3p.p**

The evolution of Ebitda throughout the year is avaliable in the chart below:



Financial Results

The negative net financial result in the fourth quarter was impacted by a significant exchange rate variation, resulting from the volatility of the local currency. In addition, the allocation of capital to the formation of higher inventories in the previous quarter, drove to the consequent reduction in cash available for financial investments, resulted in a decrease in financial income.

R$ thousands	4T24	3T24	Δ%	4T23	Δ%	2024	2023	Δ%
Finance income	48,620	51,539	-5.7%	54.402	-10.6%	202,645	222,743	-9.0%
Finance costs	(48,071)	(43,124)	11.5%	(49.925)	-3.7%	(166,959)	(214,430)	-22.1%
Exchange gains (losses), net	(26,672)	(7,978)	234.3%	1.017	-2,722.6%	(65,168)	(12,944)	403.5%

Net Income

Net income for the fourth quarter was R$127,539 thousand, 15.0% below the same period of the previous year, impacted by the negative contribution of the financial result. This amount corresponds to a net margin of 9.9%.

Regarding the 2024 fiscal year, the accumulated net income of R$528,412 thousand represents a growth of 3.4% compared to that achieved in 2023. Throughout the period, significant exchange rate variations were observed, which had a relevant impact on the second and fourth quarters of the year. On the other hand, the net margin for the year of 11.1% is in line with our historical results.

ROIC (pre-tax)

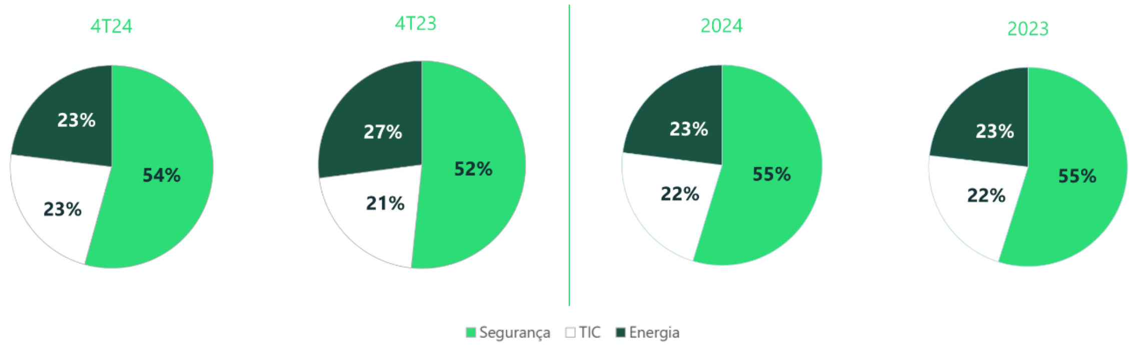
Following the strategy of greater capital allocation in inventories, which increased our capital employed by 34.6% when compared to the previous year, our ROIC showed an annual decrease of 3.7 p.p. This strategy effectively deduced the operational and supply impacts of our customers during the dry season in the Amazon River and with the transition of our ERP, but was mainly responsible for the reduction of our ROIC to the level of 18.1%.

The Company calculates its ROIC (pre-tax) based on the results of the last 12 reported months. The details of the calculation can be seen in the table below:

R$ thousands	4Q24	3Q24	Δ%	4Q23	Δ%
Operating profit before finance income (costs) LTM **(a)**	544,317	574,455		521,325	
Income tax and social contribution LTM	13,577	8,815		28,864	
NOPAT LTM (b)	**557,894**	**583,270**	**-4.4%**	**550,189**	**1.4%**
Net (cash)/debit	35,547	(173,267)		(389,154)	
Equity	2,966,536	2,867,568		2,623,522	
Capital employed (c)	**3,002,083**	**2,694,301**	**11.4%**	**2,234,368**	**34.4%**
ROIC Pre-tax (a)/(c)	**18.1%**	**21.3%**	**-3.2p.p**	**23.3%**	**-5.2p.p**
Adjusted ROIC Pre-tax	**18.1%**	**21.3%**	**-3.2p.p**	**21.8%**	**-3.7p.p**

NOTE: LTM refers to the sum of the last 12 months.

Business Segments Evolution



As observed in the charts above, the composition of our net operating income remains stable in 2023 and 2024 and is very similar to that achieved in this quarter. The following table presents net operating revenues by segment and their evolution:

R$ thousands	4Q24	4Q23	Δ%	2024	2023	Δ%
Intelbras	**1,287,676**	**1,162,421**	**10.8%**	**4,756,146**	**4,103,676**	**15.9%**
Security	699,309	600,436	16.5%	2,602,713	2,225,214	17.0%
Information and Communication Technology	291,531	247,308	17.9%	1,062,207	907,919	17.0%
Energy	296,836	314,677	-5.7%	1,091,226	970,543	12.4%

More details about the evolution of the business in each of the segments of operation are available below:

Security

Annual net operating revenue for Security reached R$2,602,713 thousand, 17.0% above the revenue realized in 2023. The portfolio and addressing strategies for markets still under development, such as Access Controllers and Smart Home equipment, have contributed significantly to this result. It is also noteworthy that in a gradual and structured way, we are growing our performance in larger projects, through our InProject distributors and our internal customer service team.

During the fourth quarter, with the expanded inventory, revenue evolved as expected and according to was observed in the market, through the sell-out reported by our distributors. Price increases were also followed by the market in general, so that commercial activities continued to heat up.

On the other hand, the sequential increase in costs due to exchange rate depreciation kept margins compressed during the fourth quarter. As the currency stabilizes, the price tables will reflect the new cost levels.

ICT

As well as observed in Security, the ICT segment achieved a 17.0% growth in its annual net operating revenue and reached the level of R$1,062,226 thousand in 2024. This growth was built based on the introduction of two new portfolios, with two relevant partnerships signed at the end of 2023.

On the other hand, revenues from KU Band converters, which had represented R$40,019 thousand in 2023, in the current fiscal year were not relevant, and reached R$6,104 thousand. Disregarding such revenues, it is observed that the segment reached 21.6% growth compared to the previous year.

In addition, during the fourth quarter of 2023, the largest share of KU Band revenue was recorded, totaling R$26,025 thousand. Considering this revenue on a comparative basis, the segment's growth was 17.9%. When excluding this revenue from the analysis, an even more significant growth of 31.7% is observed.

The Company's presence in the markets addressed by the new portfolios is still in its early stages, but moving forward with a long-term vision, structuring each step. This construction involves not only expanding the offer, but also strengthening operations and customer support, creating sustainable foundations for future growth.

In the provider channel (ISPs), we are expanding our operations by offering an increasingly complete portfolio, which includes optical networks and cables, solutions for smart homes, security and energy systems. At the same time, in the IT Integrators market, we provide a complete portfolio of enterprise networks and structured cabling, meeting demands of different customer sizes.

In addition, in 2024, we reinforced our commercial capillarity, improved after-sales support, and expanded the training offer for professional radio portfolios, further strengthening our presence in the market.

However, as already observed in the security segment, the continued increase in costs due to exchange rate depreciation kept the pressure on our margins in the last quarter of the year. We remain attentive to these challenges, adjusting strategies to ensure competitiveness and sustainability over time.

Energy

Throughout the year, our Energy segment succeeded in recovering its profitability and reducing dependence on the Solar On-Grid Generators product category. The growth of its total revenue in the segment of 12.4% reflects this strategy and raised it to the amount of R$1,091,226 thousand.

The other product categories within the Energy segment continue their growth trajectory and consolidate themselves as important business lines of the Company. This portfolio is totally adherent to our distribution channel, and has already been demonstrating its relevance, both in the Company's revenue and in its market.

In the fourth quarter, the segment shows a sequential growth in revenue, when compared to the third quarter of the year, but a decrease of 5.7% when compared to the same period of the previous year. On the other hand, even with a drop in revenue, there is a relevant improvement in gross profit, which is 64.2% higher than in the same period of the previous year, even with all the cost pressure faced during the last quarter.

Cash and Debt Position

As a result of the strategy adopted to increase inventories during the previous quarter, and the expiration of the payment terms of an important portion of this material, there was an operating cash consumption of R$117,956 thousand in this quarter, as showed in the table below:

R$ thousands	4Q24	3Q24	Δ R$	4Q23	Δ R$
Cash and cash equivalents at the beginning of the quarter	1,133,638	1,249,597	(115,959)	1,198,471	(64,833)
Net cash used in operating activities	(117,956)	1,472	(119,428)	246,849	(364,805)
Net cash used in investing activities	(64,662)	(52,218)	(12,444)	(65,263)	601
Net cash provided by financing activities	(63,051)	(65,213)	2,162	(76,888)	13,837
Cash and cash equivalents at the end of the quarter	**887,969**	**1,133,638**	**(245,669)**	**1,303,169**	**(415,200)**

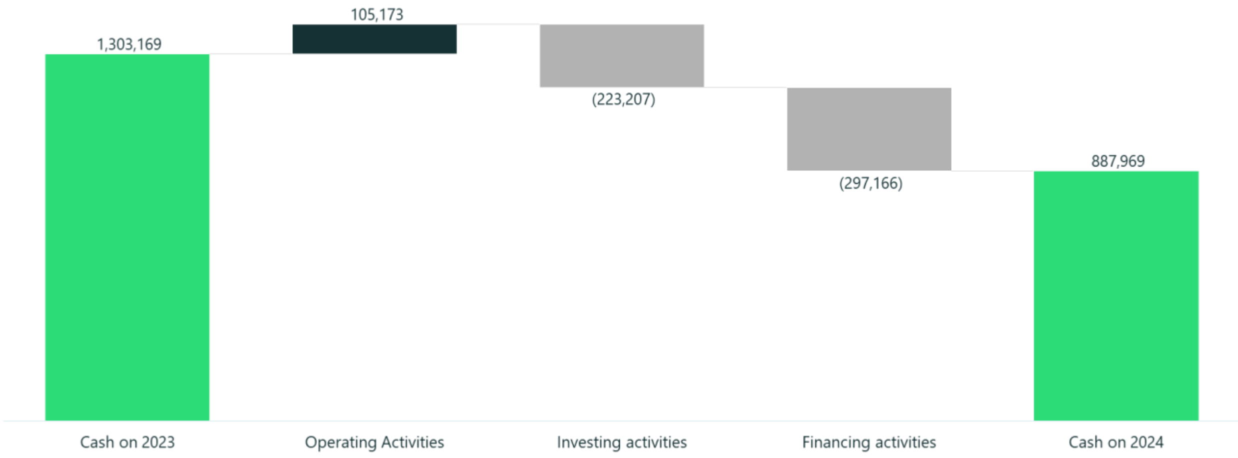
Throughout 2024, operating cash generation was lower than in the previous year, mainly due to the increase in the need for working capital due to the planned increase in inventories. This allocation to inventories is temporary, and throughout 2025 the working capital cycle should return to its historical levels.

R$ thousands	2024	2023	Δ R$
Cash and cash equivalents at the beginning of the period	1,303,169	1,556,826	(253,657)
Net cash used in operating activities	105,173	548,888	(443,715)
Net cash used in investing activities	(223,207)	(214,378)	(8,829)
Net cash provided by financing activities	(297,166)	(588,167)	291<001
Cash and cash equivalents at the end of the period	887,969	1,303,169	(415,200)

In the investment activities, in addition to the resources allocated to fixed assets that were reduced compared to 2023, the implementation of the new ERP was being developed throughout the period, which had been reported as an ongoing project in our intangible assets.

The graphical representation of the cash evolution throughout the year is available below:

Company Cash Evolution



Our debts remain at an adequate and stable level compared to the previous year and the details are available in the following table:

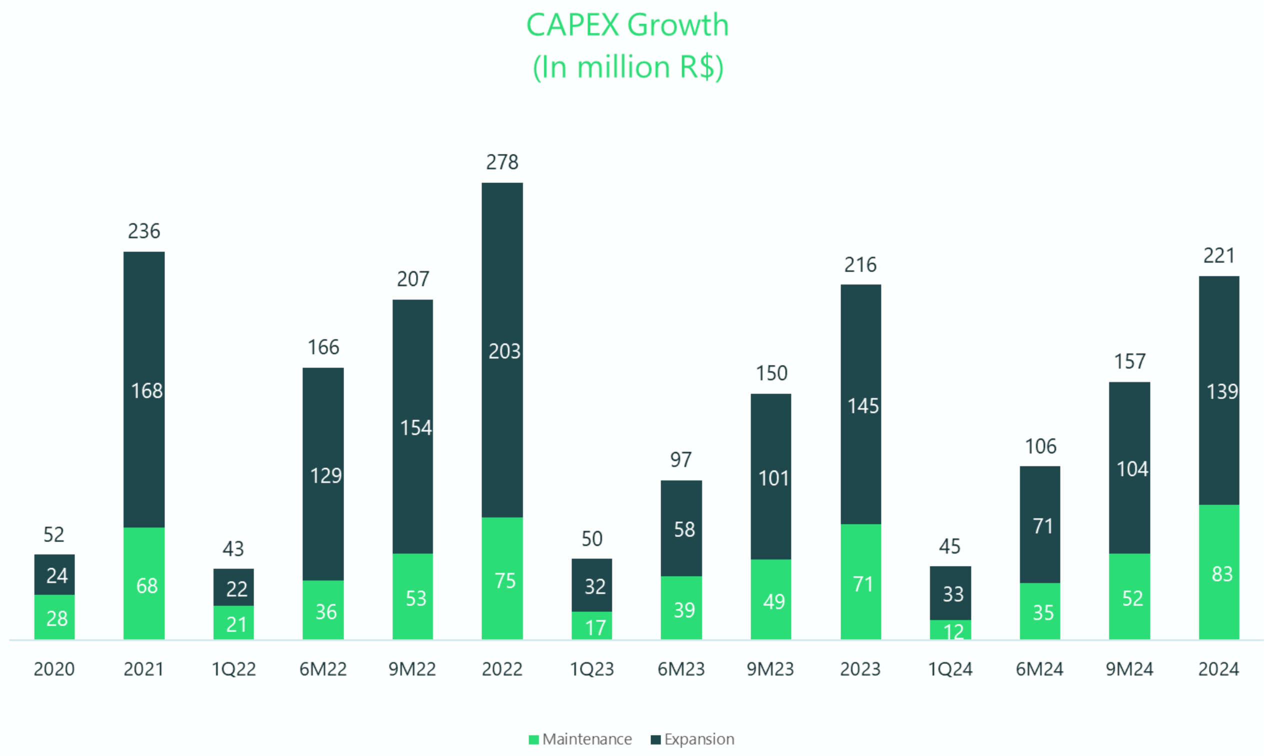
INSTITUTIONS	12/31/2024 Principal + Interest	Movement	09/30/2024 Principal + Interest	Movement	12/31/2023 Principal + Interest
BNDES	250,542	(11,424)	261,966	36,001	225,965
FINEP	147,759	(8,809)	156,568	9,579	146,989
Debentures	509,902	(14,462)	524,364	14,601	509,763
Private banks and Credit Cooperatives	15,313	(2,160)	17,473	(13,825)	31,298
Total Loans	**923,516**	**(36,855)**	**960,371**	**46,356**	**914,015**

* **NOTE**: values in R$ thousands

CAPEX

Throughout the period of 2024, the main investment in Capex expansion was the completion of the construction work of the new Distribution Center in São José/SC.

Additionally, the Company invested in the implementation of its new ERP system. This implementation represented about 40% of the expansion Capex for the entire period, completed by the end of the year, when the old system was shut down and the new system went into operation. The chart below represents the evolution of CAPEX in 2024:



Perspectives

In the last four years, several initiatives have been implemented targeting the maintenance the Company's growth pace. Many of these actions were successful, although others did not materialize as planned. The necessary adjustments are made in the budget reviews and measures to mitigate negative impacts or accelerate positive ones are immediately implemented. In this context, in addition to commercial decisions, structural decisions were also made and executed.

The year 2025 began with the operation of our new ERP, an essential tool to continue the growth plan, with a focus on improving the efficiency and governance of all processes. The projections for operations and revenues have been met, with efforts focused on reestablishing volumes during the first weeks of the year, in order to minimize any negative impact on the supply of our customers and our business.

The implementation of the new ERP required detailed planning of all areas of the Company, especially operations, which needed to work with high inventory levels to mitigate possible delays in migration. As a result, the pressure on the working capital observed during the last half of the year is not structural, and throughout 2025, it will be possible to observe the recovery of historical cycles of operation and operating cash generation.

Regarding business segments, the strategies defined in 2024 to achieve the growth reported in the period remain in place. There are significant business expansion opportunities across all three Business Units (BUs), while there are areas that require operational improvements and are being addressed. Our five-year business plan, reviewed annually, continues to project expansions in line with our longer track record, ensuring the Company has an adequate pace of growth to achieve better levels of return on invested capital.

The inauguration of our new CEO, scheduled for April 1st, 2025, begins a new cycle at the Company. His success will be based on the learning acquired throughout his professional career, as a relevant executive in the Company, and on the support of the corporate structure, continuing the achievements of the last 20 years under the leadership of the current CEO.

Thus, the continuous improvement of the new ERP, the optimization of working capital and the structured revenue growth will be the main focuses of this new management in its first year in the position.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE
INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Management of
Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Opinion

We have audited the accompanying individual and consolidated financial statements of Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2024, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira as at December 31, 2024, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and IFRS Accounting Standards, issued by the International Accounting Standards Board - IASB.

Basis for opinion

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

Key audit matters

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

Realization of deferred tax assets

Why it is a KAM	How the matter was addressed in our audit
As described in notes 4.3 and 24 to the individual and consolidated financial statements, the Company recognizes deferred tax asset balances arising from accumulated tax loss carryforwards substantially related to subsidiary Renovigi Energia Solar Ltda., which operates in the solar power segment and which reported losses in the current year. In view of this scenario, the Company needs to assess the future taxable income projections for utilization of the accumulated tax loss carryforwards and, consequently, the realization of the deferred asset. This matter was considered a key audit matter because: (i) the deferred tax assets on tax loss carryforwards recognized in the individual and consolidated financial statements are material for the audit; (ii) the estimation of the future taxable income necessary for the realization of deferred tax assets is complex and involves subjectivity in relation to the assumptions used and refers to the Executive Board’s significant judgment; (iii) changes in the assumptions adopted could have significant impacts on the individual and consolidated financial statements and the amount of deferred tax assets; and (iv) the matter gave rise to the extension of audit procedures and interactions with the Company’s Executive Board for assessing the matter.	Our audit procedures included, but were not limited to: (i) recalculating deferred taxes; (ii) assessing the reasonableness of the methodology, the significant assumptions used by the Company in the preparation of the future taxable income projection and consistency with market information and/or historical data and if they are in line with the budget approved by the Company’s governance bodies, also analyzing the Executive Board’ intention and capacity to implement the plan; and (iii) assessing the disclosures necessary for the individual and consolidated financial statements. Based on our procedures described above and the audit evidence obtained, we understand that the deferred tax asset recognition criteria and related disclosures in the notes to the individual and consolidated financial statements are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Recognition of trade amounts reported as a reduction of revenue (rebates)

Why it is a KAM	How the matter was addressed in our audit
As described in notes 3.15, 4.6 and 26 to the individual and consolidated financial statements, the Company has significant balances of trade amounts related to rebates and trade incentive programs, under which the Company offers rebates by sales volume to its customers upon the achievement of certain predefined sale targets. Discounts are presented as sales deductions, when associated with the transaction price. The Company adopts estimates based on contract criteria and historical data to estimate the adjustment to Company revenues.	Our audit procedures included, among others: (i) assessing the design and implementation of the relevant internal controls determined by the Board of Directors; (ii) obtaining an understanding of the sales incentive programs in force during the year; (iii) recalculating on a sampling basis the amounts of the sales incentives granted to customers and testing the supporting documentation, including contracts, payment or consideration receipts, to assess the accuracy of the calculations made by the Company; and (iv) assessing the disclosures required for the individual and consolidated financial statements.

Deloitte.

Why it is a KAM	How the matter was addressed in our audit
This matter was considered a key matter in our audit because: (i) the amounts recognized are considered material for the audit; (ii) there is a significant number of discount programs which are calculated using spreadsheets and involve a high degree of complexity; (iii) changes in the assumptions adopted could have a material impact on the amounts involved and, therefore, on the individual and consolidated financial statements; and (iv) the matter generated an extension of audit procedures and frequent interactions with the Company's Management to assess the matter.	Based on our procedures described above and the audit evidence obtained, we understand that the sales incentives programs recognition criteria and related disclosures in the notes to the individual and consolidated financial statements are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2024, prepared under the responsibility of the Company's Executive Board and disclosed as supplemental information for purposes of the IFRS, were subject to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. In forming our opinion, we assess whether these statements are reconciled with the other financial statements and the accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

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

The Executive Board is responsible for such other information. The other information comprises the Management Report.

