Financial & Economic Performance 1Q26

Message from the Administration

The Company began 2024 with a favorable liquidity position, driven by the funds received from the San Antonio lawsuit. Over the course of the year, revenue rose substantially, growing 43% compared to the previous year. The increased liquidity enabled the Company to accelerate order deliveries and expand underfunded business lines. Adjusted EBITDA for 2024 reached a balanced level for the first time in many years, demonstrating the potential for operational leverage through adequate liquidity.

At the time, it was anticipated that sustaining—and even increasing—sales levels would depend on the ability to inject working capital into the business. This injection would depend primarily on the company's ability to: (i) raise capital, (ii) obtain liquidity through the sale of assets or the recovery of receivables, (iii) expand credit lines, or (iv) reduce debt service.

As a result of the sudden monetary tightening that began in late 2024, the company began to face financing constraints, particularly for orders with longer delivery times. The continuation of this situation throughout 2025 materially limited the company's ability to maintain the working capital necessary to sustain operations. This was followed by a sudden contraction in operating revenues, with a corresponding drop in profitability.

Faced with this scenario, the Company began negotiations to restructure its debt, initially to pursue a structural adjustment regarding the remaining liabilities from the 2015 Judicial Reorganization, as well as to organize subsequent debt in light of the crisis that had taken hold.

The prolonged crisis in the oil sector and structural changes in the offshore construction market significantly reduced demand for the company's products. The 2015 Judicial Reorganization left liabilities disproportionate to the revenue the Company was effectively able to generate. Hence the need for a definitive structural adjustment, taking into account above all the high interest rates that have once again prevailed in the country, which are incompatible with the health of manufacturing companies.

In March 2026, the Company filed a motion for a preliminary injunction in advance of a request for out-of-court or judicial reorganization, which was granted, securing a stay for 60 days. It then announced an out-of-court reorganization plan offered to its creditors, covering both labor and unsecured claims. In summary, the company proposes to labor creditors the payment in installments and to unsecured creditors the settlement of liabilities through the payment of 10% of the balance in cash and 90% in equity via the issuance of subscription warrants. The funds will be generated from liquidity events within one year of the judicial approval of the agreement.

In parallel with the effort to reduce debt, the company is also pursuing a balanced budget and working capital financing. With this dual purpose in mind, the divestiture of the mooring ropes business was arranged, with the sale of its assets in February 2026 for $9.5 million, payable in installments. The proceeds will contribute to the Company's cash flow, covering working capital and other obligations.

In this context, the Company's operations during 1Q26, as in 4Q25, were severely hampered by the lack of working capital. The proceeds from the first installment of the ropes unit sale did not come in in time to have an impact in Q1 2026, resulting