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

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

Responsibilities of the Executive Board and those charged with governance for the individual and consolidated financial statements

The Executive Board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the IFRS Accounting Standards, issued by the IASB, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the individual and consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Convenience translation

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Curitiba, February 26, 2025

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Otávio Ramos Pereira
Engagement Partner

2025CB038180

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Balance Sheets

As at December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

		Consolidated		Parent	
	Note	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Assets					
Current assets					
Cash and cash equivalents	**5**	887,969	1,303,169	698,114	1,254,967
Securities	**6**	140	2,916	-	1,545
Trade receivables	**7**	1,213,341	950,998	1,214,722	897,619
Inventories	**8**	1,772,722	1,167,552	1,575,981	1,039,756
Recoverable taxes	**9**	133,012	154,276	97,221	84,174
Derivative instruments	**25.2**	28,815	-	23,845	-
Other receivables		40,784	34,839	35,853	29,838
Total current assets		**4,076,783**	**3,613,750**	**3,645,736**	**3,307,899**
Non-current assets					
Securities	**6**	10,833	9,771	10,833	9,771
Trade receivables	**7**	35,576	23,669	34,041	23,669
Escrow deposits	**17.c**	5,120	5,754	4,907	5,546
Deferred taxes	**24**	83,447	66,539	51,319	45,059
Recoverable taxes	**9**	62,794	972	8,999	4,717
Related parties	**32**	-	-	-	136,648
Other receivables		783	6,539	101	6,456
Investments	**11**	5,849	3,739	680,279	467,066
Lease right of use	**10**	17,293	12,661	11,771	7,963
Property, plant and equipment	**12**	686,234	605,335	648,907	569,531
Intangible assets	**13**	584,809	539,556	185,585	134,273
Total non-current assets		**1,492,738**	**1,274,535**	**1,636,742**	**1,410,699**
Total assets		**5,569,521**	**4,888,285**	**5,282,478**	**4,718,598**

The accompanying notes are an integral part of these financial statements.

Balance Sheets

As at December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

		Consolidated		Parent	
	Note	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Liabilities and equity					
Current liabilities					
Trade payables	**14.a**	879,200	698,061	741,888	671,309
Trade payables - forfaiting	**14.b**	340,406	179,063	327,025	179,063
Borrowings and financing	**15**	211,119	120,483	202,663	95,581
Leases	**10**	6,981	5,169	5,101	4,552
Derivative instruments	**25.2**	-	3,782	-	3,213
Payroll, related taxes and profit sharing	**16**	121,788	112,448	109,937	101,585
Taxes payable		43,915	28,822	33,461	22,481
Provision for warranties	**18**	45,042	27,394	24,198	19,243
Provision for tax, labor and civil risks	**17.a**	1,767	1,329	1,677	1,071
Payables for acquisition of businesses	**19**	979	7,706	979	7,706
Interest on capital/dividends	**21.g**	29,505	45,702	29,505	45,702
Other payables	**20**	115,669	136,327	98,086	116,241
Total current liabilities		**1,796,371**	**1,366,286**	**1,574,520**	**1,267,747**
Non-current liabilities					
Borrowings and financing	**15**	712,397	793,532	705,540	787,135
Leases	**10**	11,233	8,143	7,160	3,751
Taxes payable		1,486	979	342	957
Provision for warranties	**18**	23,050	32,518	-	-
Provision for tax, labor and civil risks	**17.a**	18,929	20,232	13,493	15,111
Payables for acquisition of businesses	**19**	25,117	26,837	25,117	26,837
Other payables	**20**	14,402	16,236	14,397	16,236
Total non-current liabilities		**806,614**	**898,477**	**766,049**	**850,027**
Equity					
Share capital	**21.a**	1,700,000	1,700,000	1,700,000	1,700,000
Capital reserve	**21.b**	(26,701)	(26,701)	(26,701)	(26,701)
Treasury shares	**21.d**	(733)	-	(733)	-
Earnings reserve	**21.c**	1,267,578	927,806	1,267,578	927,806
Valuation adjustments to equity	**21.e**	(1,125)	(969)	(1,125)	(969)
Cumulative translation adjustments	**21.f**	2,890	688	2,890	688
Equity attributable to owners of the Company		**2,941,909**	**2,600,824**	**2,941,909**	**2,600,824**
Non-controlling interests		24,627	22,698	-	-
Total equity		**2,966,536**	**2,623,522**	**2,941,909**	**2,600,824**
Total liabilities and equity		**5,569,521**	**4,888,285**	**5,282,478**	**4,718,598**

 The accompanying notes are an integral part of these financial statements.

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Statements of income

For the Years Ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

		Consolidated		Parent	
	Note	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Net operating revenue	26	**4,756,146**	**4,103,676**	**4,462,988**	**3,792,130**
Cost of sales and services	27	(3,293,517)	(2,826,669)	(3,147,351)	(2,635,830)
Gross profit		**1,462,629**	**1,277,007**	**1,315,637**	**1,156,300**
Operating income (expenses)					
Selling expenses	28	(644,734)	(560,321)	(577,892)	(485,505)
General and administrative expenses	28	(259,342)	(238,140)	(208,946)	(189,708)
Share of results of investees	11	-	-	(1,019)	(30,701)
Other operating income (expenses), net	28	(14,236)	42,779	12,399	71,219
		(918,312)	**(755,682)**	**(775,458)**	**(634,695)**
Operating profit before finance income (costs)		**544,317**	**521,325**	**540,179**	**521,605**
Financial revenue	29	202,645	222,743	196,778	228,262
Financial expenses	29	(166,959)	(214,430)	(158,326)	(198,182)
Net exchange variation	29	(65,168)	(12,944)	(55,957)	(15,626)
Profit before taxes		**514,835**	**516,694**	**522,674**	**536,059**
Current income tax and social contribution	24.b	(3,377)	(7,731)	-	(3,438)
Deferred income tax and social contribution	24.b	16,954	36,595	6,260	11,610
Profit for the year		**528,412**	**545,558**	**528,934**	**544,231**
Profit for the year attributable to:					
Owners of the Company		528,934	544,231	528,934	544,231
Non-controlling interests		(522)	1,327	-	-
Profit for the year		**528,412**	**545,558**	**528,934**	**544,231**
Basic and diluted earnings per share (in R$)	22	**1.61**	**1.66**	**1.61**	**1.66**

 The accompanying notes are an integral part of these financial statements.

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Profit for the year	**528,412**	**545,558**	**528,934**	**544,231**
Items that may be reclassified subsequently to profit or loss				
Other comprehensive income				
Exchange differences on translating foreign investments	2,985	764	2,202	598
Total comprehensive income	**531,397**	**546,322**	**531,136**	**544,829**
Comprehensive income attributable to:				
Owners of the Company	531,136	544,829	531,136	544,829
Non-controlling interests	261	1,493	-	-

 The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

					Earnings reserve									
	Note	Share capital	Share issuance costs	Treasury shares	Legal	Tax incentives	Retained earnings	Investments	Valuation adjustments to equity	Cumulative translation adjustments	Retained earnings	Equity attributable to the owners of the Company	Non-controlling interests	Total
Balance at December 31, 2022		**1,074,500**	**(26,701)**	**-**	**105,418**	**281,307**	**297,256**	**500,000**	**(833)**	**90**	**-**	**2,231,037**	**17,245**	**2,248,282**
Realization of deemed cost, net of taxes		-	-	-	-	-	-	-	(136)	-	136	-	-	-
Increase in non-controlling interests due to a business combination		-	-	-	-	-	-	-	-	-	-	-	3,960	**3,960**
Exchange differences on translating foreign investments		-	-	-	-	-	-	-	-	598	-	**598**	166	**764**
Additional dividends		-	-	-	-	-	(29,410)	-	-	-	-	**(29,410)**	-	**(29,410)**
Interest on capital		-	-	-	-	-	(38,895)	-	-	-	-	**(38,895)**	-	**(38,895)**
Increase in the investment reserve limit		-	-	-	-	-	(228,951)	228,951	-	-	-	**-**	-	**-**
Capital increase		625,500	-	-	-	(281,307)	-	(344,193)	-	-	-	**-**	-	**-**
Profit for the year		-	-	-	-	-	-	-	-	-	544,231	**544,231**	1,327	**545,558**
Allocations														
Legal reserve		-	-	-	27,212	-	-	-	-	-	(27,212)	**-**	-	**-**
Tax incentive reserve		-	-	-	-	3,099	-	-	-	-	(3,099)	**-**	-	**-**
Interest on capital		-	-	-	-	-	-	-	-	-	(52,500)	**(52,500)**	-	**(52,500)**
Dividends		-	-	-	-	-	-	-	-	-	(54,237)	**(54,237)**	-	**(54,237)**
Investment reserve		-	-	-	-	-	-	407,319	-	-	(407,319)	**-**	-	**-**
Balance at December 31, 2023		**1,700,000**	**(26,701)**	**-**	**132,630**	**3,099**	**-**	**792,077**	**(969)**	**688**	**-**	**2,600,824**	**22,698**	**2,623,522**
Realization of deemed cost, net of taxes		-	-	-	-	-	-	-	(156)	-	156	-	-	-
Increase in non-controlling interests due to a business combination		-	-	-	-	-	-	-	-	-	-	-	2,216	**2,216**
Exchange differences on translating foreign investments	**11,1**	-	-	-	-	-	-	-	-	2,202	-	**2,202**	783	**2,985**
Additional dividends	**21.g**	-	-	-	-	-	-	(58,558)	-	-	-	**(58,558)**	-	**(58,558)**
Interest on capital	**21.g**	-	-	-	-	-	-	(40,357)	-	-	-	**(40,357)**	-	**(40,357)**
Dividends of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(548)	**(548)**
Share buyback	**21.d**	-	-	(733)	-	-	-	-	-	-	-	**(733)**		**(733)**
Profit for the year		-	-	-	-	-	-	-	-	-	528,934	**528,934**	(522)	**528,412**
Allocations														
Legal	**21.c**	-	-	-	26,447	-	-	-	-	-	(26,447)	**-**	-	**-**
Minimum mandatory dividends	**21.g**	-	-	-	-	-	-	-	-	-	(90,403)	**(90,403)**	-	**(90,403)**
Investment reserve	**21.c**	-	-	-	-	-	-	412,240	-	-	(412,240)	**-**	-	**-**
Balance at December 31, 2024		**1,700,000**	**(26,701)**	**(733)**	**159,077**	**3,099**	**-**	**1,105,402**	**(1,125)**	**2,890**	**-**	**2,941,909**	**24,627**	**2,966,536**

As notas explicativas são parte integrante das demonstrações financeiras.

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

		Consolidated		Parent	
	Note	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cash flows from operating activities					
Profit before taxes		**514,835**	**516,694**	**522,674**	**536,059**
Adjusted for:					
Accrued interest and exchange differences		244,800	150,014	219,979	124,813
Depreciation	**10;12**	55,932	52,027	48,727	43,303
Amortization	**13**	41,902	27,213	24,476	10,346
Share of results of investees	**11.a**	-	-	1,019	30,701
Provisions for tax, labor and civil risks	**17.a**	3,522	976	3,321	231
Allowance for expected credit losses	**7**	7,093	6,016	6,206	5,560
Allowance for inventory losses	**8**	32,413	12,177	32,439	44,198
Tax credits	**28**	(134,214)	(120,930)	(132,633)	(119,172)
Adjustment to present value		4,971	(1,547)	4,631	(1,166)
Accrued trade discounts		(351)	18	(558)	(172)
Provision for warranties	**18**	8,180	(12,052)	4,955	(1,087)
Derivative financial instruments		(34,869)	7,253	(29,330)	6,891
Gain (loss) on write-off of financial liability	**19**	-	(63,933)	-	(63,933)
Gain (loss) on write-off of leases, property, plant and equipment and intangible assets	**10;12;13**	11,722	17,667	10,020	17,013
		755,936	**591,593**	**715,926**	**633,585**
Changes in assets and liabilities					
(Increase) decrease in trade receivables		(286,622)	(132,224)	(339,289)	(126,867)
(Increase) decrease in inventories		(632,913)	185,433	(564,320)	80,436
(Increase) decrease in recoverable taxes		93,656	106,627	115,304	99,093
(Increase) decrease in escrow deposits		634	(994)	639	(918)
(Increase) decrease in other assets		2,205	(11,486)	823	(13,362)
Increase (decrease) in trade payables		182,262	(175,011)	138,080	(93,757)
Increase (decrease) in payroll, related taxes and profit sharing		9,340	(6,558)	8,352	(6,259)
Increase (decrease) in taxes payable		14,877	(3,161)	9,303	(2,802)
Increase (decrease) in other payables		(26,411)	4,877	(23,942)	35,992
Income tax and social contribution paid		(7,791)	(10,208)	(4,075)	(6,271)
Net cash provided by operating activities		**105,173**	**548,888**	**56,801**	**598,870**
Cash flows from investing activities					
Acquisition of property, plant and equipment items	**12;33**	(136,587)	(171,080)	(128,067)	(162,862)
Acquisition of intangible assets	**13**	(84,510)	(42,743)	(76,776)	(40,812)
Acquisitions on investments in subsidiaries (net of cash and cash equivalents acquired)	**11;33**	-	(1,985)	-	(9,131)
Capital increase in investee	**11;33**	-	-	(143,990)	(58,228)
Dividends received	**11**	-	-	10,246	5,500
Intragroup loans		-	-	-	(142,400)
Acquisition (write-off) of other investments	**11**	(2,110)	1,430	(2,081)	1,450
Net cash used in investing activities		**(223,207)**	**(214,378)**	**(340,668)**	**(406,483)**
Cash flows from financing activities					
Borrowings (net of borrowing costs)	**15**	131,609	29,350	94,792	27,000
Borrowings repaid (principal)	**15**	(131,320)	(219,398)	(75,754)	(79,984)
Borrowings paid (interest)	**15**	(78,625)	(90,438)	(75,895)	(86,342)
Payment of lease (principal)	**10**	(6,895)	(7,586)	(5,511)	(5,346)
Payment of lease (finance charges)	**10**	(1,543)	(1,731)	(774)	(301)
Payables for acquisition of businesses (principal)	**19**	(8,267)	(115,338)	(8,267)	(115,338)
Payables for acquisition of businesses (interest)	**19**	(466)	(9,821)	(466)	(9,821)
Share buyback program	**21.d**	(733)	-	(733)	-
Payment of dividends of non-controlling interests		(548)	-	-	-
Dividends paid	**21.g**	(119,456)	(83,647)	(119,456)	(83,647)

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(In thousands of Brazilian reais – R$, unless otherwise stated)

Interest on capital paid	**21.g**	(80,922)	(89,558)	(80,922)	(89,558)
Cash used in financing activities		**(297,166)**	**(588,167)**	**(272,986)**	**(443,337)**
Decrease in cash and cash equivalents, net		**(415,200)**	**(253,657)**	**(556,853)**	**(250,950)**
Cash and cash equivalents at beginning of year	**5**	**1,303,169**	**1,556,826**	**1,254,967**	**1,505,917**
Cash and cash equivalents at end of year	**5**	**887,969**	**1,303,169**	**698,114**	**1,254,967**

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira

Statements of Value Added

For the Years Ended December 31, 2024 and 2023
(In thousands of Brazilian reais – R$, unless otherwise stated)

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Revenue	**5,665,165**	**4,917,270**	**5,361,971**	**4,579,169**
Sale of goods and services, net of returns	5,600,622	4,702,269	5,300,131	4,368,949
Revenue from the construction of own assets	37,120	99,970	37,120	99,970
Other income	34,516	121,047	30,926	115,810
Allowance for expected credit losses	(7,093)	(6,016)	(6,206)	(5,560)
Inputs purchased from third parties	**(4,234,113)**	**(3,231,879)**	**(3,945,711)**	**(2,937,240)**
Costs of sales and services	(3,238,503)	(2,439,622)	(3,090,959)	(2,295,148)
Supplies, power, outside services and other inputs	(993,799)	(791,470)	(852,941)	(641,305)
Loss/recovery of assets	(1,811)	(787)	(1,811)	(787)
Gross value added	**1,431,052**	**1,685,391**	**1,416,260**	**1,641,929**
Depreciation and amortization	**(97,834)**	**(79,240)**	**(73,203)**	**(53,649)**
Wealth created by the Company	**1,333,218**	**1,606,151**	**1,343,057**	**1,588,280**
Wealth received in transfer	**490,207**	**372,172**	**461,065**	**327,308**
Share of results of investees	-	-	(1,019)	(30,701)
Finance income and exchange gains	490,207	372,172	462,084	358,009
Total wealth for distribution	**1,823,425**	**1,978,323**	**1,804,122**	**1,915,588**
Wealth distributed	**1,823,425**	**1,978,323**	**1,804,122**	**1,915,588**
Personnel	**581,272**	**505,708**	**563,764**	**490,775**
Salaries and wages	467,859	412,348	452,705	399,104
Benefits	85,312	69,245	83,859	68,358
Severance Pay Fund (FGTS)	28,101	24,115	27,200	23,313
Taxes, fees and contributions	**189,880**	**545,837**	**228,114**	**533,091**
Federal	71,318	95,789	93,240	88,368
State	114,070	447,297	131,920	443,469
Municipal	4,492	2,751	2,954	1,254
Lenders and lessors	**523,861**	**381,220**	**483,310**	**347,491**
Interest and exchange losses	518,310	375,493	478,213	342,244
Leases	5,551	5,727	5,097	5,247
Shareholders	**528,412**	**545,558**	**528,934**	**544,231**
Interest on capital and dividends paid	90,403	106,737	90,403	106,737
Earnings retained in the year	438,009	438,821	438,531	437,494

 The accompanying notes are an integral part of these financial statements.

1. General information

Intelbras S.A. - Indústria de Telecomunicação Eletrônica Brasileira ("Company" or "Intelbras") is a publicly-held company, incorporated on March 22, 1976, headquartered in the City of São José (SC). It owns a branch in the City of São José (SC) itself and branches in the cities of Tubarão (SC), Santa Rita do Sapucaí (MG), Manaus (AM), and Jaboatão dos Guararapes (PE). It also has subsidiaries in Brazil in the cities of Florianópolis (SC), Chapecó (SC), and São José (SC) and overseas, in China, Colombia, and Uruguay.

The Company is primarily engaged in the manufacture, development, and sale of (i) electronic security equipment and electronic surveillance and monitoring services; (ii) consumer voice and/or data communications devices and equipment, professional voice and/or data communications equipment, services and means, network equipment, data communications infrastructure means and solutions; and (iii) power and solar power products.

The Company is listed at the "Novo Mercado" segment of B3 since February 2021 and its shares are traded under ticker symbol "INTB3".

These individual and consolidated financial statements were approved and authorized for issue at the Board of Directors' meeting held on February 25, 2025.

1.1 Business combination - Acquisition of Allume

On October 6, 2023, the Company entered into a Share Purchase and Sale Agreement and Other Covenants, whereby it has acquired 55% of the shares of Allume Holding S.A.S. ("Allume" or "Acquiree"), a company with which the Company already had a business relationship. Founded in 1997 in Cali, Colombia, the acquiree resells products related to electronic security, networks, communication, building automation and power management, offering own and third-party products.

The acquiree owns four direct subsidiaries and is one of the leading companies in the Colombian market, recognized for its scope and excellence in the service to local distributors and resellers. The Company discloses further information on this acquisition in Note 11.2.

1.2 Aunady S.A.

During the year ended December 31, 2024, through establishment of Aunady S.A., the Company started operations in Uruguay with a view to strengthening its presence in this country. The subsidiary will intermediate the Company's sales to Uruguay and will provide greater support to local distributors and resales.

2. Basis of preparation and presentation of the financial statements

2.1. Basis of preparation and presentation

The Company's individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the Brazilian Corporate Law and International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB, and interpretations issued by the International Financial Reporting Interpretations Committee ((“IFRIC”), implemented in Brazil through the Accounting Pronouncements Committee (CPC) and its technical interpretations (ICPC) and guidelines ((OCPC), approved by the Brazilian Securities and Exchange Commission (CVM).

The individual and consolidated financial statements have been prepared based on historical cost, unless otherwise stated.

The individual and consolidated financial statements have been prepared in the normal course of business and based on the assumption that the Company will continue as a going concern. Management assesses its ability to continue as a going concern when preparing the individual and consolidated financial statements.

The statement of value added (DVA) is presented as supplemental information, as required by the standards issued by the CVM, and is not a statement provided for and mandatory in accordance with the IFRS. Its purpose is to disclose the Company's wealth during the period and show its distribution between the several stakeholders.

All relevant information reported in the individual and consolidated financial statements, and only this information, is being disclosed, and corresponds to the information used by Management to manage the Company.

2.2. Functional and presentation currency

The individual and consolidated financial statements are presented in thousands of Brazilian reais (R$), which is the Company's functional and presentation currency, except as otherwise indicated. All financial information presented in thousands of Brazilian reais has been rounded to the nearest thousand.

The financial statements of each subsidiary included in the consolidation are prepared using the functional currency of each investee. When defining the functional currency of each investee, Management considered which currency significantly influences the sales price of the services provided and the currency in which most of the cost of services is paid or incurred.

(In thousands of Brazilian reais – R$, unless otherwise stated)

2.3. Basis of consolidation

The consolidated financial statements comprise the Company and its subsidiaries for the years ended December 31, 2024 and 2023, as follows:

Name	Core business	Country	Equity interest - % 12/31/2024	Equity interest - % 12/31/2023	Ownership interest
Ascent Asia Limited	Corporate consulting and management	China	100%	100%	Direct
Ascend Trading & Consultation (Shenzhen) Company Limited. **(a)**	Provision of corporate consulting and logistics services	China	100%	100%	Indirect
Décio Indústria Metalúrgica Ltda.	Manufacturing of server frames	Brazil	100%	100%	Direct
Seventh Ltda.	Provision of video monitoring, access control, remote reception, and event management solutions	Brazil	100%	100%	Direct
Khomp Indústria e Comércio Ltda.	Development of electric and electronic telecommunication and IT products and provision of consulting services	Brazil	75%	75%	Direct
Expectrun Tecnologia da Informação Ltda. **(b)**	Development of SaaS through IoT in Box application platforms	Brazil	70%	70%	Indirect
Renovigi Energia Solar Ltda.	Manufacturing, sale and installation of photovoltaic generators	Brazil	100%	100%	Direct
Allume Holding S.A.S.	Investments in Colombian and foreign companies	Colombia	55%	55%	Direct
Lince Comercial S.A.S. **(c)**	Wholesale distributor of products related to electronic security, building automation, and power management	Colombia	100%	100%	Indirect
UXE S.A.S. **(c)**	Distributor of Lince Comercial S.A.S. products	Colombia	100%	100%	Indirect
Modo Seguridad 365 S.A.S. **(c)**	Sale of electronic security systems and devices	Colombia	100%	100%	Indirect
Emer-Tech LLC. **(c)**	Sale of IT-related products and peripherals	United States	100%	100%	Indirect
Aunady S.A.	Sales consulting	Uruguay	100%	-	Direct

(a) Investee of Ascent Asia Limited.
(b) Investee of Khomp Indústria e Comércio Ltda., which holds 70% stake in this subsidiary.
(c) Investees of Allume Holding S.A.S., which holds 100% stake in these subsidiaries.

The Company assesses whether it exercises control or not over an investee if facts and circumstances indicate that the following elements of control are present: has power over the investee; is exposed or is entitled to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect the amount of its returns.

The criteria adopted in consolidation are those set out in technical pronouncement CPC 36/IFRS 10 - Consolidated Financial Statements, including the following:

- the subsidiaries' financial statements are included in the consolidated financial statements from the date on which control is achieved until the date on which it ceases to exist.
- all intragroup balances are eliminated.
- elimination of investment balances proportionally to the respective equity.
- reclassification of surplus according to the nature of each balance.
- unrealized profits from transaction between the consolidated companies were filly eliminated.

The Company does not hold investments in associates or joint ventures.

3. Material accounting policies

The accounting policies described below have been consistently applied to all reporting periods of these individual and consolidated financial statements.

3.1 Business combination

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the sum of the consideration transferred, based on the fair value on the acquisition date, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer must measure non-controlling interests in the acquiree at fair value or based on its share of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred in relation to the net assets acquired (identifiable net assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost, minus any accumulated impairment losses. For impairment testing, after the acquisition date, the goodwill acquired on a business combination is allocated to each of the Company's cash-generating units that are expected to benefit from the combination synergies, regardless of other assets or liabilities of the acquiree attributable to these cash-generating units.

When goodwill is part of a cash-generating unit and a portion of such unit is sold to third parties that are not under the Company's control, the goodwill associated with the portion sold should be included in transaction costs when the gain or loss on sale is determined. The goodwill disposed of under these circumstances is determined based on the proportional amounts of the portion disposed of in relation to the cash-generating unit maintained.

3.2 Foreign currency

Foreign currency-denominated transactions, i.e., all transactions carried out in a currency other than the functional currency, are translated at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Exchange gains and losses arising from translating monetary assets and liabilities are recognized in the statement of income. Non-monetary assets and liabilities acquired or contracted in foreign currency are translated at the exchange rates prevailing at the transaction dates or at the dates fair value is determined when this is used. Gains and losses arising from changes in foreign investments are directly recognized in equity, in 'Cumulative translation adjustments'.

Assets and liabilities from foreign operations are translated into Brazilian reais (R$), functional currency, at the exchange rates prevailing at the reporting date. Income and expenses from foreign transactions are translated into Brazilian reais at the exchange rates.

3.3 Financial instruments

(i) Non-derivative financial assets

Initial recognition

Financial assets are initially recognized at the trade date when the Company becomes a party to the underlying contract, and are classified as (i) subsequently measured at amortized cost; (ii) at fair value through other comprehensive income ("FVTOCI"); and (iii) at fair value through profit or loss ("FVTPL").

The classification of financial assets on initial recognition depends on their contractual cash flow characteristics and the Company's business model for managing these assets. That is, how the Company manages its financial assets to generate cash flows. Accordingly, the business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

A financial asset is classified and measured at amortized cost or at fair value through other comprehensive income, when it generates cash flows that are "solely payments of principal and interest on the principal amount outstanding. Such an assessment is performed by financial instrument. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model adopted.

A financial asset is initially measured at fair value plus, for an item not measured at fair value through profit or loss, the transaction costs that are directly attributable to its acquisition or issue. For trade receivables without a significant financing component, the initial measurement is carried out at the transaction price.

Subsequent recognition

For purposes of subsequent measurement, financial assets are classified into the category described below:

Amortized cost: Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Any gains and losses are recognized in profit or loss when an asset is derecognized, modified or impaired. The Company's financial assets in this category include mainly cash and cash equivalents, securities and trade receivables.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the asset's cash flows expire or when it transfers the rights to receiving contractual cash flows from a financial asset under a transaction that substantially transfers all the risks and rewards of ownership of the financial asset. Any interests created or retained by the Company in the financial assets are recognized as an individual asset or liability.

Financial assets or financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and the intention to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Financial liabilities

Initial recognition

The Company recognizes debt instruments issued and liabilities on the date they are originated. All other financial liabilities are initially recognized on the trade date when the Company becomes a party to the underlying contract.

On initial recognition, financial liabilities are classified as (i) financial liabilities at fair value through profit or loss; or (ii) financial liabilities at amortized cost.

All financial liabilities are initially measured at fair value, plus or less, in the case of financial liabilities that are not measured at fair value through profit or loss, transaction costs that are directly attributable to the issuance of the financial liability.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified into the category described below:

Financial liabilities at amortized cost (borrowings and financing): after initial recognition, interest-bearing loans and financing are subsequently measured at amortized cost, using the effective interest method. Any gains and losses are recognized in profit or loss when liabilities are derecognized, as well as in the amortization process of the effective interest rate. The amortized cost is calculated considering any negative goodwill, goodwill, or gain from a bargain purchase and any rates or costs that are an integral part of the effective interest method. The Company's other financial liabilities in this category include mainly trade payables and other payables arising from business acquisitions.

Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or when they are paid. When an existing financial liability is replaced for another from the same lender under substantially different terms, or the terms of the existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

(iii) Derivative financial assets and financial liabilities

The Company conducts uses derivative financial instruments to manage its exposure to foreign exchange fluctuations. The transactions conducted are recognized at fair value through profit or loss and the balances are recognized in assets and/or liabilities as a contra entry to finance income (costs), in the statement of income. For details on derivative transactions, see Note 25.

3.4 Cash and cash equivalents

Include cash, bank deposits and short-term investments redeemable within 90 days from the investment date, considered highly liquid or convertible into a known amount of cash, which are subject to an insignificant risk of change in value and carried at cost plus income earned through the end of the reporting periods, which does not exceed their fair or realizable values.

3.5 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the average acquisition or production cost and includes expenses incurred on the acquisition of inventories, production and processing costs and other costs incurred to bring them to their location and existing conditions. In the case of manufactured inventories and work in process, cost includes a share of overheads based on normal operating capacity.

The net realizable value is the estimated sales price in the ordinary course of business, less estimated completion costs and selling expenses.

3.6 Investments

The investment in a subsidiary is accounted for under the equity method. Exchange gains and losses arising from foreign investments are recognized 'Cumulative translation adjustments' in equity.

The results of operations and financial position of all entities, whose functional currency is different from the presentation currency, are translated into the presentation currency as follows:

(i) Assets and liabilities in the balance sheet are translated using the exchange rate at the end of the reporting period.

(ii) Income and expenses in the statement of income are translated using the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates in effect at the transaction dates and, in this case, income and expenses are translated using the exchange rates prevailing at the transaction dates).

(iii) All foreign exchange differences are recognized as a separate component in equity, in 'Valuation adjustments to equity'.

3.7 Property, plant and equipment

Recognition and measurement

Property, plant equipment items are measured at the historical acquisition, formation or construction cost, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of assets built by the entity itself includes costs of materials and direct labor, any other costs for bringing the asset to the place and condition necessary for it to be capable of operating in the manner intended by Management, the costs of dismantling and restoring the place where such assets are located, as well as loan costs on qualifying assets. Gains and losses on disposal of a property, plant and equipment item are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognized at their net amount in 'Other income' in profit or loss.

Subsequent expenditures

Subsequent costs are capitalized to the extent it is probable that future benefits associated with such costs will flow into the Company. Recurring maintenance and repair costs are recorded in profit or loss.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset or another cost value. The residual value of the assets written off is usually immaterial and, for this reason, it is not considered in determining the recoverable amount.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives of property, plant and equipment items for the current year and comparative period are as follows:

	Useful lives
Buildings	80 years
Machinery, equipment and instruments	5-11 years
Furniture and fixtures	15 years
Facilities and improvements	10-25 years
Computers	3-5 years
Other	3-5 years

Other additions are capitalized only when there is an increase in the economic benefits of the related property, plant and equipment item. Any other type of expenditure is expensed when incurred.

The depreciation methods, useful lives and residual values are reviewed at each reporting date and potential adjustments are recognized as a change in accounting estimates.

Interest capitalization

Borrowing costs directly related to the acquisition, construction or production of an asset that necessarily requires a significant time to be completed for use or sale are capitalized as part of the cost of the corresponding asset. All other borrowing costs are recognized as expenses as incurred. Borrowing costs comprise interest and other costs incurred by the Company related to the loan.

3.8 Intangible assets

(i) Goodwill

Goodwill arising from the acquisition of subsidiaries is recorded in the Parent Company's financial statements as part of the investment and together with intangible assets in the consolidated financial statements.

Goodwill is measured at cost, minus accumulated impairment losses, when applicable. Goodwill is tested for impairment on an annual basis or whenever the circumstances indicate it might be impaired.

Goodwill is allocated to a Cash-generating Unit (CGU) for impairment testing purposes. The allocation is made to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that originated the goodwill.

Given that the useful life of goodwill is indefinite, these assets are not amortized and are instead annually subject to an impairment test, regardless of whether there are any risk indicators.

(ii) Non-compete agreement

Non-compete agreements acquired in a business combination are recognized at fair value on the acquisition date. Non-compete agreements have finite useful lives and are accounted for at cost minus accumulated amortization. Amortization is calculated on a straight-line basis during the expected life of the non-compete agreement, which is estimated in five years.

(iii) Trademarks and patents

Trademarks and patents are initially stated at historical cost. Trademarks and patents acquired in a business combination are recognized at fair value on the acquisition date. Subsequently, trademarks and patents with finite useful lives are accounted for at cost, less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful life between 8 and 14 years.

(iv) Projects in progress

Directly attributable costs on projects that are capitalized as part of the project product include costs on employees allocated to project development and an appropriate share of direct expenses.

Development costs that do not meet the capitalization criteria are recognized as expenses, when incurred. Development costs previously recognized as expenses are not recognized as assets in a subsequent period.

Software/project development costs recognized as assets are amortized on a straight-line basis over their useful lives.

(v) Customer relationship

Contractual relationships with customers, acquired in a business combination, are stated at their fair value on the acquisition date. Contractual relationships with customers have finite useful lives and are accounted for at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated life of the relationship with the customer, which is estimated at 14 years.

(vi) Software

Software development or maintenance costs are expensed when incurred. Expenses directly associated to exclusive, identifiable software, controlled by the Company, which will probably generate economic benefits higher than the costs during more than one year are recognized as intangible assets. Direct expenses include the compensation payable to the software development team and the appropriate portion of related general expenses. Expenses on software performance improvement or expansion beyond original specifications are added to the original software cost. Amortization is recognized on a straight-line basis, based on the estimated useful lives of software, estimated in five years.

3.9 Financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is assessed on each reporting date to determine whether there is objective evidence that it might be impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows that can be reliably estimated.

Objective evidence that the financial assets are impaired may include default or delinquency in payment by the borrower, the restructuring of the amount due to the Company on terms that the Company would not otherwise consider, or indications that a borrower will file for bankruptcy or court-ordered reorganization.

3.10 Financial assets measured at amortized cost

The Company considers evidence of impairment for loans and receivables. All significant loans and receivables are assessed concerning the loss of a specific amount. Receivables that are not individually significant are collectively tested for impairment by grouping together receivables with similar risk characteristics.

In collectively testing assets for impairment, the Company uses historical trends of the likelihood of default, the recovery timing and the loss amount incurred, adjusted to reflect Management's judgment as to the assumptions if the current economic and credit conditions are such that actual losses are likely to be greater or lower than suggested by historical trends.

An impairment of a financial asset measured at amortized cost is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective original interest rate of the asset. Impairment losses are recognized in profit or loss and reflected in an allowance account as a contra entry to receivables. Interest on an impaired asset continues to be recognized through the reversal of the discount. When a subsequent event indicates the reversal of impairment, the impairment loss is reversed and recognized in profit or loss.

3.11 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred income tax and social contribution, are analyzed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Whenever evidence of impairment is identified and the carrying amount exceeds the recoverable amount, an allowance for impairment is recognized to adjust the net carrying amount to the recoverable amount. Inventories are monthly assessed and an allowance for inventory obsolescence losses is recorded, as described in note 4.5.

For goodwill and intangible assets with indefinite useful lives, the recoverable amount is estimated annually. The recoverable amount of an asset or a certain cash-generating unit is defined as the higher of the value in use and the net sales value.

In estimating the value in use of the asset, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. Details on the assumptions adopted are described in Note 13.

Except for the allowance for inventory losses (Note 8), Management did not identify any indication that would evidence that non-financial assets are impaired.

3.12 Trade receivables

Trade receivables are amounts owed by customers for goods sold or services provided in the ordinary course of business. Trade receivables are initially recognized at the amount of the consideration that is unconditional, unless they contain significant financial components, when they are recognized at fair value. The Company holds amounts receivable, with the purpose of receiving contractual cash flows, subsequently measuring them at amortized cost.

The Company applies the simplified approach of technical pronouncement CPC 48 (international standard IFRS 9) - Financial Instruments to measure the expected credit losses. Allowances for impairment of trade receivables are measured by applying the average historical losses realized and expected for the year on the outstanding receivables at the end of the year.

3.13 Employee benefits

The Company grants benefits to its employees, such as meal ticket, health care plan, transportation voucher and variable compensation. The Company does not have benefits classified as defined benefit in the reporting years.

Short-term employee benefit obligations are measured on an undiscounted basis and recognized as expenses as the related service is provided.

The liability is recognized at the amount expected to be paid under the cash bonus plan or short-term profit-sharing, if the Company has a legal or constructive obligation to pay this amount due to a past service provided by the employee and the obligation can be reliably estimated.

The Company recognizes a liability and profit-sharing expenses in profit or loss based on a policy approved by Management and disclosed to employees. The Company recognizes an accrual when it is contractually required or when there is a past practice that created a constructive obligation.

3.14 Provisions

A provision is recognized as a result of a past event if the Company has a legal or constructive obligation that can be reliably estimated and an outflow of funds will probably be required to settle the obligation. If the timing effect of the amount is significant, provisions are determined by discounting expected future cash flows at a pretax rate that reflects the current market assessments of the time value of money and liability-specific risks. Significant provisions are mentioned in Note 4.

3.15 Operating revenue

The Company's revenues derive solely from the sale of security, communication and energy products, as described in Note 1.

Revenue is recognized at fair value when the following conditions are met:

i) control over the goods is transferred to the buyer;

ii) the Company no longer holds control or responsibility for the goods sold;

iii) the economic benefits for the Company are probable; and

iv) the services are provided.

Revenue is measured based on the consideration that the Company expects to receive under a contract with a customer. Sales revenue is stated net of returns, including taxes on sales.

The amount of revenue is accounted for net of expected returns and cancellations.

There is a significant financing component in contracts considering the period between the date payment is received and control over this equipment is transferred, as well as market interest rates. Accordingly, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (see Note 7).

The Company maintains sales discount and incentive programs, through which it offers rebates based on the sales volume contracted by customers. Discounts may be granted by the customer category or when the quantity of goods acquired during the period exceeds the limit set out in a contract. Rebates are offset against amounts payable by the customer or financial payments. The Company applies the expected value method to estimate the variable consideration under a contract. Thereafter, the Company applies the requirements on the estimated variable consideration to adjust sales prices.

3.16 Tax incentives

Government grants are recognized when there is reasonable assurance that the conditions established by the government grantors are met, calculated, and governed according to the contracts, arrangements and laws applicable to each benefit.

The effects on profit or loss are recorded in the accounting records on an accrual basis, where gains relating to Financial credit - Law No. 13969/19 are accounted for in 'Other operating income (expenses)', net, as shown in Notes 9 and 28, and other gains are recognized as sale deductions. The financed amounts are accounted for in current and non-current liabilities and adjusted according to the respective contracts.

3.17 Finance income and costs

Finance income comprise interest income on short-term investments, present value adjustment and other sundry income. Such interest income is recognized in profit or loss.

Finance costs comprise interest expenses on loans, finance charges on taxes, and present value adjustment. Such interest expenses are recognized in profit or loss.

The Company also recognizes expenses on exchange rate changes, which are also accounted for directly in profit or loss. Loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are accounted for in profit or loss using the effective interest method.

3.18 Income tax and social contribution

Current and deferred income tax and social contribution for the year are calculated at the rates of 15% for income tax, plus a 10% surtax on taxable income exceeding R$240 (annual basis), and 9% on taxable income for social contribution, considering the offset of income tax and social contribution loss, limited to 30% of taxable income.

Income tax and social contribution expense comprises current and deferred income taxes. Current and deferred taxes are recognized in profit or loss.

Current tax is the expected tax payable or receivable on taxable income or loss for the year, using tax rates enacted at the end of the reporting period, and any adjustment to taxes payable in relation to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the corresponding amounts used for taxation purposes. The deferred tax is measured at the rates that are expected to be applied on temporary differences when they reverse, based on the laws that have been enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same tax authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized by unutilized tax losses, tax credits and deductible temporary differences when it is probable that future income subject to taxation will be available and against which they will be utilized. Deferred income tax and social contribution assets are reviewed at the end of each reporting period and reduced to the extent that their realization is no longer probable.

3.19 Present value adjustment of assets and liabilities

Long-term and short-term monetary assets and liabilities are adjusted to present value when the effect is considered material in relation to the financial statements taken as a whole. The present value adjustment is calculated considering contractual cash flows and the explicit, and in certain cases, implicit interest rates of the respective assets and liabilities.

Accordingly, the interest embedded in revenues, expenses and costs related to these assets and liabilities is discounted for recognition on an accrual basis.

The adjustment to present value of resales in installment is recorded in 'Trade receivables'. Its realization is recognized in 'Revenue from resale of goods', according to maturity.

The present value adjustment relating to the purchase of goods for resale is recorded in line item 'Trade payables', with a contra entry to line item 'Inventories'. Its reversal is recorded in line item 'Cost of resales and services' according to maturity.

3.20 Classification as current and non-current

The Company recognizes assets and liabilities in the balance sheet based on their classification as current or non-current. Assets are classified as current when:

(i) assets are expected to be realized, or available for sale or consumption in the entity's normal operating cycle;

(ii) assets are primarily held for trading;

(iii) assets are expected to be realized within 12 months after the reporting date; and

(iv) assets correspond to cash or cash equivalents (as defined in technical pronouncement CPC 03 R1 (international standard IAS 7) - Statement of Cash Flows) unless they are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities are classified as current when:

(i) liabilities are expected to be settled in the entity's normal operating cycle;

(ii) liabilities are primarily held for trading;

(iii) liabilities are expected to be settled within 12 months after the reporting date; and

(iv) the entity has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified in non-current assets and liabilities.

3.21 Statement of value added

This statement is intended to disclose the wealth created by the companies and its distribution during a given year, and is presented as required by the Brazilian Corporate Law. Such statement has been prepared based on information obtained from the accounting records used as a basis for the preparation of the financial statements, supplementary records and in accordance with the provisions of technical pronouncement CPC 09 - Statement of Value Added.

3.22 Profit distribution

Shareholders are entitled to minimum dividend of 25% of the adjusted profit for the year in conformity with the Chapter VI of the Company’s bylaws and the Brazilian Corporate Law.

The Company recognizes a liability for dividend payment when such distribution becomes a present obligation at the end of the reporting period, related to the portion of mandatory minimum dividend not prepaid and/or supplementary dividends, which distribution was duly approved by the end of the reporting period.

3.23 New accounting standards

The Company applied the following amendments to the IFRS mandatorily effective for the annual period beginning on January 1, 2024, which did not result in any significant impact on the disclosures in the financial statements:

- Amendments to international standards **IAS 7/CPC 03 (R2) and IFRS 7/CPC 40 (R1)** *Supplier Finance Arrangements* that add the need to disclose information about supplier finance arrangements that allow users of financial statements to assess the effects of these arrangements on an entity’s liabilities, cash flows, and exposure to liquidity risk;

- Amendments to international standard **IAS 1/CPC 26 (R1)** *Classification of Liabilities as Current or Non-Current*, which clarify that the classification of liabilities as current or non-current is based on the rights existing at the end of the reporting period. In addition, they specify that the classification is not affected by expectations as to whether an entity will exercise its right to defer settlement of the liability and explain that the rights exist if the restrictive covenants are met at the end of the period;

- Amendments to international standard **IAS 1/CPC 26 (R1)** *Presentation of Financial Statements - Non-current Liabilities with Covenants*, which indicates that only covenants that an entity must meet on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least 12 months after the reporting date;

- Amendments to international standard **IFRS 16/CPC 06 (R2)** *Leases - Lease Liabilities in a Sale and Leaseback Transaction* that add subsequent measurement requirements for sale and leaseback transactions that meet the requirements of IFRS 15 for purposes of sale accounting.

For the year ended December 31, 2024, the Company elected not to early adopt any standard, interpretation or amendment that has been issued. The new and revised IFRSs issued but not yet applicable are listed below:

- **IFRS 18** *Presentation and Disclosures in Financial Statements*: the Company is currently working to identify all the impacts that the amendments will have on the financial statements and notes to the financial statements;

- **IFRS 19** *Subsidiaries without Public Accountability: Disclosures*: the Company is not eligible to apply the new standard because its equity instruments are publicly traded;

- Amendments to technical pronouncements **CPC 02 (R2)/IAS 21 -** *The Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements* and **CPC 37 (R1)** - *First-time Adoption of International Accounting Standards (Lack of Exchangeability)*: the amendments are not expected to have a material impact on the financial statements;

- Amendments to technical pronouncements **CPC 18 (R3) -** *Investments in Associates, Subsidiaries and Joint Ventures* and **ICPC 09 -** *Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method*: Amendments to CPC 18 (R3) - Investments in Associates, Subsidiaries and Joint Ventures and technical interpretation ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method: the amendments are not expected to have a material impact on the financial statements.

4. Critical accounting judgments and key estimates and assumptions

Judgments

The preparation of the Company's individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, as well as the disclosures of contingent liabilities on the reporting date. However, the uncertainty inherent in such assumptions and estimates may give rise to results that require a significant adjustment of the carrying amount of the affected asset or liability in future reporting periods.

Estimates and assumptions

The preparation of individual and consolidated financial statements requires the use of estimates to account for certain assets, liabilities, and other transactions. Estimate and assumptions are continually reviewed so that possible changes are made pursuant to prescribed by CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors. The accounting policies and areas that require a higher level of judgment and use of estimates in the preparation of individual and consolidated financial statements are:

4.1. Impairment losses on non-financial assets

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of the fair value less costs to sell and the value in use. The calculation of the fair value less costs to sell is based on available information on transactions involving the sale of similar assets or market prices less additional costs to dispose of the asset. The value in use is calculated using the discounted cash flow model. The cash flows arise from the budget for the next year, with the following four years are projected using the compound annual growth rate of cash-generating units, and do not include reorganization activities to which the Company has not yet committed or significant future investments that will improve the asset base of the cash-generating unit tested for impairment. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, as well as to future expected cash flows and the growth rate used for extrapolation purposes. The main assumptions used to determine the recoverable amount of the several cash-generating units, including sensitivity analysis, are detailed in Note 13.

4.2. Business combination

There are uncertainties related to the business combination process as a result of the calculation of goodwill and the fair values of the net assets and liabilities acquired, as well as their estimated useful lives. The Company relies on the work of specialized advisors for the preparation of a technical report on the Purchase Price Allocation (PPA). Details on the material accounting policies related to business combinations are disclosed in Note 3.1.

4.3. Realization of deferred taxes

There are uncertainties over the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the comprehensive aspect of the tax law and the long-term nature and complexity of contractual instruments, differences between actual results and the assumptions adopted, or future changes in these assumptions, could require future adjustments to tax income and expenses already recognized.

In the years ended December 31, 2024 and 2023, the Company did not identify any matter that would require the recognition of provisions for tax risks and currently there is no ongoing tax audit conducted by the tax authorities. Interpretation differences may arise for several matters, depending on conditions effective in the Company’s corresponding domicile.

Deferred tax asset is recognized for all unutilized tax losses to the extent that it is probable that taxable income will be available to allow the utilization of such tax losses. Significant judgment is required to determine the amount of deferred tax assets that can be recognized, based on the probable term and future taxable income, together with future tax planning strategies.

4.4. Provision for tax, civil and labor risks

The Company recognizes a provision for tax, civil and labor risks. The likelihood of loss is assessed based on available evidence, the hierarchy of laws, available case rulings, the most recent court decisions, their relevance within the legal system, and the assessment made by our outside legal counsel.

Provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute of limitations, conclusions of tax audits, or additional exposures identified based on new matters or court rulings.

4.5. Allowance for inventory obsolescence

The Company analyses the inventory realization, based on the expected inventory utilization or sale, history of losses, and also on the assessment between the carrying amount and the net realizable value.

4.6. Provision for discounts and commercial funds

The Company makes payments to its customers for market development purposes, such as advertising and marketing, based on predetermined criteria. Expenditures related to advertising and marketing programs are recognized as selling expenses. A provision is estimated and recorded at the balance sheet date based on goals achieved, but not yet realized, and a provision is recognized for these amounts as a reduction of trade receivables in assets, as a contra entry to selling expenses. The provision estimates take into account sales estimates, compliance with established criteria, as well as historical data.

The Company also maintains programs through which it offers to its customers discounts based on the attainment of certain preset commercial goals. Discounts are presented as sales deductions, when associated with the transaction price, as mentioned in Note 3.15. The Company adopts estimates based on the contractual terms and conditions and historical data to estimate the amount of the adjustment to its revenue, which amounts reported are segregated in Note 26 - Net operating revenue.

4.7. Allowance for expected credit losses on trade receivables

The Company uses an allowance matrix to calculate expected credit losses on trade receivables. The allowance rates applied are based on the default days for groups of customers, according to the sales channel, as they present similar loss patterns.

(In thousands of Brazilian reais – R$, unless otherwise stated)

The allowance matrix is initially based on the Company's historical loss rates. The Company revises the matrix on a prospective basis to adjust it according to its historical credit loss experience. For example, if there is expectation of deterioration of economic conditions in the next year (for example, the gross domestic product), which could result in increased default levels in the manufacturing sector, the historical loss rates are adjusted. Historical loss rates observed in all reporting periods are adjusted and the changes in prospective estimates are analyzed.

The assessment of the correlation between the historical loss rates, the expected economic conditions and the expected credit losses is a significant estimate. The number of expected credit losses is sensitive to changes in circumstances and expected economic conditions. The Company's historical credit loss experience and the projection of economic conditions may not show the real pattern of the customer in the future. The information on expected credit losses on the Company's trade receivables is disclosed in Note 7.

4.8. Provision for warranties

The provision for warranties is recognized when the related goods are sold. The Company uses historical data on the use of the warranties as a basis to measure the provision. Also, it weights all probabilities of disbursements during the warranty period. The details on this provision are shown in Note 18.

4.9. Derivative financial instruments

The Company has derivative instruments recorded at fair value through profit or loss, that is, NDF (Non-Deliverable Forward) contracts, to hedge against exchange rate fluctuations on foreign trade payables; Swap contract to hedge against exchange and interest rate fluctuations on bank financing and loans; in addition to the recognition of the payables for acquisition of stake in subsidiary Khomp Indústria de Comércio Ltda. relating to a put option held by the holders of a residual stake of 25% in such company. The uncertainties related to these balances refer to the calculation of their respective fair values.

4.10. Review of the useful life of property, plant and equipment and intangible assets

The Company makes judgment to determine useful life of property, plant and equipment and intangible assets. This estimate is determined based on the period in which these assets are expected to generate economic benefits for the Company.

5. Cash and cash equivalents

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cash and banks	24,558	18,850	18,392	13,792
Cash and banks - foreign currency	37,849	75,171	28,431	69,281
Short-term investments (i)	732,913	1,209,148	558,641	1,171,894
Short-term investments - foreign currency (ii)	92,649	-	92,650	-
	887,969	**1,303,169**	**698,114**	**1,254,967**

(In thousands of Brazilian reais – R$, unless otherwise stated)

(i) Investments are comprised of short-term investments, classified as cash equivalents, and refer to papers backed by the Interbank Deposit Certificate (CDI), held at institutions considered by Management as prime financial institutions, which yield is pegged to the DI rate with possibility of partial or full unrestricted redemption. The amounts are recognized at acquisition cost, plus respective income up to the end of the reporting period, which were on average 102% of the CDI rate as at December 31, 2024 (103% as at December 31, 2023).

(ii) Short-term investments in foreign currency consist of overnight and time deposit. Yield ranged from 4.85% to 5.27% per year.

6. Securities

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Short-term investments (i)	10,973	11,142	10,833	9,771
Short-term investments - Escrow account (ii)	-	1,545	-	1,545
	10,973	**12,687**	**10,833**	**11,316**
Current	140	2,916	-	1,545
Non-current	10,833	9,771	10,833	9,771

(i) Refers to an investment account to secure the indemnity obligations of the sellers of Khomp Indústria e Comércio Ltda. (company acquired), and the respective deposit management is shared and requires authorization of both parties to be handled. The agreement provides for the payment to the sellers in two installments, the first of which was paid in March 2022 and the second installment will be paid in April 2026.

(ii) Refers to an escrow account to secure the indemnity obligations of the sellers of Seventh Ltda. (company acquired). The release of these amounts on behalf of the sellers was completed in September 2024.

(In thousands of Brazilian reais – R$, unless otherwise stated)

7. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Domestic - third parties	1,267,023	1,006,332	1,222,376	962,807
Domestic - related parties	-	-	48,486	120
Foreign - third parties	53,894	29,253	30,874	11,215
Foreign - related parties	-	-	13,977	3,205
	1,320,917	**1,035,585**	**1,315,713**	**977,347**
Allowance for expected credit losses	(45,092)	(39,289)	(40,639)	(35,356)
Present value adjustment (PVA)	(26,908)	(21,629)	(26,311)	(20,703)
	1,248,917	**974,667**	**1,248,763**	**921,288**
Current	1,213,341	950,998	1,214,722	897,619
Non-current	35,576	23,669	34,041	23,669

Installment sales were adjusted to present value on the transaction dates based on the estimated rate over the collection term. The contra entry to the present value adjustment is ‘Net operating revenue’ and its recovery is recorded as finance income in finance income (costs). The discount rate used involves an analysis of the capital structure and the uncertainties of the macroeconomic context and was, on average, 11.42% per year as at December 31, 2024 (12.22% per year as at December 31, 2023).

The aging list of trade receivables is as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Up to 365 days	1,165,868	903,122	1,190,045	870,275
More than 365 days	39,671	35,206	38,136	33,609
Up to 30 days past due	47,061	40,007	32,405	27,456
31 to 90 days past due	9,583	9,817	4,689	6,012
91 to 180 days past due	6,999	6,469	5,692	4,921
181 to 365 days past due	11,012	10,937	9,941	9,175
More than 365 days past due	40,723	30,027	34,805	25,899
Closing balance	**1,320,917**	**1,035,585**	**1,315,713**	**977,347**

Movements in the allowance for expected credit losses:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**(39,289)**	**(33,273)**	**(35,356)**	**(29,796)**
Additions, net of reversals	(7,093)	(7,781)	(6,206)	(6,086)
Write-offs	1,290	1,765	923	526
Closing balance	**(45,092)**	**(39,289)**	**(40,639)**	**(35,356)**

(In thousands of Brazilian reais – R$, unless otherwise stated)

The Company uses a simplified approach, as prescribed by technical pronouncement CPC 48 (IFRS 9) - Financial Instruments, to prospectively recognize an additional allowance for expected losses. This estimate is calculated based on the historical losses on sales, applied on all trade receivables, including current balances. The purpose of this analysis is to ensure a more careful analysis in determining the allowance for expected credit loss on the Company's and its subsidiaries' trade receivables.

8. Inventories

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Finished goods	742,555	385,885	681,021	335,984
Work in process	86,517	83,246	78,640	76,547
Raw materials and auxiliary inputs	742,461	335,894	634,438	287,200
Imports in transit	245,269	433,863	229,910	409,278
Advances to suppliers	35,855	29,064	28,292	21,919
	1,852,657	**1,267,952**	**1,652,301**	**1,130,928**
Allowance for inventory losses	(47,484)	(63,638)	(43,913)	(54,421)
Present value adjustment (PVA)	(32,451)	(36,762)	(32,407)	(36,751)
	1,772,722	**1,167,552**	**1,575,981**	**1,039,756**

Movements in the allowance for inventory losses:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**(63,638)**	**(51,461)**	**(54,421)**	**(10,223)**
Additions, net of reversals	(32,413)	(82,496)	(32,439)	(53,916)
Write-offs	48,567	70,319	42,947	9,718
Closing balance	**(47,484)**	**(63,638)**	**(43,913)**	**(54,421)**

9. Recoverable taxes

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
State VAT (ICMS) (a)	59,728	57,219	-	1,608
Financial credit - Law No. 13969/19 (b)	37,124	26,394	36,786	25,941
Social contribution on net profit (CSLL)	2,905	3,070	1,911	2,584
Social contribution (COFINS)	20,164	11,034	9,561	9,073
Tax on revenue (PIS)	4,447	2,229	2,074	1,965
Corporate Income Tax (IRPJ) (c)	42,956	45,849	37,564	43,751
Federal VAT (IPI)	5,672	5,759	1,604	3,732
Other	22,810	3,694	16,720	237
	195,806	**155,248**	**106,220**	**88,891**
Current	133,012	154,276	97,221	84,174
Non-current	62,794	972	8,999	4,717

(In thousands of Brazilian reais – R$, unless otherwise stated)

(a) Agreement No. 101/1997 exempts solar generator sales transactions from paying ICMS, and also grants the maintenance of the credits on the acquisition of inputs for manufacturing these products, resulting in an accumulated ICMS credit balance in solar product transactions. The Company requested the approval of these credit balances to the states of Santa Catarina and São Paulo, relating to the periods from 2018 to 2022, and is currently waiting for the release of the amounts. The 2023 balances are under request process with the states.

(b) Law No. 13969/2019 repealed the decrease of the IPI rate for IT goods produced using the Basic Production Process (PPB) and authorized in Interministerial Ordinances and established the financial credit for full offset in replacement of the incentives extinguished by the repeal. This new incentive is effective until December 31, 2029. As at December 31, 2024 the Company has a R$37,124, consolidated balance, which is being periodically offset against federal taxes. This balance is being recorded as a contra entry to 'Other operating income (expenses), net' in profit or loss and the Company expects to offset the total credits within 12 months.

(c) IRPJ is comprised of negative balance and monthly estimate for offset in the amount of R$16,395 and withholding income tax on short-term investments of R$26,561.

10. Leases

<u>Right-of-use lease assets</u>

As at December 31, 2024, the balances of right-of-use lease assets correspond to forklifts, administrative offices, and logistics warehouses.

Movements in right-of-use assets:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance, net	**12,661**	**29,657**	**7,963**	**7,992**
Additions/remeasurements	11,797	6,363	9,469	5,221
Depreciation	(7,463)	(7,864)	(5,661)	(5,250)
Write-offs	-	(15,272)	-	-
Exchange gains (losses)	298	(223)	-	-
Closing balance, net	**17,293**	**12,661**	**11,771**	**7,963**

(In thousands of Brazilian reais – R$, unless otherwise stated)

Balance breakdown:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Total cost	31,983	25,643	21,854	18,514
Accumulated depreciation	(14,690)	(12,982)	(10,083)	(10,551)
Closing balance, net	**17,293**	**12,661**	**11,771**	**7,963**

Lease liabilities

Movements in lease liabilities:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance, net	**13,312**	**32,259**	**8,303**	**8,428**
Additions/remeasurements	11,797	6,363	9,469	5,221
Accrued interest and exchange differences	1,543	1,625	774	301
Write-offs	-	(17,618)	-	-
Principal repayment	(6,895)	(7,586)	(5,511)	(5,346)
Interest payment	(1,543)	(1,731)	(774)	(301)
Closing balance, net	**18,214**	**13,312**	**12,261**	**8,303**
Current	6,981	5,169	5,101	4,552
Non-current	11,233	8,143	7,160	3,751

The table below shows additional information related to the lease liability maturity schedule and the related discount rates:

	At December 31, 2024			
	Consolidated		Parent	
	Minimum payable	Weighted average discount rate	Minimum payable	Weighted average discount rate
Within 1 year	8,136	9.39%	6,028	9.76%
2 to 5 years	9,418	8.79%	7,619	9.66%
6 to 10 years	1,530	3.93%	-	-
Over 10 years	1,887	3.93%	-	-
Total	**20,971**	**8.28%**	**13,647**	**9.70%**
(-) Unaccrued interest	(2,757)		(1,386)	
Lease liabilities	**18,214**		**12,261**	

Taxes on revenue (PIS and COFINS)

The Company and its subsidiaries have the potential right to recover PIS and COFINS levied on gross contractual flows of the lease liabilities which, as at December 31, 2024, is R$1,262 in Parent and R$1,940 on a consolidated basis (R$841, Parent and R$2,283, Consolidated at December 31, 2023).

(In thousands of Brazilian reais – R$, unless otherwise stated)

11. Investments

11.1 Movements in investments

As at December 31, 2024, the Company's investments consist of equity interests in subsidiaries, as well as other investments, as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Investments in subsidiaries	-	-	343,729	115,863
Capital gains on business acquisitions (*)	-	-	92,472	100,795
Goodwill on expected future earnings (*)	-	-	245,068	246,795
Unrealized profits	-	-	(6,684)	-
Other investments (**)	5,849	3,739	5,694	3,613
	5,849	**3,739**	**680,279**	**467,066**

(*) Refer to goodwill and capital gains on the acquisitions of Decio, Seventh, Khomp, Renovigi, and Allume.

(**) Refer to the amount of the unit in Fundo de Investimento em Participação Sul Inovação, which holds 4.80% and investment in Gruvi Tecnologias S.A., engaged in software development and software licensing, in which the Company acquired a 4.99% stake in December 2022.

Investments in subsidiaries are broken down as follows:

	Equity interest			Parent	
Investee	Control	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Ascent	Subsidiary	100%	100%	2,218	1,165
Seventh	Subsidiary	100%	100%	12,585	12,334
Décio	Subsidiary	100%	100%	35,924	10,636
Khomp	Subsidiary	75%	75%	48,144	45,069
Renovigi	Subsidiary	100%	100%	241,215	41,798
Allume	Subsidiary	55%	55%	3,701	4,861
Aunady	Subsidiary	100%	-	(58)	-
				343,729	**115,863**

The movements in investments were as follows:

Investee	12/31/2023	Additions (Write-offs)	Share of results of investees	Exchange gains (losses)	Dividends	12/31/2024
Ascent	**1,165**	-	800	253	-	**2,218**
Seventh	**12,334**	-	8,851	-	(8,600)	**12,585**
Décio	**10,636**	20,195	5,093	-	-	**35,924**
Khomp	**45,069**	-	4,721	-	(1,646)	**48,144**
Renovigi (i)	**41,798**	200,000	(583)	-	-	**241,215**
Allume	**4,861**	-	(1,698)	538	-	**3,701**
Aunady	**-**	-	(69)	11	-	**(58)**
Surplus value	**100,795**	2,708	(11,450)	419	-	**92,472**
Goodwill	**246,795**	(2,708)	-	981	-	**245,068**
Non-realized profits	**-**	-	(6,684)	-	-	**(6,684)**
Other	**3,613**	2,081	-	-	-	**5,694**
	467,066	**222,276**	**(1,019)**	**2,202**	**(10,246)**	**680,279**

(i) During the year ended December 31, 2024, the Company decided to increase the capital of investee Renovigi, amounting to R$200,000, through the subscription of a total of 137,297,652 new shares, fully paid-in in local currency by the Company through loans granted in previous years totaling R$56,010 and transfers of funds in 2024 totaling R$143,990.

11.2 Business combination

Acquisition carried out in 2023 - Allume Holding S.A.S.

On October 6, 2023, the Company acquired 55% stake in the capital of Allume Holding S.A.S. ("Allume" or "Acquiree").

Founded in 1997 in Cali, Colombia, Allume operates in the electronic security, networks, communication, building automation and power management segments, offering own and third-party products. The acquiree owns four direct subsidiaries and is one of the leading companies in the Colombian market, recognized for its scope and excellence in the service to local distributors and resellers.

The total transaction amount was US$3,058, translated at the exchange rate quotation on the acquisition date of R$5,1918, thus obtaining the consideration amount of R$15,877. The price is structured as follows:

(i) US$1,787 paid in 2023;

(ii) US$690 settled in 2024;

(iii) Earn-out in the amount of US$107 settled on March 7, 2024, pursuant to the goals established in the agreement entered into among the parties; and

(iv) Contingent consideration in the amount of US$474 for possible future inconsistencies, retained for a three-year period, payable at the proportion of 1/3 on annual basis during such period.

Also, the Company received two call options related to the remaining shares of the acquiree's capital, which can be exercised by the Company over five years as from the transaction closing date, which can be extended for another five years. The options do not result in the Company's present obligation of acquiring the remaining shares and there is no certainty about the timing the options will be exercised, therefore, no amount was attributed to the call options received.

(In thousands of Brazilian reais – R$, unless otherwise stated)

The table below shows the identifiable net assets acquired and liabilities assumed for business combination in 2023:

	Allume Consolidated
Cash and cash equivalents	7,146
Trade receivables	12,424
Inventories	34,354
Recoverable taxes	2,670
Property, plant and equipment	994
Other assets	1,147
ASSETS	**58,735**
Trade payables	15,516
Borrowings and financing	29,167
Current and deferred taxes	3,123
Taxes, payroll and payroll taxes	511
Other liabilities	1,619
LIABILITIES	**49,936**
Net assets and liabilities	**8,799**
Capital gain/(loss) (i)	4,924
Goodwill on expected future earnings	8,329
Non-controlling interests, based on the equity interest	(6,175)
Consideration transferred	**15,877**

(i) The Company hired a specialized consulting company to assess and allocate the purchase price, as set forth in technical pronouncement CPC 15 (R1) - Business Combination, equivalent to IFRS 3 - Business Combination. The table below shows the assets and liabilities at fair value:

Capital gain/(loss)	Amount
Inventories	359
Non-compete clause	246
Customer portfolio	4,319
Additional provisions	(680)
Indemnifying asset	680
	4,924

(In thousands of Brazilian reais – R$, unless otherwise stated)

12. Property, plant and equipment

	Consolidated								
	Land	Buildings	Facilities and improvements	Machinery, equipment and instruments	Furniture and fixtures	Computers	Other (i)	Projects in progress	Total
Average annual depreciation rate		**1%**	**4% to 10%**	**9% to 20%**	**7%**	**20% to 33%**	**20% to 33%**		
Changes in cost									
Balance at December 31, 2022	**88,909**	**104,865**	**59,446**	**140,216**	**15,534**	**38,716**	**59,272**	**138,230**	**645,188**
Additions	-	5	3,666	6,575	1,906	5,984	19,472	135,574	173,182
Property, plant and equipment arising from business combination	-	-	-	497	706	869	72	-	2,144
Transfers	-	92,817	7,269	33,941	2,528	6,059	7,173	(145,483)	4,304
Write-offs	-	(8,570)	(2,330)	(4,999)	(311)	(1,800)	(3,979)	(911)	(22,900)
Balance at December 31, 2023	**88,909**	**189,117**	**68,051**	**176,230**	**20,363**	**49,828**	**82,010**	**127,410**	**801,918**
Additions	-	699	3,116	36,936	6,501	5,711	38,028	49,003	139,994
Exchange gains (losses)	-	-	-	(1)	4	30	6	-	39
Transfers	-	110,742	9,743	13,889	1,418	3,184	2,023	(140,999)	-
Write-offs	(252)	(479)	(878)	(6,971)	(746)	(1,270)	(8,599)	(3,353)	(22,548)
Balance at December 31, 2024	**88,657**	**300,079**	**80,032**	**220,083**	**27,540**	**57,483**	**113,468**	**32,061**	**919,403**
Movements in depreciation									
Balance at December 31, 2022	**-**	**(19,075)**	**(15,917)**	**(65,250)**	**(6,364)**	**(17,184)**	**(28,796)**	**-**	**(152,586)**
Depreciation	-	(2,555)	(4,526)	(14,344)	(1,702)	(7,848)	(13,188)	-	(44,163)
Property, plant and equipment arising from business combination	-	-	-	(9)	(506)	(628)	(7)	-	(1,150)
Transfers	-	(153)	(14)	624	(271)	(1,090)	(3,400)	-	(4,304)
Write-offs	-	-	712	1,085	186	1,415	2,222	-	5,620
Balance at December 31, 2023	**-**	**(21,783)**	**(19,745)**	**(77,894)**	**(8,657)**	**(25,335)**	**(43,169)**	**-**	**(196,583)**
Depreciation	-	(2,896)	(3,423)	(13,503)	(1,579)	(8,352)	(18,716)	-	(48,469)
Exchange gains (losses)	-	-	-	-	8	1	(1)	-	8
Transfers	-	-	-	(8)	-	8	-	-	-
Write-offs	-	1	830	4,283	563	978	5,220	-	11,875
Balance at December 31, 2024	**-**	**(24,678)**	**(22,338)**	**(87,122)**	**(9,665)**	**(32,700)**	**(56,666)**	**-**	**(233,169)**

(In thousands of Brazilian reais – R$, unless otherwise stated)

Balance less depreciation									
Balance at December 31, 2022	**88,909**	**85,790**	**43,529**	**74,966**	**9,170**	**21,532**	**30,476**	**138,230**	**492,602**
Balance at December 31, 2023	**88,909**	**167,334**	**48,306**	**98,336**	**11,706**	**24,493**	**38,841**	**127,410**	**605,335**
Balance at December 31, 2024	**88,657**	**275,401**	**57,694**	**132,961**	**17,875**	**24,783**	**56,802**	**32,061**	**686,234**

(i) ‘Other’ is comprised of Company cars, molds and leased assets, among others.

(In thousands of Brazilian reais – R$, unless otherwise stated)

	Parent								
	Land	Buildings	Facilities and improvements	Machinery, equipment and instruments	Furniture and fixtures	Computers	Other (i)	Projects in progress	Total
Average annual depreciation rate		**1%**	**4% to 10%**	**9% to 20%**	**7%**	**20% to 33%**	**20% to 33%**		
Changes in cost									
Balance at December 31, 2022	**84,378**	**97,745**	**56,970**	**128,722**	**13,470**	**31,536**	**50,592**	**135,199**	**598,612**
Additions	-	5	3,024	4,931	1,737	2,906	19,103	133,258	164,964
Transfers	-	92,664	7,241	34,625	2,265	4,909	3,780	(145,484)	-
Write-offs	-	(8,571)	(282)	(4,905)	(157)	(1,527)	(2,704)	(912)	(19,058)
Balance at December 31, 2023	**84,378**	**181,843**	**66,953**	**163,373**	**17,315**	**37,824**	**70,771**	**122,061**	**744,518**
Additions	-	699	2,917	34,169	6,158	5,109	37,052	45,370	131,474
Transfers	-	110,742	9,698	8,665	1,418	3,183	2,023	(135,729)	-
Write-offs	-	(479)	(863)	(6,084)	(673)	(898)	(7,916)	(3,282)	(20,195)
Balance at December 31, 2024	**84,378**	**292,805**	**78,705**	**200,123**	**24,218**	**45,218**	**101,930**	**28,420**	**855,797**
Movements in depreciation									
Balance at December 31, 2022	**-**	**(18,476)**	**(15,718)**	**(60,932)**	**(5,850)**	**(15,131)**	**(24,810)**	**-**	**(140,917)**
Depreciation	-	(2,298)	(4,054)	(13,223)	(1,418)	(5,791)	(11,269)	-	(38,053)
Transfers	-	-	8	-	(8)	-	-	-	-
Write-offs	-	-	278	1,071	116	1,110	1,408	-	3,983
Balance at December 31, 2023	**-**	**(20,774)**	**(19,486)**	**(73,084)**	**(7,160)**	**(19,812)**	**(34,671)**	**-**	**(174,987)**
Depreciation	-	(2,639)	(3,279)	(11,894)	(1,078)	(6,606)	(17,570)	-	(43,066)
Transfers	-	-	-	(8)	-	8	-	-	-
Write-offs	-	1	829	4,212	502	784	4,835	-	11,163
Balance at December 31, 2024	**-**	**(23,412)**	**(21,936)**	**(80,774)**	**(7,736)**	**(25,626)**	**(47,406)**	**-**	**(206,890)**
Balance less depreciation									
Balance at December 31, 2022	**84,378**	**79,269**	**41,252**	**67,790**	**7,620**	**16,405**	**25,782**	**135,199**	**457,695**
Balance at December 31, 2023	**84,378**	**161,069**	**47,467**	**90,289**	**10,155**	**18,012**	**36,100**	**122,061**	**569,531**
Balance at December 31, 2024	**84,378**	**269,393**	**56,769**	**119,349**	**16,482**	**19,592**	**54,524**	**28,420**	**648,907**

(i) ‘Other’ is comprised of Company cars, molds and leased assets, among others.

In relation to interest capitalization, attributed to borrowing costs arising from the acquisition, construction or production of assets, in the year ended December 31, 2024, interest was capitalized in the amount of R$293 (R$1,337 at December 31, 2023). Certain property, plant and equipment items are pledged as collateral for financing and tax payment transactions (Note 15).

Projects in progress refers to improvements at the Company's industrial and information technology areas.

Management tested its property, plant and equipment items for impairment in the year ended December 31, 2024, and did not identify the need to recognize an allowance for impairment losses on these assets.

(In thousands of Brazilian reais – R$, unless otherwise stated)

13. Intangible assets

	Consolidated						
	Goodwill in investees	Non-compete agreement	Trademarks and patents	Projects in progress	Relationship with customers	Software	Total
Average annual amortization rate		**20%**	**7% to 13%**		**7%**	**20%**	
Changes in cost							
Balance at December 31, 2022	**268,634**	**28,095**	**67,944**	**56,316**	**99,807**	**64,777**	**585,573**
Additions	-	-	-	27,897	-	14,846	42,743
Acquisition of subsidiary - capital gain	11,038	-	-	-	-	-	11,038
Exchange gains (losses)	489	-	-	-	-	-	489
Write-offs	-	-	(4)	(1,974)	-	(770)	(2,748)
Transfers	-	-	-	(26,130)	-	26,130	-
Balance at December 31, 2023	**280,161**	**28,095**	**67,940**	**56,109**	**99,807**	**105,650**	**637,762**
Additions	-	-	-	50,921	-	33,589	84,510
Acquisition of subsidiary - capital gain	(2,708)	246	-	-	4,319	-	1,857
Exchange gains (losses)	981	-	-	-	763	86	1,830
Write-offs	-	-	(4)	(960)	-	(385)	(1,349)
Transfers	-	-	-	(38,831)	-	38,831	-
Balance at December 31, 2024	**278,434**	**28,341**	**67,936**	**67,239**	**104,889**	**177,771**	**724,610**
Changes in amortization							
Balance at December 31, 2022	**-**	**(3,744)**	**(1,991)**	**-**	**(22,714)**	**(42,173)**	**(70,622)**
Amortization for the year	-	(5,585)	(2,987)	-	(6,093)	(12,548)	(27,213)
Amortization arising from business combination	-	-	-	-	-	(386)	(386)
Write-offs	-	-	-	-	-	15	15
Balance at December 31, 2023	**-**	**(9,329)**	**(4,978)**	**-**	**(28,807)**	**(55,092)**	**(98,206)**
Amortization for the year	-	(5,647)	(2,987)	-	(6,492)	(26,776)	(41,902)
Exchange gains (losses)	-	-	-	-	-	7	7
Write-offs	-	-	-	-	-	300	300
Balance at December 31, 2024	**-**	**(14,976)**	**(7,965)**	**-**	**(35,299)**	**(81,561)**	**(139,801)**
Balance less amortization							
Balance at December 31, 2022	**268,634**	**24,351**	**65,953**	**56,316**	**77,093**	**22,604**	**514,951**

(In thousands of Brazilian reais – R$, unless otherwise stated)

Balance at December 31, 2023	**280,161**	**18,766**	**62,962**	**56,109**	**71,000**	**50,558**	**539,556**
Balance at December 31, 2024	**278,434**	**13,365**	**59,971**	**67,239**	**69,590**	**96,210**	**584,809**

In thousands of Brazilian reais – R$, unless otherwise stated)

	Parent			
	Goodwill in investees	Projects in progress	Software	Total
Average annual amortization rate			**20%**	
Changes in cost				
Balance at December 31, 2022	**33,366**	**55,431**	**53,650**	**142,447**
Additions	-	26,408	14,404	40,812
Write-offs	-	(1,183)	(770)	(1,953)
Transfers	-	(26,130)	26,130	-
Balance at December 31, 2023	**33,366**	**54,526**	**93,414**	**181,306**
Additions	-	49,513	27,263	76,776
Write-offs	-	(961)	(174)	(1,135)
Transfers	-	(37,854)	37,854	-
Balance at December 31, 2024	**33,366**	**65,224**	**158,357**	**256,947**
Changes in amortization				
Balance at December 31, 2022	**-**	**-**	**(36,702)**	**(36,702)**
Amortization for the year	-	-	(10,346)	(10,346)
Write-offs	-	-	15	15
Balance at December 31, 2023	**-**	**-**	**(47,033)**	**(47,033)**
Amortization for the year	-	-	(24,476)	(24,476)
Write-offs	-	-	147	147
Balance at December 31, 2024	**-**	**-**	**(71,362)**	**(71,362)**
Balance less amortization				
Balance at December 31, 2022	**33,366**	**55,431**	**16,948**	**105,745**
Balance at December 31, 2023	**33,366**	**54,526**	**46,381**	**134,273**
Balance at December 31, 2024	**33,366**	**65,224**	**86,995**	**185,585**

Assets with finite useful lives

On an annual basis, the Company assesses whether there is evidence that the recoverable amount of intangible assets with finite useful lives might be impaired in relation to the carrying amounts. When such evidence is identified, detailed impairment tests are conducted for this category of assets. The analyses conducted by Management did not identify any indicators or factors indicating that the carrying amounts might not be recoverable at the balance sheet dates.

Assets with indefinite useful lives

The Company's assets with indefinite useful lives are comprised of goodwill paid on business combinations. These assets are annually tested for impairment, regardless of indicators of existing risks or not. In the year ended December 31, 2024, the Company did not identify any impaired assets.

In thousands of Brazilian reais – R$, unless otherwise stated)

The goodwill is based on expected future earnings, supported by valuation reports, after allocation of the assets identified. Goodwill maintained by the Company is summarized below:

Business acquired	Type of acquisition	Segment	12/31/2024	12/31/2023
Maxcom do Brasil Ltda.	Merged	Security	1,348	1,348
Engesul Produtos Eletrônicos	Merged	Security	11,610	11,610
Automatiza Ind. Com. de Equip. Eletrônico Ltda.	Merged	Security	20,408	20,408
Seventh Ltda. e Prediotech (merged into Seventh)	Subsidiary	Security	22,986	22,986
Décio Indústria Metalúrgica Ltda.	Subsidiary	Communication	1,788	1,788
Khomp Indústria e Comércio Ltda.	Subsidiary	Communication	30,724	30,724
Renovigi Energia Solar Ltda.	Subsidiary	Energy	179,770	179,770
Allume Holding S.A.S.	Subsidiary	Security	9,800	11,527
			278,434	**280,161**

During the year ended December 31, 2024, the Company tested goodwill of each one of its groups of Cash-Generating Units (CGUs) for impairment. The CGUs are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, and goodwill must be allocated to the CGUs, or groups of CGUs, for which economic benefits arising from business combination synergies are expected to be generated. Based on the foregoing and the Company's assessment, the operating segments represent the smallest identifiable group to which goodwill must be allocated.

Tests were conducted based on the discounted cash flow method, in order to determine the value in use for each of the CGUs to which goodwill is allocated. Based on the tests conducted for the years ended
December 31, 2024 and 2023, Management concluded that the amount of these assets will be recovered at an amount higher than the carrying amount at the end of the reporting period, not being necessary therefore to record an allowance for impairment loss for the goodwill recognized.

Cash projections were made for a five-year horizon and subsequently perpetuated. The first year of the projected flow is in accordance with Management's detailed budget for each CGU. Growth assumptions were adopted for the next four years based on Management's business guidelines and perpetuity was prepared using a growth rate of 3.56% (3.50% in 2023).

Projections are discounted at the weighted average cost of capital ("WACC"). The post-tax discount rate applied on cash flow projections ranges is 12.49% per year in 2024 (12.08% per year in 2023).

In addition to the impairment test mentioned above, the Company prepared a sensitivity analysis considering the variations in pretax profit and finance income (costs) and the nominal discount rate by 1 percentage point, which did not result in the need to recognize an allowance for impairment loss.

In thousands of Brazilian reais – R$, unless otherwise stated)

Research expenditure

Research and development expenditures incurred by the Company are earmarked for several electronic products. The research and development expenditures that are not eligible for capitalization, totaling R$159,452 for the year ended December 31, 2024 (R$142,527 at December 31, 2023) were expensed in the group 'Other operating income (expenses), net'.

14. Trade payables

Inputs for the Company's production are acquired in higher volume through the import from foreign suppliers, accounting for around 88% of the outstanding balance as at December 31, 2024.

a) Breakdown in trade payables

Trade payables are broken down as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Trade payables				
Domestic market	116,553	109,330	116,431	114,742
Foreign market	777,674	602,329	639,912	570,122
	894,227	**711,659**	**756,343**	**684,864**
Present value adjustment (PVA) (i)	(15,027)	(13,598)	(14,455)	(13,555)
	879,200	**698,061**	**741,888**	**671,309**

(i) Present value adjustment is carried out based on the average rate adopted by financial institutions that offer forfait services to the Company's suppliers. As at December 31, 2024, the discount rate used is 6.41% per year (6.90% per year at December 31, 2023) for foreign trade payables and 11.42% per year (12.22% per year at December 31, 2023) for domestic trade payables.

b) Trade payables - forfaiting

The Company enters into agreements (forfaiting) with certain financial institutions to finance its supply chain. As agreed with the institutions, the Company's suppliers may elect to receive payment for their invoices in advance through the financial agent. Under the agreement, the financial institution agrees to pay the amounts due to a supplier in advance and receives the payment for the trade note by the Company on a subsequent date. The main purpose of this program is to facilitate payment processing and allow willing suppliers to sell their receivables due by the Company to a bank before the maturity date. The agreements are subject to specific limits and terms.

During the implementation of this transaction, there is no change in the conditions originally agreed between the Company and its suppliers (term or amount of the balances payable) that elected to receive the securities in advance from the financial institutions. Also, the Company is not subject to additional interest on the amounts due to suppliers or any covenants on the transaction. Accordingly, Management believes that the agreements do not significantly extend the payment terms beyond the normal terms agreed with other suppliers that do not anticipate their receivables.

In thousands of Brazilian reais – R$, unless otherwise stated)

The forfaiting of trade payables is broken down as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Trade payables - forfaiting				
Domestic market	16,715	5,726	15,989	5,726
Foreign market	329,321	176,394	316,546	176,379
	346,036	**182,120**	**332,535**	**182,105**
Present value adjustment (PVA) (i)	(5,630)	(3,057)	(5,510)	(3,042)
	340,406	**179,063**	**327,025**	**179,063**

(i) Present value adjustment is carried out based on the average rate adopted by financial institutions that offer forfait services to the Company's suppliers. As at December 31, 2024, the discount rate used is 6.41% per year (6.90% per year at December 31, 2023) for foreign trade payables and 11.42% per year (12.22% per year at December 31, 2023) for domestic trade payables.

The Company did not modify the liabilities to which the agreement applies, as there was no legal write-off and the original liability was not substantially modified when the supplier accepted the agreement. The amounts advanced by the suppliers continue to be recognized recorded by the Company as 'Trade payables', as the nature and function of the financial liability continue the same as other payables.

Payments made to the bank at the original maturity of the receivables are included in cash flows from operating activities as they continue to be part of the Company's operating cycle and their main nature continues to be payables for acquisition of inputs.

c) Due to related parties

The amounts related to intercompany transactions were excluded from the consolidated balance. Due to related and third parties are broken down as follows.

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Related parties				
Domestic suppliers	-	-	10,283	13,497
Suppliers of imported goods	505,846	220,453	478,466	220,453
Total due to related parties (Note 32)	**505,846**	**220,453**	**488,749**	**233,950**
Unrelated	713,760	656,671	580,164	616,422
Total trade payables	**1,219,606**	**877,124**	**1,068,913**	**850,372**

In thousands of Brazilian reais – R$, unless otherwise stated)

15. Borrowings and financing

This note provides information on the contractual terms of interest-bearing borrowings, which are measured at amortized cost. Note 25 provides more information on the group's exposure to interest rate, foreign currency, and liquidity risks.

				Consolidated		Parent	
Financing/creditors	Index	Interest	Maturity	12/31/2024	12/31/2023	12/31/2024	12/31/2023
In local currency							
BNDES	IPCA/SELIC/TR	1.55% to 3.54% p.a.	Mar 2034	250,542	225,965	250,542	225,965
FINEP	TR	3% p.a.	Jun 2029	147,759	146,989	147,759	146,989
Debentures	CDI	1.5% p.a.	Oct 2029	509,902	509,763	509,902	509,762
Working capital	CDI	4.78% p.a.	Jun 2025	523	5,744	-	-
In foreign currency							
Working capital	IBR	1.77% to 3.00% p.a.	Oct 2027	14,790	25,554	-	-
				923,516	**914,015**	**908,203**	**882,716**
Current				211,119	120,483	202,663	95,581
Non-current				712,397	793,532	705,540	787,135

Collaterals

The following assets and financial instruments were pledged as collateral for the financing as at December 31, 2024 (consolidated):

Property, plant and equipment	80,128
Letter of guarantee	156,403
	236,531

The total cost of contracting the letters of guarantee effective as at December 31, 2024 was 0.33% per year (0.50% per year as at December 31, 2023), recognized in 'Other receivables' and allocated to profit or loss on an accrual basis according to its effectiveness as 'Finance costs'. The Company recognized the total amount R$750 for the year ended December 31, 2024 (R$1,404 for the year ended December 31, 2023), relating to the finance costs for contracting such collateral. Variations in borrowings and financing are as follows:

Movements in borrowings and financing are as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	**914,015**	**1,065,215**	**882,716**	**925,821**
Balance arising from subsidiary acquisition	-	29,167	-	-
Borrowings interest and exchange rate differences	131,609	29,350	94,792	27,000
Interest, inflation adjustments and exchange differences	87,837	100,119	82,344	96,221
Principal repayment	(131,320)	(219,398)	(75,754)	(79,984)
Interest payments	(78,625)	(90,438)	(75,895)	(86,342)
Closing balance	**923,516**	**914,015**	**908,203**	**882,716**

The terms and conditions of outstanding borrowings are as follows:

a) BNDES - Investment Support Program

Funds disbursed by the BNDES for investments in product research, development and innovation. After confirmation of the investment of funds, the BNDES grants to the Company a borrowing equivalent to up to 80% of the funds invested. Payments are made on a monthly basis and, during the grace period, interest is paid on a quarterly basis. Principal is repaid as detailed below:

PSI - Innovation 2023: The debt principal will be repaid in 96 monthly and consecutive installments, the first maturing on April 15, 2026, and the last on March 15, 2034.
PSI - Innovation 2021: The debt principal will be repaid in 96 monthly and consecutive installments, the first maturing on January 15, 2024, and the last on December 15, 2031.
PSI - Innovation 2018: The debt principal will be repaid in 87 monthly and consecutive installments, the first maturing on April 15, 2020, and the last on August 15, 2027.

b) Finep - Financing Agency for Studies and Projects

The Reimbursable Financing line means providing support to the Innovation Strategic Investment Plans of Brazilian companies offered by the FINEP. The purpose of the financing is to partially bear the expenses incurred with the preparation and implementation of the "Intelbras program of integrated communication and technology update for the company's internationalization' project." The agreement has a 36-month grace period. The debt principal is being repaid in 85 monthly, consecutive installments, the first matured on June 15, 2022, and the last will mature on June 15, 2029.

c) Debentures

On October 21, 2022 (Issuance Date), with settlement on October 27, 2022, the Company carried out the 3rd issuance of simple, non-convertible, unsecured debentures, pursuant to CVM Instruction No. 476, of January 16, 2009 (currently governed by CVM Resolution No. 160, of July 14, 2022), as amended, and other applicable legal and regulatory provisions, in a single series, for public distribution, with restricted distribution efforts for raising of R$500 million.

500,000 debentures were issued, with unit par value of R$1 each on the issuance date. The proceeds will be allocated as follows: (a) 50% to the reimbursement of expenses incurred, under the Company's "Investment Plan from 2020 to 2022" and related to items financed for the expansion of the production capacity, organizational improvements and acquisition of materials; and (b) 50% for the Company's cash strengthening.

The payment period of the debentures is seven years from the Issuance Date, thus maturing on October 21, 2029 (Maturity Date). The first payment of the balance of the Unit Par Value will be made on April 21, 2025, and subsequently, semiannual repayments will be made up to the Maturity Date. Compensatory interest on the debentures is 100% of the CDI + 1.5% per year, paid on the 21st day every April and October, starting on April 21, 2023 up to the last payment on the Maturity Date.

Transaction costs related to the issuance totaled R$2,653 thousand and will be expensed over the debentures term.

In thousands of Brazilian reais – R$, unless otherwise stated)

d) Working capital

Subsidiary Renovigi has working capital loans in the amount of R$523 with no short-term investments pledged as collateral. As at December 31, 2024, acquiree Allume has working capital loans in the amount of R$14,790 with no short-term investments pledged as collateral.

e) Covenants

Agreements entered into with the BNDES contain covenants requiring compliance with debt-to-asset (<75%) and net debt-to-EBITDA (=<2.5) ratios (covenants).

Debentures issued on October 21, 2022, with settlement on October 27, 2022, require the maintenance of financial ratios (covenants), annually determined based on the Company's consolidated and audited financial statements, based on the divisions quotients below:

(a) the Company's Net Debt-to-EBITDA ratio must be equal to or lower than 2.50x; and
(b) the Company's Net Debt-to-Total Assets must be equal to or lower than 0.17x.

In relation to the borrowing and financing agreements of subsidiary Renovigi Energia Solar Ltda., in addition to the events of non-compliance with the agreement, there are the following accelerated maturity clauses relating to: Transfer of shareholding control, corporate restructuring and bank domicile transfer. If the direct or indirect shareholding control of the customer or its guarantor is changed or transferred, and if the customer or its guarantor is subject to merger, consolidation or spin-off. This clause was revised with the financial institutions to consider the effects only after the subsidiary's acquisition by the Company. The agreements also include other accelerated maturity clauses, which are usual for this type of transaction.

As at December 31, 2024, the Company and its subsidiaries fully met all covenants related to borrowings and financing.

The long-term borrowing and financing payment schedule is as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
2025	-	165,345	-	159,770
2026	178,227	160,592	173,641	159,770
2027	171,570	154,413	169,299	154,413
2028	158,709	143,700	158,709	143,700
2014 to 2031	203,891	169,482	203,891	169,482
	712,397	**793,532**	**705,540**	**787,135**

(In thousands of Brazilian reais – R$, unless otherwise stated)

16. Payroll, related taxes and profit sharing

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Payroll	18,214	15,444	16,254	13,666
Payroll taxes	15,125	13,813	13,368	12,055
Vacation pay and related taxes	50,755	46,916	44,922	40,989
Profit sharing	36,364	35,772	34,308	34,510
Other	1,330	503	1,085	365
	121,788	**112,448**	**109,937**	**101,585**

17. Provisions for tax, labor and civil risks

The Company is a party to lawsuits and administrative proceedings, at different levels, related to tax, civil and labor matters, arising in the ordinary course of business. Based on the opinion of its legal counsel, the Company's Management recognizes a provision to cover probable losses that may arise from unfavorable outcomes of these lawsuits (assessed as risk of probable loss). At the end of the reporting periods, the Company recognized the following liabilities and escrow deposits related to these lawsuits.

a. Breakdown of the provision for tax, labor and civil risks:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Labor	3,078	4,460	2,912	3,860
Civil	5,883	5,436	1,719	1,116
Tax	11,735	11,665	10,539	11,206
	20,696	**21,561**	**15,170**	**16,182**
Current	1,767	1,329	1,677	1,071
Non-current	18,929	20,232	13,493	15,111

Movements in the provision

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Balance at beginning of year	**21,561**	**20,585**	**16,182**	**15,951**
Balance arising from subsidiary acquisition	680	-	-	-
Additions, net of reversals	3,522	4,374	3,321	3,476
Write-offs	(5,067)	(3,398)	(4,333)	(3,245)
Balance at end of year	**20,696**	**21,561**	**15,170**	**16,182**

(In thousands of Brazilian reais – R$, unless otherwise stated)

Labor

Related to lawsuits filed by the former employees of the Company and service providers. The main discussion is related to the recognition of employment relationship, payment of vacation, remunerated weekly rest on commissions, and wage differences.

Civil

Related to lawsuits discussing general matters of collection, indemnities and execution nature, as well as lawsuits discussing matters of commercial nature, relating to consumers' complaints about the products provided by the Company. No civil lawsuit was considered individually relevant.

Tax

The main tax discussions are related to lawsuits on the Tax Classification of Goods (NCM) of imported parts and pieces for manufacturing, according to the production process defined. The federal tax authorities understand that this must be classified as finished good. The lawsuit is pending judgment of the voluntary appeal by the CARF.

Possible losses not provided for in the balance sheet

The lawsuits whose likelihood of loss is assessed as possible are of labor, civil and tax nature, and the main tax lawsuits are as follows:

- tax assessment notice challenging the tax classification of the import of LCD displays;
- tax assessment notice challenging the PIS and COFINS levied on the ICMS deemed credit;
- tax assessment notice requiring the reversal of IPI credits on the sale of goods imported to the Manaus Free Trade Zone and Western Amazon.

The main civil lawsuit refers to litigation involving the provision of services and supply of materials.

There is no individually material labor lawsuit.

The respective amounts are as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Labor	10,203	9,097	9,568	8,916
Civil	6,498	14,451	4,754	11,239
Tax	52,472	52,704	41,571	51,993
	69,173	**76,252**	**55,893**	**72,148**

(In thousands of Brazilian reais – R$, unless otherwise stated)

b. Breakdown of assets recognized:

The Company has the following assets whose probability of favorable outcome is considered virtually certain by the legal counsel due to final and unappealable decision recorded in 'Other receivables' in non-current assets.

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Civil	59	122	27	104
Tax	50	4,126	49	4,126
	109	**4,248**	**76**	**4,230**

Civil

Related to collection, indemnity and execution lawsuits with decisions favorable to the Company or settlement agreements.

Tax

The main tax lawsuits are related to the reimbursement of costs, loss of the other party and recognition of rights relating to tax payment/refund.

Contingent assets

The contingent assets assessed as possible favorable outcomes by the Company's legal counsel amount to R$156,520 as at December 31, 2024 on a consolidated basis (R$124,631 at December 31, 2023), involving both civil and tax litigation. The main matters include:

- Writ of security filed to ensure the Company's right to the limit of 20 minimum wages of the tax basis of contributions to third parties ("S" system);
- Writ of security filed to ensure the regulatory non-levy of TJLP-1999 for calculation of interest on capital, as the levy is a violation of the principles of unconstitutionality and illegality, and a violation of the principle of contribution capacity and non-seizure. A recent court ruling judged the claims valid, declaring the plaintiff's right to calculate interest on capital for 2021 onwards, based on the long-term interest rate (TLP);
- The Company challenges the collection of amounts relating to the distributor relationship, due to the supply of Intelbras products. The lawsuit recognized, in a counterclaim, Intelbras' right to have the debt under the debt acknowledgment agreement entered into among the parties satisfied;
- Writ of security filed to ensure the Company's right to deduct the ICMS from the PIS/COFINS tax basis, considering the economic effect of the gross-up calculation methodology;
- Enforcement of decision on collection action that sentenced the distributor to pay the outstanding invoices.

(In thousands of Brazilian reais – R$, unless otherwise stated)

The respective amounts are as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Civil	34,248	24,790	30,228	23,337
Tax	122,272	99,841	109,923	93,093
	156,520	**124,631**	**140,151**	**116,430**

c. Breakdown of escrow deposits

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Labor	2,869	3,572	2,655	3,364
Tax	2,251	2,182	2,252	2,182
	5,120	**5,754**	**4,907**	**5,546**

18. Provision for warranties

The Company offers warranties for its products due to manufacturing defects, which repair is guaranteed through the authorized dealers, express change or repair of products. In order to cover these costs, the Company recognizes a provision when the products are sold, based on historical warranty data and a weighting of all likelihoods of disbursement.

In the year ended December 31, 2024, expenses relating to the provision for warranties, net between additions and reversals, were recognized in the addition amount of R$8,180 (reversals of R$12,052 at December 31, 2023) in consolidated and additions of R$4,955 (additions of R$1,087 at December 31, 2023) in Parent.

19. Payables for acquisition of businesses

The Company recognizes payables for acquisition of interests in subsidiaries. The obligations are divided between 'Payables for acquisition of businesses' (amortized cost), in the amount of R$12,791 monthly adjusted by the CDI rate fluctuation and 'Payables for purchase of shares' (fair value through profit or loss), in the amount of R$13,305, adjusted by the projected attainment of the growth target of the EBITDA nominal amount of the acquiree Khomp. The balances and movements are as follows:

	Décio Metalúrgica Ltda.	Seventh Ltda.	Khomp Ind. e Com. Ltda.	Renovigi Energia Solar Ltda.	Allume S.A.S.	Total
Balance at December 31, 2022	**700**	**2,721**	**24,319**	**176,058**	**-**	**203,798**
Interest	-	254	1,128	12,995	-	**14,377**
Fair value adjustment to call options	-	-	(99)	-	-	**(99)**
New contracts	-	-	-	-	15,877	**15,877**
Exchange gains (losses)	-	-	-	-	(1,187)	**(1,187)**
Interest payment	-	-	-	(9,821)	-	**(9,821)**
Principal repayment	(700)	(1,440)	-	(113,198)	(9,131)	**(124,469)**
Write-off of financial liabilities (i)	-	-	-	(63,933)	-	**(63,933)**
Balance as at December 31, 2023	**-**	**1,535**	**25,348**	**2,101**	**5,559**	**34,543**
Interest	-	77	1,061	-	-	**1,138**

(In thousands of Brazilian reais – R$, unless otherwise stated)

Fair value adjustment to call options	-	-	(2,272)	-	-	**(2,272)**
Exchange gains (losses)	-	-	-	-	1,420	**1,420**
Interest payments	-	-	-	(466)	-	**(466)**
Principal repayment	-	(1,612)	-	(1,635)	(5,020)	**(8,267)**
Balance at December 31, 2024	**-**	**-**	**24,137**	**-**	**1,959**	**26,096**
Balance at December 31, 2023						
Current	-	1,535	-	2,101	4,070	**7,706**
Non-current	-	-	25,348	-	1,489	**26,837**
Balance at December 31, 2024						
Current	-	-	-	-	979	**979**
Non-current	-	-	24,137	-	980	**25,117**

(In thousands of Brazilian reais – R$, unless otherwise stated)

(i) On November 21, 2023, the Company entered into a Transaction Instrument and Other Covenants with the former shareholders of subsidiary Renovigi. As agreed among the parties, it was established that the amounts pending payment as regards the acquisition would be offset against the amounts of all contingencies subject to present and future losses, such as judicial claims and defective products, in the subsidiary. The revenue of R$63,933 arising from the write-off of this financial liability was recognized in line item 'Other operating (income) expenses, net' in the Company's profit or loss.

20. Other payables

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Advances from customers	65,886	68,027	61,779	54,481
Advanced revenue	7,277	20,342	-	15,670
Business agreements	9,150	10,008	9,150	10,008
ILP plan (Note 32).	4,698	3,877	4,698	3,877
Accrued operating expenses	28,372	32,507	25,186	30,761
Other payables	14,688	17,802	11,670	17,680
	130,071	**152,563**	**112,483**	**132,477**
Current	115,669	136,327	98,086	116,241
Non-current	14,402	16,236	14,397	16,236

21. Equity

a. Share capital

As at December 31, 2024 and 2023, capital is R$1,700,000, represented by 327,611,110 common shares.

On April 18, 2023, the Company's Management, at the Ordinary and Extraordinary General Meeting, approved the capital increase in the amount of R$625,500, using the balances of the earnings reserves, as follows: (i) R$281,307 of funds from the tax incentive reserve; (ii) R$344,193 from the investment reserve.

b. Share issuance costs

Share issuance costs refer to transaction costs such as: expense on the preparation of the offering prospectus and reports; third-party professional service compensation; expenses on advertising; fees and commissions; transfer costs; and registration costs. These costs were recorded net of the effects of income tax and social contribution.

c. Earnings reserves

(i) Legal reserve

Calculated at 5% of profit for the year, as provided for in Article 193 of the Brazilian Corporate Law (Law 6404/76), up to the limit of 20% of capital.

(ii) Tax incentives

As at December 31, 2024, the amount refers to the IRPJ reduction relating to the incentive from the area of operation of the Amazon Development Authority (SUDAM), allocated to the tax incentive reserve in 2023.

(iii) Investment reserve

Recognized for strengthening working capital and enabling investments and the performance of the Company's and its subsidiaries' activities. Also, there is the possibility of using this reserve for capital increase.

On April, 18, 2023, the Company's Management, at the Ordinary and Extraordinary General Meeting, approved the increase of the investment reserve limit from R$500,000 to R$1,500,000.

(iv) Retained earnings

Refers to the retention of earnings after Bylaws Reserves and Mandatory Minimum Dividends. After the increase in the investment reserve limit on April 18, 2023, the amount relating to retained earnings for prior years was transferred to this reserve and the balance of retained earnings amounted to zero.

d. Share buyback

On September 27, 2024, the Board of Directors approved the opening of a Share Buyback Program to buy back Company common shares. The program authorizes acquisitions limited to 400,000 common shares within a maximum term of 18 months, from September 31, 2024 to March 30, 2026.

During the year ended December 31, 2024, the Company bought back 46,730 common shares at an average cost of R$15.69 per share.

e. Valuation adjustments to equity

In 2010 the Company elected to adopt the deemed cost for the main property, plant and equipment items.

In April 2021, as part of the shareholders' agreement entered into among the Company and the non-controlling shareholders of Khomp Indústria e Comércio Ltda. (Acquiree), a put option and a call option were issued, which may give rise to the acquisition by the Company of the remaining shares. The put option held by the non-controlling shareholders was recognized in non-current liabilities with an effect on line item 'Valuation adjustment to equity' at the amount of R$25,896.

f. Cumulative translation adjustments

Comprise foreign currency differences arising from the translation of the financial information of foreign subsidiaries.

(In thousands of Brazilian reais – R$, unless otherwise stated)

g. Payments to shareholders

On February 28, 2024, the Board of Directors approved the payment of dividends additional to mandatory minimum dividends related to profit for the year ended December 31, 2023 totaling R$58,558. The amounts were fully paid on March 15, 2024, together with the amount of R$45,702 as interest on capital approved on December 20, 2023.

On March 19, 2024, the Board of Directors approved the payment of interest on capital at the gross amount of R$40,357, settled on August 15, 2024, based on the reserves recorded in the Company's balance sheet.

On July 26, 2024, the Company's Board of Directors approved the payment of interim dividends in the total amount of R$60,898, based on profit determined during the six-month period ended June 30, 2024. Shareholders were paid on August 15, 2024, with no payout as inflation adjustment.

Finally, at the end of the year, the company calculated an additional amount of R$29,505 related to the mandatory minimum dividends according to the bylaws, which will be paid over the course of 2025.

The table below shows the variations in interest on capital/dividends for distribution in the period ended December 31, 2024:

Consolidated	
Dividend calculation	
Balance at beginning of year	**45,702**
(+) Dividends approved	119,456
(+) Mandatory minimum dividends	29,505
(-) Dividends paid	(119,456)
(+) Interest on capital approved	40,357
(-) IRRF on interest on capital approved	(5,137)
(-) Interest on capital paid	(80,922)
Balance at end of year	**29,505**

h. Non-controlling interests

Refers to the third-party interest, corresponding to 25%, held in the capital of subsidiary Khomp

22. Earnings per share

The purpose of the calculation of earnings per share is to allow performance comparisons between different companies in the same year, as well as for the same company in different years.

(In thousands of Brazilian reais – R$, unless otherwise stated)

	12/31/2024	12/31/2023
Numerator:		
Profit for the year attributable to the Company owners	528,934	544,231
Denominator:		
Weighted average number of common shares, less treasury shares	327,607,049	327,611,110
Denominator:		
Denominator for basic and diluted earnings per share	327,607,049	327,611,110
Basic and diluted earnings per share (in reais - R$)		
Basic and diluted earnings per common share	**1.61**	**1.66**

There are no equity instruments with capital dilutive effect as at December 31, 2024.

23. Tax incentives

	Maturity date	Consolidated		Parent	
		12/31/2024	12/31/2023	12/31/2024	12/31/2023
Financial credit - Law 13969/2019 (i)	12/31/2029	138,126	121,005	136,545	119,248
ICMS - State of Amazonas (ii)	12/31/2032	183,067	171,182	183,067	171,182
ICMS - State of Santa Catarina (iii)	12/31/2032	153,837	106,046	148,375	100,854
ICMS - State of Minas Gerais	12/31/2032	30,772	28,820	30,772	28,820
ICMS - State of Pernambuco	12/31/2032	8,854	7,645	8,854	7,645
		514,656	**434,698**	**507,613**	**427,749**

(i) Law 13969/2019 changed the tax incentive regime implemented by Law 8248/1991, usually known as “IT Law”. Currently called as Information Technology and Communication Companies Law (“ITC Law”), such law authorized eligible companies to utilize a financial credit in replacement of the IPI tax decrease, as set forth in the former law. The financial credit will be converted into federal credits, obtained through a multiplier on the investments in Research, Development and Innovation (RD&I) performed by the IT-related good companies, corresponding to 4% of their gross revenue in the domestic market, arising from the sale of IT goods and services, subject to tax relief as prescribed by this Law. The amount of this benefit is recorded in line item ‘Other operating income (expenses), net’ in the statement of income.

(ii) Law 2826/2003 allows using the deemed ICMS credit authorized in a Project approved with the State of Amazonas, which lists the goods eligible to tax incentives.

(iii) ICMS/SC Regulation - Decree No. 2870/2001, allows the reduction of the ICMS tax basis in domestic transactions involving automation, IT and telecommunication equipment, it being authorized to directly apply the percentage rate of 12% on the full tax basis. This regulation allows using the deemed ICMS credit in transactions involving goods under the Federal IT Law 8248/91, which provides for the qualification and competitiveness of the IT and automation sector.

(In thousands of Brazilian reais – R$, unless otherwise stated)

24. Income tax and social contribution

a. Breakdown of deferred taxes (income tax and social contribution)

The Company and its subsidiaries have tax credits arising from prior-year tax loss carryforwards, that can be carried forward indefinitely, and from temporary add-backs and deductions. The tax basis of the deferred taxes is as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Temporary differences				
Provision for tax, civil and labor risks	15,604	16,995	15,372	16,182
Provision for warranties	78,738	66,055	24,198	19,243
Allowance for obsolete inventories	49,584	61,277	43,913	54,421
Allowance for expected credit losses (*)	16,475	17,796	15,484	16,136
Goodwill (**)	(33,366)	(33,366)	(33,366)	(33,366)
Capital gain	(141,600)	(158,357)	-	-
Difference between tax v. accounting depreciation (useful life)	(31,067)	(18,226)	(31,067)	(18,226)
Deemed cost and review of the useful life of property, plant and equipment items	(37,533)	(37,768)	(37,533)	(37,768)
Effects of revenue recognition - CPC 47 (IFRS 15)	66,635	29,705	65,792	30,101
Accrued commercial funds	8,757	5,624	8,757	5,624
PVA - trade receivables, inventories and trade payables	38,701	41,753	38,753	40,858
Derivative transactions - hedge	(28,915)	(1,214)	(23,845)	(1,784)
Other	28,494	28,385	20,011	26,404
Total temporary differences	**30,507**	**18,659**	**106,469**	**117,825**
Combined deferred income tax and social contribution rate	34%	34%	34%	34%
Deferred income tax and social contribution on temporary differences	**10,372**	**6,344**	**36,199**	**40,061**
Income tax and social contribution loss				
Income tax loss	203,892	166,706	33,437	4,362
Deferred income tax rate	25%	25%	25%	25%
Deferred income tax on income tax loss	**50,973**	**41,677**	**8,359**	**1,091**
Social contribution loss	245,574	205,759	75,119	43,415
Deferred social contribution rate	9%	9%	9%	9%
Deferred social contribution on social contribution loss	**22,102**	**18,518**	**6,761**	**3,907**
Deferred taxes				
Deferred income tax	58,600	46,341	34,976	30,547
Deferred social contribution	24,847	20,198	16,343	14,512
Income tax and social contribution at statutory rate	**83,447**	**66,539**	**51,319**	**45,059**

(*) Part of the amount of the allowance for doubtful debts is comprised of receivables that already fulfill the requirements for deductibility and were considered as deductible.

(In thousands of Brazilian reais – R$, unless otherwise stated)

(**) Goodwill paid upon the acquisition of companies was amortized as from the date the acquirees were merged. Deferred income tax and social contribution were recognized to the extent the tax amortization occurred. Tax goodwill is fully amortized on this date.

Deferred taxes are stated at their net amounts between assets and liabilities, pursuant to CPC 32 (IAS 12) - Income Taxes, when these taxes correspond to the same tax entities and there is an enforceable right of the Company's Management to settle them at their net amount.

The estimated realization of the Company's and its subsidiaries' tax credits, arising from income tax and social contribution losses, are supported by the Company's and its subsidiaries' earnings projections, approved by Management, as follows:

	Consolidated	Parent
	12/31/2024	12/31/2024
2025	11,362	6,027
2026	8,162	1,859
2027	9,586	2,553
2028	8,563	707
After 2028	35,402	3,974
	73,075	**15,120**

The assumptions used in the Company's and its subsidiaries' operating and financial result projections and growth potential were based on Management's expectations regarding the Company's and its subsidiaries' future. Based on these projections, the Company assesses the probability of generation of taxable income in the future against which tax losses can be utilized.

In the period ended December 31, 2024, after assessments, the Company concluded that it continues to be probable that the Parent and its subsidiaries will generate taxable income in the future and, consequently, realize deferred taxes on tax losses.

b. Reconciliation of income tax and social contribution expenses

The reconciliation of income tax and social contribution shown in profit or loss with the amounts calculated at the statutory rate is as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Profit before income tax and social contribution	**514,835**	**516,694**	**522,674**	**536,059**
Share of results of investees	-	-	1,019	30,701
Interest on capital	(40,357)	(91,395)	(40,357)	(91,395)
Tax incentives	(514,656)	(434,698)	(507,613)	(427,749)
Technological research and innovation - Law 11196/05	(2,186)	(72,480)	-	(69,854)
Allowance for expected credit losses	-	(825)	-	(1,605)
Other	2,432	(2,189)	5,866	(191)
	(39,932)	**(84,893)**	**(18,411)**	**(24,034)**
Combined IRPJ/CSLL tax rate	34%	34%	34%	34%
Income tax and social contribution at statutory tax rate	**13,577**	**28,864**	**6,260**	**8,172**
Statutory tax rate				
Current	(3,377)	(7,731)	-	(3,438)
Deferred	16,954	36,595	6,260	11,610
Income tax and social contribution at statutory tax rate	**13,577**	**28,864**	**6,260**	**8,172**
Effective rate	**2.64%**	**5.59%**	**1.20%**	**1.52%**

25. Risk and financial instruments management

1. Risk management

The Company enters into transactions involving financial instruments. These financial instruments are managed through operating strategies and internal controls that aim at ensuring liquidity, profitability and security. Financial instruments are contracted for hedging purposes based on a periodic analysis of the risk exposure that Management has the intention to hedge (exchange rates, interest rates, etc.). The control policy consists of an ongoing monitoring of contracted terms and conditions compared to market terms and conditions.

The amounts of financial assets and liabilities disclosed at the end of the reporting period have been determined according to the accounting criteria and policies disclosed in specific notes to the financial statements.

As a result of their activities, the Company and its subsidiaries could be exposed to the following financial risks:

- credit risk;
- liquidity risk;
- market risk;
- interest rate risk;
- exchange rate risk;
- operational risks.

(i) Credit risk

Arises from the possibility of the Company incurring losses as a result of default by its customers or financial institutions that are depositaries of funds or short-term investments.

To mitigate these risks, the Company analyzes the financial position of its customers and manage the credit risk based on a credit rating and granting program and elects to supplement risk management by taking credit insurance. The Company also recognizes an allowance for expected credit loss amounting to R$45,092 as at December 31, 2024 (R$39,289 as at December 31, 2023) on a consolidated basis and R$40,639 as at December 31, 2024 (R$35,356 as at December 31, 2023) in Parent, to cover the credit risk.

(In thousands of Brazilian reais – R$, unless otherwise stated)

For short-term investments and deposits at financial institutions, the Company's Management, through its treasury area, monitors market information on its counterparties to identify potential credit risks. The carrying amounts of the main financial assets that represent the maximum exposure to credit risk at the end of the reporting period are as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Checking account	62,407	94,021	46,823	83,073
Short-term investments	825,562	1,209,148	651,291	1,171,894
Securities	10,973	12,687	10,833	11,316
Trade receivables	1,320,917	1,035,585	1,315,713	977,347
	2,219,859	**2,351,441**	**2,024,660**	**2,243,630**

(ii) Liquidity risk

Arises from a possible decrease in the funds used to repay the Company's debts.

Management monitors the ongoing forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operating needs. In addition, the Company maintains balances in highly liquid short-term investments to cover possible mismatches between the maturity date of its contractual obligations and its cash generation.

The Company invests its cash surplus in interest-bearing financial assets (Note 5) and chooses instruments with appropriate maturities or sufficient liquidity to create an adequate buffer, according to the forecasts referred to above.

At the end of the reporting period, cash equivalents held by the Company are highly liquid and considered as sufficient to manage liquidity risk.

The amortization schedule of the non-derivative financial liabilities in the consolidated according to contractual conditions is shown below. The flow presented was not discounted and includes interest and inflation adjustment at the contractual indices based on the respective projected rates at the balance sheet date, published by the Focus Report of the Central Bank of Brazil:

	12/31/2024			
	Up to one year	One to three years	Over 3 years	Total
Trade payables	894,227	-	-	894,227
Trade payables - forfaiting	346,036	-	-	346,036
Payables for acquisition of businesses	979	26,309	-	27,288
Borrowings and financing	260,802	776,994	321,352	1,359,148
	1,502,044	**803,303**	**321,352**	**2,626,699**

(In thousands of Brazilian reais – R$, unless otherwise stated)

	12/31/2023			
	Up to one year	One to three years	Over 3 years	Total
Trade payables	711,659	-	-	711,659
Trade payables - forfaiting	182,120	-	-	182,120
Payables for acquisition of businesses	6,924	27,710	-	34,634
Borrowings and financing	186,723	760,624	526,028	1,473,375
	1,087,426	**788,334**	**526,028**	**2,401,788**

(iii) Market risk

Arises from the possibility of fluctuations in the market prices of the inputs used in the production process, especially in the electric and electronic segment. These price fluctuations may significantly change the Company's costs. To mitigate these risks, the Company manages inventories by setting up the buffer inventories of this raw material.

Additionally, there is the agreement for the purchase of shares mentioned in Note 21 (e), which may vary depending on the attainment of certain goals related to the EBITDA of the acquiree's operations.

As informed in CPC 40 (R1) (IFRS 7) - Financial Instruments: Disclosures, items (iv) and (v) below show the variable market risks and respective sensitivity analyses to which the Company is subject in its operations.

(iv) Interest rate risk

risk Arises from the possibility of the Company obtaining gains or incurring losses due to fluctuations in interest rates on its financial assets and liabilities. To mitigate this type of risk, the Company seeks to diversify its funding sources and, in certain circumstances, conducts hedging transactions to reduce the finance cost of its operations. As at December 31, 2024, Currency Forward Contracts transactions and swaps were contracted to mitigate cash flow risks due to foreign exchange fluctuations.

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Instruments with floating interest rate				
Securities	10,973	12,687	10,833	11,316
Borrowings and financing	(923,516)	(888,461)	(908,203)	(882,716)
Forward contracts	28,815	(3,292)	23,845	(3,213)
Swap transactions	-	(490)	-	-
Instruments with fixed interest rate				
Borrowings and financing	-	(25,554)	-	-

(In thousands of Brazilian reais – R$, unless otherwise stated)

(v) Exchange rate risk

Arises from possible fluctuations in the exchange rates of the foreign currencies, mainly the US dollar, used by the Company to acquire inputs, sell goods, and contract financial instruments, in addition to other payables and receivables in foreign currencies. The Company constantly assesses the contracting of hedging transactions to mitigate these risks, as shown in Note 25.2, thus hedging against fluctuation in exchange rates and not exposing foreign currency-denominated balances in full.

As at December 31, 2024 and December 31, 2023, the balances in foreign currencies were as follows (in Brazilian reais - R$):

	12/31/2024					
	Foreign currency					
	US dollar US$	COP $	Euro €	Yen ¥	Ren ¥	Total
Assets						
Cash and cash equivalents	121,062	6,501	23	-	2,912	**130,498**
Trade receivables	34,024	19,069	-	-	801	**53,894**
Forward contracts (NDFs)	28,815	-	-	-	-	**28,815**
Liabilities						
Trade payables	(1,017,822)	(2,350)	(253)	(5,499)	(81,071)	**(1,106,995)**
Borrowings and financing	-	(14,790)	-	-	-	**(14,790)**
Net exposure	**(833,921)**	**8,430**	**(230)**	**(5,499)**	**(77,358)**	**(908,578)**

	12/31/2023					
	Foreign currency					
	US dollar US$	COP $	Euro €	Yen ¥	Ren ¥	Total
Assets						
Cash and cash equivalents	69,266	4,677	19	-	1,209	**75,171**
Trade receivables	14,370	14,864	-	-	19	**29,253**
Liabilities						
Trade payables	(761,143)	(11,652)	(6)	(5,900)	(22)	**(778,723)**
Borrowings and financing	(696)	(24,858)	-	-	-	**(25,554)**
Forward contracts (NDFs)	(3,292)	-	-	-	-	**(3,292)**
Swap contract	(490)	-	-	-	-	**(490)**
Net exposure	**(681,985)**	**(16,969)**	**13**	**(5,900)**	**1,206**	**(703,635)**

Management believes that the exposures to the foreign exchange risk are acceptable for its operations.

In order to verify the sensitivity of the exchange rate differences of balances in foreign currency to which the Company and its subsidiaries were exposed as at December 31, 2024, five different scenarios were defined with stresses of 5% and 10% of decrease or increase in relation to the benchmark rate, with the expected rate being used for the next 12 months. Also, these stresses correspond to the expectation based on the magnitude of the changes in the US dollar rates, the foreign currency with greater relevance in the Company's balances, for the 12 months prior to the base date.

The respective expense and income on exchange rate differences were calculated for each scenario, considering only the amounts in US dollar, due to their relevance. The portfolio base date used was December 31, 2024. The US dollar quotation used in the projection was R$6.05.

(In thousands of Brazilian reais – R$, unless otherwise stated)

	(Expenses) income				
	Scenario I -10%	Scenario II -5%	Probable scenario	Scenario III +5%	Scenario IV +10%
Cash and cash equivalents	(14,610)	(8,696)	(2,782)	3,132	9,046
Trade receivables	(6,504)	(3,871)	(1,238)	1,394	4,027
Trade payables	123,315	73,398	23,481	(26,435)	(76,352)
Derivative instruments	(3,477)	(2,070)	(662)	745	2,153
	98,724	**58,761**	**18,799**	**(21,164)**	**(61,126)**

(vi) Operational risk

Operational risk is the risk of incurring direct or indirect losses due to a series of reasons associated to the Company's processes, personnel, technology, and infrastructure, as well as external factors, except credit, market and liquidity risks, such as those arising from legal and regulatory requirements, and generally accepted corporate behavior standards. The operational risks arise from all Company's operations. The Company's objective is to manage the operational risk to avoid any financial losses and damages to the Company's reputation.

Senior Management has the primary responsibility for developing and implementing controls over operational risks.

2. Derivative instruments

The Company does not invest in derivatives or any other risk assets for speculative purposes. The Company's derivative instruments are stated at fair value and summarized as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets				
Forward contracts (NDFs)	28,815	-	23,845	-
	28,815	**-**	**23,845**	**-**
Liabilities				
Payables for purchase of shares	(13,305)	(15,577)	(13,305)	(15,577)
Swaps	-	(490)	-	-
Forward contracts (NDFs)	-	(3,292)	-	(3,213)
	(13,305)	**(19,359)**	**(13,305)**	**(18,790)**

NDF transactions

As at December 31, 2024, the Company enters into Currency Forward Contracts totaling US$77,759,000 to hedge its future cash flow against currency fluctuations, and the fair value of these contracts is R$28,815, recognized in current liabilities (R$3,292 in current liabilities at December 31, 2023). The Currency Forward Contracts have average term of 90 days between the contracting date and the maturity date.

(In thousands of Brazilian reais – R$, unless otherwise stated)

Call option contract

The Company is a party to a contract of payables for purchase of shares involving an option contract, as described in Note 21 (e). The amount is recognized in line item 'Payables for purchase of shares'.

3. Financial instruments - fair value

Financial assets and financial liabilities adjusted at current market rates are shown below:

	Consolidated				
	12/31/2024		12/31/2023		Classification
	Carrying amount	Fair value	Carrying amount	Fair value	
Assets					
Cash and cash equivalents	62,407	62,407	94,021	94,021	Amortized cost
Short-term investments	825,562	825,562	1,209,148	1,209,148	Amortized cost
Securities	10,973	10,973	12,687	12,687	Amortized cost
Trade receivables	1,248,917	1,248,917	974,667	974,667	Amortized cost
Forward contract	28,815	28,815	-	-	Fair value through profit or loss
Liabilities					
Trade payables	1,219,606	1,219,606	877,124	877,124	Amortized cost
Borrowings and financing - including charges	923,516	923,516	914,015	914,015	Amortized cost
Other payables - acquisition of subsidiary	12,791	12,791	18,966	18,966	Amortized cost
Payables for purchase of shares	13,305	13,305	15,577	15,577	Fair value through profit or loss
Forward contract	-	-	3,292	3,292	Fair value through profit or loss
Swap contract	-	-	490	490	Fair value through profit or loss

Derivatives are measured according to the mark-to-market calculation at the reporting date.

Fair value measurement recognized in the financial statements

The table below shows an analysis of the financial instruments recognized at fair value, after initial recognition. These financial instruments are classified in levels 1 to 3, based on the level where their fair value is quoted:

- Level 1: fair value measurement derives from quoted prices (unadjusted) in active markets, based on identical assets and liabilities;
- Level 2: fair value measurement derives from other quoted inputs included in Level 1, which are quoted through an asset or liability, either directly (that is, such as prices) or indirectly (that is, derived from prices); and
- Level 3: fair value measurement derives from valuation techniques that include an asset or liability without active market.

At the end of the reporting period, Management adopted Level 2 to determine the fair values applicable to the Company's financial instruments, except for the payables for purchase of shares arising from Khomp's acquisition, as mentioned in note 21 (e), for which Level 3 is used.

Criteria, assumptions and limitations used in fair value calculation

The estimated fair values of the Company's and its subsidiaries' financial assets and liabilities were determined as described below. The Company and its subsidiaries maintain non-deliverable forward contracts (NDF) as mentioned in this Note.

Cash and cash equivalents and short-term investments

The carrying amounts of the balances in checking accounts held at banks approximate their fair values, and we believe that they are measured at fair value based on the probable realizable amount.

Trade receivables and trade payables

Arise directly from the Company's and its subsidiaries' operations, measured at amortized cost and recorded at their original amounts, less the allowance for losses and present value adjustment, when applicable.

Borrowings and financing - including charges

The fair values of these financing facilities are equivalent to their carrying amounts because they refer to financial instruments at rates that are equivalent to market rates and have exclusive features, arising from specific financing sources for R&D and Projects.

Limitations

The fair values were estimated at the end of the reporting period, based on "Relevant market inputs." Changes in assumptions could significantly affect the estimates.

4. Qualitative and quantitative information on financial instruments

In order to verify the rate sensitivity in short-term investments to which the Company and its subsidiaries were exposed as at December 31, 2024, five different scenarios were defined.

Based on the finance income recognized in the nine-month period ended December 31, 2024, 10% and 20% stresses were calculated, which correspond to the percentage rates used by Management in its management analyses. In the probable scenario, the projected average rates are based on market expectations for the financial indicators linked to the measured rights and obligations, published by the Central Bank of Brazil's Focus Bulletin.

(In thousands of Brazilian reais – R$, unless otherwise stated)

In each scenario, the Company calculated the effects on the financial income or costs for the 12-month period from the balance sheet balances as at December 31, 2024, without taking into account the taxes levied or the scheduled maturity flows for each contract, thus obtaining the amounts as shown in the table below:

	Consolidated						
	Balances in 12/31/2024	Average rate	Probable scenario	Scenario I +10%	Scenario II +20%	Scenario III -10%	Scenario IV -20%
Short-term investments							
Local currency	732,913	14.55%	106,639	117,303	127,967	95,975	85,311
Foreign currency	92,649	4.64%	4,299	4,729	5,159	3,869	3,439
	825,562	**13.44%**	**110,938**	**122,032**	**133,126**	**99,844**	**88,750**
Borrowings and financing							
Local currency	908,726	11.56%	(105,049)	(115,554)	(126,059)	(94,544)	(84,039)
Foreign currency	14,790	11.58%	(1,713)	(1,884)	(2,056)	(1,542)	(1,370)
	923,516	**11.56%**	**(106,762)**	**(117,438)**	**(128,115)**	**(96,086)**	**(85,409)**
Net effect on profit or loss			**4,176**	**4,594**	**5,011**	**3,758**	**3,341**

5. Capital management

Capital includes common shares and other reserves attributable to controlling shareholders. The main objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and adjusts it taking into account the changes in economic conditions and financial covenants. To maintain or adjust its capital structure, the Company can adjust the payment of dividends to shareholders, return capital to them, or issue new shares. The Company monitors capital through the correlation of net debt (or net cash) and equity. The Company's policy is to maintain a net cash position or, in case of net debt, the correlation between 20% and 40%. The Company includes in the net debt interest-bearing borrowings and financing, less cash and cash equivalents.

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Interest-bearing borrowings and financing	923,516	914,015	908,203	882,716
(-) Cash and cash equivalents	(887,969)	(1,303,169)	(698,114)	(1,254,967)
Consolidated net debt	**35,547**	**(389,154)**	**210,089**	**(372,251)**
Equity	2,966,536	2,623,522	2,941,909	2,600,824
Correlation	**1%**	**(15%)**	**7%**	**(14%)**

(In thousands of Brazilian reais – R$, unless otherwise stated)

To achieve this overall goal, the Company's capital management aims at, but not limited to, ensuring that it meets the financial commitments associated with borrowings and financing that define the capital structure requirements. Any breach of financial covenants would allow the bank to immediately require the settlement of borrowings and financing. There were no breaches of the financial covenants for any interest-bearing borrowings and financing in the period. No changes were made to the capital management objectives, policies or processes in the reporting periods.

26. Net operating revenue

The table below shows the reconciliation between gross revenue for tax purposes and revenue stated in the statement of income for the year:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Gross operating revenue	**6,016,862**	**5,175,318**	**5,694,552**	**4,824,818**
Taxes on sales	(861,831)	(725,164)	(850,772)	(694,847)
Commercial funds	(132,250)	(131,451)	(132,250)	(131,451)
Returns	(266,635)	(215,027)	(248,542)	(206,390)
Net operating revenue	**4,756,146**	**4,103,676**	**4,462,988**	**3,792,130**

27. Cost of sales and services

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cost of sales and services	**3,293,517**	**2,826,669**	**3,147,351**	**2,635,830**
Raw material and resale	2,878,267	2,483,731	2,760,943	2,325,013
Fixed production costs	370,954	310,092	345,051	282,355
Depreciation and amortization	44,296	32,846	41,357	28,462
	3,293,517	**2,826,669**	**3,147,351**	**2,635,830**

(In thousands of Brazilian reais – R$, unless otherwise stated)

28. Expenses by nature

The Company elected to present the income statement by function. As prescribed by CPC 26 (R1) (IAS 1) - Presentation of Financial Statements, costs and expenses are broken down by nature as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Expenses by function				
Selling expenses	644,734	560,321	577,892	485,505
General and administrative expenses	259,342	238,140	208,946	189,708
Other operating expenses (income), net (i)	14,236	(42,779)	(12,399)	(71,219)
	918,312	**755,682**	**774,439**	**603,994**
Personnel expenses	552,477	523,128	462,507	439,837
Sales and marketing	217,123	181,874	206,724	154,251
Freight	131,763	109,481	123,281	96,834
Utilities, maintenance and support materials	43,128	43,366	37,699	36,532
Depreciation and amortization	53,538	46,394	31,846	25,187
Outside services	53,973	37,610	43,317	28,505
Other (income) expenses (i)	524	(65,241)	1,698	(57,980)
Financial credit	(134,214)	(120,930)	(132,633)	(119,172)
	918,312	**755,682**	**774,439**	**603,994**

(i) On November 21, 2023, the Company entered into an agreement that resulted in the write-off of the financial liability relating to the acquisition of Renovigi, as detailed in Note 19.

(In thousands of Brazilian reais – R$, unless otherwise stated)

29. Finance income (costs)

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Income from short-term investments	113,694	150,600	104,402	147,739
Interest	16,444	7,667	21,296	17,902
Present value adjustments	69,107	60,560	67,983	58,783
Revenues on derivatives - call options	2,591	2,759	2,591	2,759
Other	809	1,157	506	1,079
Finance income	**202,645**	**222,743**	**196,778**	**228,262**
Interest on financing and borrowings	(82,087)	(101,357)	(81,820)	(95,420)
Interest on payables for business acquisitions	-	(12,994)	-	(12,996)
Banking expenses	(11,138)	(11,803)	(5,482)	(7,555)
IOF on financial transactions	(3,593)	(1,102)	(1,044)	(741)
Present value adjustments	(68,018)	(81,698)	(68,240)	(77,636)
Expenses on derivatives - call options	(318)	(2,660)	(318)	(2,660)
Other	(1,805)	(2,816)	(1,422)	(1,174)
Finance costs	**(166,959)**	**(214,430)**	**(158,326)**	**(198,182)**
Exchange rate gains (losses)	(154,580)	36,043	(141,402)	27,336
Exchange gains (losses) on borrowings	(15)	1,924	-	(427)
Derivative transactions - swap	7	(1,514)	-	(484)
Derivative transactions - forward contracts	89,420	(49,397)	85,445	(42,051)
Exchange gains (losses), net	**(65,168)**	**(12,944)**	**(55,957)**	**(15,626)**
Finance income (costs), net	**(29,482)**	**(4,631)**	**(17,505)**	**14,454**

30. Insurance coverage

The Company has a risk management program designed to minimize risks, seeking in the market coverage that is compatible with its size and operations. The insurance amounts are considered sufficient by Management to cover possible losses, taking into account the nature of the activities, the risks involved in operations and the advice of its insurance brokers.

As at December 31, 2024, the Company has the following insurance coverage according to the insurance policies taken from third parties:

Insured risks	Insured amount
Operational risks (property insurance)	337,940
Loss of profits (P.I. 4 months)	198,000
Civil liability	32,000
Domestic freight and exports	6,042,229
Credit risks	70,000

(In thousands of Brazilian reais – R$, unless otherwise stated)

31. Segment reporting

The segment reporting below is used by the Management of Intelbras to assess the performance of the operating segments and make decisions on the allocation of funds, the gross profit being the measurement used in the performance of its operating segments.

Security

Segment comprised of business lines related to electronic security, such as analog video surveillance equipment (CCTV), IP video surveillance (CCTV IP), alarms and sensors against invasion, alarms and sensors against fire and access control (controls and devices for building, residential and corporate use).

Information and Communication Technology (ICT)

Segment comprised of business lines related to voice, image and data communication, as well as for network infrastructure. Equipment for corporate network, residential and fiber optic infrastructure, residential and corporate communication systems and related accessories is sold.

Energy

Segment comprised of business lines related to the supply of energy for electric and electronic equipment and consumers in general, in addition to power saving and no-break devices for houses, companies and buildings. Power supplies, batteries, UPSs, light sensors, in addition to on-grid and off-grid solar power generators are sold.

The Company’s operations are carried out in Brazil and abroad, and there are no customers accounting for more than 10% of the revenue of each segment.

	12/31/2024			
	ICT	Security	Energy	Total
Net operating revenue	1,062,207	2,602,713	1,091,226	**4,756,146**
Gross profit	288,449	904,954	269,226	**1,462,629**

	12/31/2023			
	ICT	Security	Energy	Total
Net operating revenue	907,919	2,225,214	970,543	**4,103,676**
Gross profit	274,789	832,655	169,563	**1,277,007**

(In thousands of Brazilian reais – R$, unless otherwise stated)

The Company provides, in the table below, information on the assets and liabilities whose performance is regularly assessed by Management and the managers of the respective segments in order to make decisions on the allocation of the necessary resources to each segment. Assets comprise trade receivables, inventories, property, plant and equipment, and intangible assets, while liabilities comprise trade payables:

	Assets		Liabilities	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Information and Communication Technology (ICT)	1,199,446	863,087	237,702	150,611
Security	2,131,840	1,590,142	746,385	556,039
Energy	961,396	833,881	235,519	170,474
	4,292,682	**3,287,110**	**1,219,606**	**877,124**

32. Information on related-party transactions and balances

The Company is primarily engaged in the manufacture, development and sale of electronic security equipment and electronic surveillance and monitoring services, consumer voice and/or data communications devices and equipment, professional voice and/or data communications equipment, services and means, network equipment, data communications infrastructure means and solutions.

1. Transactions and balances between the Company and related parties

	Parent							
	Balance sheet balances							
	Trade receivables		Trade payables		Loans		Other payables/receivables	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Ascent Asia	-	-	-	(271)	-	-	-	-
Seventh	-	1	-	-	-	-	(13)	-
Décio Indústria Metalúrgica (i)	24	41	(5,070)	(4,995)	-	(19,720)	-	-
Khomp Indústria e Comércio	55	39	(102)	(337)	-	-	-	-
Renovigi Energia Solar (ii)	48,407	39	(5,111)	(7,894)	-	(116,928)	301	(858)
Allume Holding SAS	13,977	3,205	-	-	-	-	-	-
Zhejiang Dahua Technology (iii)	-	-	(478,466)	(220,453)	-	-	4,941	-
	62,463	**3,325**	**(488,749)**	**(233,950)**	**-**	**(136,648)**	**5,229**	**(858)**

	Transactions					
	Sales revenue		Purchases:		Interest on loans	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Ascent Asia	-	-	(10,467)	(9,202)	-	-
Seventh	2	10	-	-	-	-
Décio Indústria Metalúrgica	99	95	(41,391)	(35,110)	475	2,311
Khomp Indústria e Comércio	292	718	(1,742)	(546)	-	-
Renovigi Energia Solar	41,123	542	(188,034)	(59,660)	5,205	8,736
Allume Holding SAS	11,232	184	-	-	-	-
Zhejiang Dahua Technology (iii)	-	-	(1,131,769)	(545,483)	-	-
Aunady	-	-	(414)	-	-	-
	52,748	**1,549**	**(1,373,817)**	**(650,001)**	**5,680**	**11,047**

(In thousands of Brazilian reais – R$, unless otherwise stated)

	Consolidated					
	Balance sheet balances				Transactions	
	Trade payables		Other payables/receivables		Purchases:	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Zhejiang Dahua Technology (iii)	(505,846)	(220,453)	4,941	-	(1,186,658)	(545,483)
	(505,846)	**(220,453)**	**4,941**	**-**	**(1,186,658)**	**(545,483)**

(i) On April 24, 2024, the Company converted loans granted to Décio into capital in the amount of R$20,195;

(ii) During the year ended December 31, 2024, the Company made deductions from loans granted to Renovigi against payables to subsidiary amounting to R$66,123and converted loans into capital in the amount of R$56,010.

(iii) The amounts presented correspond to the sum of transactions with Dahua and its investees.

2. Balances and transactions between investees

	Consolidated	
	Sales revenue	
	12/31/2024	12/31/2023
Sales made by Décio to Khomp	-	93
Sales made by Ascent to Dahua	7,576	5,641
Sales made by Dahua to Allume	54,889	2,207
	62,465	**7,941**

Related-party transactions

Related-party balances refer to transactions under specific conditions agreed upon among the parties; balances in general are adjusted for inflation based on the Selic rate. Finally, the Company understands that related-party transactions have operating characteristics; thus the effects are recognized in operating activities in its statement of cash flows.

As at December 31, 2018, the Company entered into a cooperation agreement ('Cooperation Agreement') with Zhejiang Dahua Technology Co., Ltd., a company comprising the economic group of Dahua Europe B.V. Under the Cooperation Agreement, there is a commitment of acquiring exclusively from supplier Dahua closed circuit television products comprised of electronic surveillance cameras and digital video recorders, subject to the compliance by supplier Dahua with certain conditions, as established in the Cooperation Agreement. Since November 2019, supplier Dahua holds the Company's shares which, as at December 31, 2024, correspond to 7.56% of the capital.

Collaterals

The Company offers collateral for the borrowings and financing described in Note 15, which are granted to the financial institutions and comprise letter of guarantee and property, plant and equipment items. There are no collaterals granted to third parties.

Compensation of key management personnel

Key management personnel includes the members of the Board of Directors and statutory and non-statutory officers, which duties involve the decision-making power and the control over the Company's activities. The compensation of key management personnel totaled R$43,812 for the twelve-month period ended December 31, 2024 (R$55,525 at December 31, 2023). This amount comprises short-term benefits consisting of: (i) management fees paid to the executive board and members of the Board of Directors; (ii) bonus paid to the executive board and (iii) other benefits, such as healthcare plan.

The Company does not grant any post-employment and/or severance benefits to its officers and directors, other than those prescribed by the applicable law.

Long-term incentive plan (ILP Plan)

The Company has a Long-term Incentive Plan (“ILP Plan”) granted to Executive Officers and Managers, to attract, motivate or retain, as well as to align its interests with the Company’s and its shareholders’ interests.

The amount the plan participants will be entitled is converted by the average price of the Company’s shares at B3, based on the month prior to the time the right is exercised. After compliance with the vesting periods set forth in the Plan’s charter, the amount the plan participants will be entitled will be converted again in cash, considering the average price of the Company’s shares in the 20 trading sessions in the month prior to the financial settlement.

As a condition to the application of the ILP Plan (trigger), the Company needs to obtain, at least, 20% of Return on Invested Capital (ROIC) in the year immediately prior to each year of vesting of the right. Also, the ILP Plan, coupled with the profit sharing, cannot exceed the limits of number of salaries of those eligible set forth in the plan regulation.

The ILP Plan’s charter establishes certain terms and conditions for receiving the incentive, which is divided into two installments:

- 30% of the incentive is released after the participant reaches 60 years of age or ends his or her career; and

- 70% in three annual installments from the second year of the respective contract granting date.

(In thousands of Brazilian reais – R$, unless otherwise stated)

During the year ended December 31, 2024, expenses relating to the ILP Plan totaled R$321, recognized in line item 'General and administrative expenses' in the statement of income for the year, as a contra entry to other payables, in non-current liabilities, according to the movements shown in the table below:

ILP PLAN	12/31/2023	Reciprocity	Recognition	Adjustment	12/31/2024
2022	1,924	-	-	(726)	**1,198**
2023	1,953	500	-	(860)	**1,593**
2024	-	-	1,907	-	**1,907**
TOTAL	**3,877**	**500**	**1,907**	**(1,586)**	**4,698**

33. Non-cash items

Transactions in the year not affecting the Company's cash flows are as follows:

	Consolidated		Parent	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Items not affecting cash:				
Exchange rate differences on foreign subsidiary	2,985	764	2,202	598
Lease contracts recognized	11,797	6,363	9,469	5,221
Unpaid declared interest on equity/dividends	29,505	45,702	29,505	45,702
Changes in the balance of suppliers of property, plant in equipment in installments	(3,407)	2,102	(3,407)	2,102
Capital increase using earnings reserve	-	625,500	-	625,500
Capital increase in investees using loans granted	-	-	76,205	45,787
Deductions from loans granted to investees in intercompany transactions	-	-	66,123	-
Acquisition of subsidiary in installments	-	6,746	-	6,746

34. Events after the reporting period

(i) On January 29, 2025, the Company entered into a financing agreement with the Brazilian Development Bank (BNDES) in the amount of R$200,000, for the purpose of financing the development transactions with micro, small and medium-sized internet providers.

The funds will be disbursed over the next three years according to the progress of the project, with a 12-month grace period to begin repayments after the funds are made disbursed. Subsequently, repayments will take place in up to 60 months and bear interest linked to TR plus a spread of 2.7‰ per year.

(ii) At a meeting of the Board of Directors held on February 25, 2025, the Company approved the payment of additional dividends totaling R$60,421, corresponding to R$0.184476100865 per share. Shareholders will be paid on March 17, 2025, with no payout as inflation adjustment.

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STATEMENT OF THE EXECUTIVE OFFICERS ON THE COMPANY'S INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Executive Officers of **Intelbras S.A. Indústria de Telecomunicação Eletrônica Brasileira** ("Company"), in accordance with item VI, paragraph 1, article 27 of CVM Resolution Nº 80, on March 29, 2022, as amended, declare that they have reviewed, discussed and agreed with the Company's individual and consolidated financial statements for the year ended December 31, 2024, compared to December 31, 2023, authorizing its conclusion on this date.

São José (SC), February 26th, 2025.

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Altair Angelo Silvestri
Chief Executive Officer

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Rafael Boeing
Investor Relations Officer and Administrative and Financial Superintendent Officer

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Henrique Fernandez
Communication Superintendent Officer

____

Marcio Ferreira da Silva
Energy Superintendent Officer

____

Paulo Daniel Correa
Security Superintendent Officer

STATEMENT OF THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITOR'S REPORT ON COMPANY'S INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Executive Officers of Intelbras S.A. Indústria de Telecomunicação Eletrônica Brasileira ("Company"), in accordance with item V, paragraph 1, article 27 of CVM Resolution Nº 80, on March 29th , 2023, as amended, declare that they have reviewed, discussed and agreed with the opinion expressed in the independent auditors' report on the Company's individual and consolidated financial statements for the year ended December 31st, 2024, compared to December 31st, 2023, authorizing its conclusion on this date.

São José (SC), February 27th, 2025.

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Altair Angelo Silvestri
Chief Executive Officer

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Rafael Boeing
Investor Relations Officer and Administrative and Financial Superintendent Officer

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Henrique Fernandez
Communication Superintendent Officer

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Marcio Ferreira da Silva
Energy Superintendent Officer

____

Paulo Daniel Correa
Security Superintendent Officer

INTELBRAS S.A. INDÚSTRIA DE TELECOMUNICAÇÃO ELETRÔNICA BRASILEIRA

Public-Open Company
CNPJ: 82.901.000/0001-27

ANNUAL REPORT OF THE AUDIT COMMITTEE

FISCAL YEAR ENDED DECEMBER 31st, 2024

1. Context

The Audit Committee ("**Committee**") of Intelbras S.A. Indústria de Telecomunicação Brasileira S.A. ("**Company**") is a non-statutory advisory sub-group linked to the Company's Board of Directors, whose installation was ratified at the Board of Directors' Meeting occurred on November 25th, 2020 ("**RCA 11.25.2020**"). The Committee has, among other attributions, the objective of continuously monitoring and evaluating the risk identification systems and internal controls, monitoring the Company's risk exposures. The Committee's Internal Regulations ("Regulations") were approved on RCA 11.25.2020 and amended at the Board of Directors Meeting that occurred on January 8th, 2021 and are available on our investor relations website (https://ri. intelbras.com.br) and the website of Brazilian Securities and Exchange Commission ("CVM") (www.cvm.gov.br), in the category "Internal Regulations of the Audit Committee".

2. Composition

The Committee is composed of, at least, 3 (three) members appointed by the Board of Directors, being: **(i)** at least 1 (one) independent member, as defined by the Novo Mercado Regulations; **(ii)** at least 1 (one) member with recognized experience in matters of corporate accounting, according to the regulations issued by the CVM that provide for the registration and exercise of independent audit activity within the scope of the securities market and defines the duties and the responsibilities of the managers of the audited entities and in the relationship with the independent auditors. The Committee must have in its composition the presence of a coordinator ("**Coordinator**") who will be responsible for representing, organizing and coordinating its activities.

Currently, the Company's Committee is composed of 3 (three) members, re-elected on

RCA 04.19.2023, for a term of 1 (one) year. The Committee has **(i)** 1 (one) independent member (who meets the independence criteria established in the Novo Mercado Regulations and by the CVM); and **(ii)** 1 (one) specialist in accounting and finance, not performing any other function in the Company, following the requirements of article 22, item V of the Novo Mercado Regulations. Among the members elected to compose the Committee, one effective member exercises the function of Coordinator.

The members of Committee are: Marciel Manoel Linhares, Gilberto Heinzelmann and Marcos Antônio Quintanilha.

3. Attributions and Responsibilities

The Committee's assignments are provided for in the Regulations and are performed under the requirements of the applicable regulations:

i. Evaluate performance and issue an opinion on the hiring and dismissal of independent audit services;

ii. Evaluate the quarterly information, interim statements and annual financial statements;

iii. Monitor the activities of the internal audit and internal controls area of the Company;

iv. Review and submit to the approval of the Board of Directors the Company's Risk Appetite proposal prepared by the Executive Board;

v. Evaluate and analyze the Risk Management Structure and the Company's Risks, recommending improvements whenever necessary; and

vi. Evaluate, monitor, and recommend to Executive Officers the correction or improvement of the Company's internal policies, including the policy for transactions between related parties.

The Committee also prepares, annually, a summary report covering the meetings that occurred and the main matters discussed, highlighting the recommendations made to the Board of Directors.

4. Meetings Held e Main Subjects Discussed

In the fiscal year ended on December 31, 2024, in compliance with the provisions of Article 10 of the Regulations, 10 (ten) formal meetings of the Committee occurred, on the following dates: ***(a)*** January 22nd, 2024; ***(b)*** February 22nd, 2024; ***(c)*** March 25th, 2024; ***(d)*** April 24th, 2024; ***(e)*** June 03rd, 2024; ***(f)*** July 23rd, 2024; ***(g)*** September 23rd, 2024; ***(h)*** October 23rd, 2024; ***(i)*** October 28th, 2024, and ***(j)*** December 18th, 2024.

At the meeting that occurred on February 22nd, 2024, described in item ***(b)*** above, the Committee met to analyze and resolve the issuance of the financial statements for the year ended December 31st, 2023, and the respective audit report issued by the Company's external auditors ("**Independent Auditors' Report 2023**"). The members of the Committee decided, on that occasion, to recommend the approval of the Company's financial statements for the fiscal year ended on December 31, 2023, as well as to approve said Report.

At other meetings, the Committee met to analyze the Company's performance and assess its risk identification systems and internal controls, monitoring its risk exposures and preparing suggestions for improvement to the Board of Directors. Additionally, were discussed ***(a)*** the Company's quarterly and interim information and financial statements; ***(b)*** the evaluation and monitoring of the Company's internal policies, preparing recommendations for improving internal policies and practices; ***(c)*** the management and performance processes of the Company's compliance committee and the main topics monitored; ***(d)*** the management processes of Research and Development operations and the way of controlling tax benefits; ***(e)*** the internal IT environment and information security policies, ERP performance and IT structure to support company´s growth; ***(f)*** the transaction with related parties and internal controls; ***(g)*** the inventory management and obsolete scrapping processes; ***(h)*** the performance of the Internal Audit and Internal Controls; ***(i)*** the company's people management and training process; ***(j)*** the company's after-sales management process and control; ***(k)*** the Company's provision for legal contingencies; ***(l)*** the status, performance of subsidiaries and acquisitions of new companies; ***(m)*** the relevant investments in construction and fixed assets; ***(n)*** the risk management and strategic risks; ***(o)*** monitoring the process of Hiring and Annual Assessment of the Work of External Auditors; ***(p)*** monitoring of ESG activities - Environmental, Social and Governance; ***(q)*** monitoring of the process of Sales Management, Programs and Benefits for Business Partners; ***(r)*** supervision and assessment of the processes of calculation and recognition of Income Tax/Social Contribution on Net Income and ***(s)*** monitoring of Insurance Coverage Management

During the current year, the meeting February 21st, 2025 was to analyze and resolve the issuance of the financial statements for the year ended on December 31st, 2024, and respective Audit report issued by the Company's external auditors ("**Independent Auditors' Report 2024**"). Committee members decided to recommend to the Board of

Directors the approval of the Company's financial statements for the fiscal year ended December 31, 2024, as well as to approve the content of the 2024 Audit Report.

The Committee, throughout the fiscal year ending on December 31st, 2025, according to the Work Plan previously defined and presented to the Company's Board of Directors, will make at least 09 meetings, and may, whenever necessary, call extraordinary meetings to address emerging and/or relevant issues.

5. Internal Control and Management Risks Systems

Since its implementation, the Committee has maintained interactions with the owners of the Risks and Changes Committee, the Corporate Management and Compliance Department, the Internal Audit Department, the Controlling Department and the Ethics, Risks and Compliance Committee, in addition to the internal and external fraud investigation and fraud prevention process. The Committee, based on the set of information obtained during its interactions with such groups/areas and on its investigations, assesses the effectiveness of the internal control systems maintained by the Company and will continue to make efforts to strengthen the risk management process, with the effective engagement of all levels of management.

6. Advisory to the Board of Directors

The Committee reports to the Board of Directors and operates with operational autonomy and own budget in the exercise of its functions, functioning as an auxiliary, advisory and advisory sub-group to the Company's Board of Directors about the control over the quality of the financial statements and internal controls, aiming at the reliability and integrity of the information.

7. Self-Evaluation

Under the terms of Article 12 of the Regulations, the Committee makes, annually, its self-evaluation and its functioning process and the individual evaluation of its members. A member who has been in office for at least 2 (two) ordinary meetings since the last evaluation is eligible to participate in the evaluation process. This process is the responsibility of the Audit Committee Coordinator.

In the Committee's self-evaluation process, the subjects dealt with in the meetings occurs considered, as well as the parameters involving issues of financial statements, risk management and internal controls, management and internal audit responsibilities, training and professional development of members.

Due to the Committee holding 10 (ten) meetings, during the fiscal year ended in 2024, all its members are eligible to prepare the evaluation process, to be made by the Committee Coordinator. The evaluation process, under the terms of the Regulations ("Evaluation"), will take place during the first half of the 2025 fiscal year.

Thus, at the end of the evaluation process, the consolidated results of the evaluations will be made available to the members of the Committee and the Board of Directors. The individual evaluations of the Committee members, in turn, will be made available to the respective individual, the Committee Coordinator and the Chairman of the Board of Directors.

8. Planning for the 2025 Fiscal Year

The Committee planned to hold 9 (nine) meetings throughout 2024, contemplating the provisions of the Rules of Procedure, to have at least 4 (four) meetings, whose agendas will involve the exercise of the legal and regimental attributions listed in this Report in the item "Attributions and Responsibilities", without prejudice to any extraordinary meetings in which the performance of the Committee.

9. Conclusions and Recommendations

The members of the Committee, in the exercise of their attributions and legal responsibilities, analyzed the Company's financial statements for the fiscal year ended on December 31st, 2024, accompanied by the Management Report and the Independent Auditors' Report on the financial statements, ad referendum to the Company's Board of Directors.

Considering the information provided by the Company's Management and by the Independent Audit representatives, the Committee concluded that the information and documents presented regarding the Company's financial statements for the fiscal year ended December 31, 2023, accompanied by the Management Report and the Independent Auditors on the financial statements, adequately reflect, in all material aspects, the equity and financial position of the Company and recommended their approval.

São José, February 21st, 2025.

Marcos Antônio Quintanilha
Audit Committee Coordinator

Gilberto Heinzelmann
Audit Committee Member

Marciel Manoel Linhares
Audit Committee Member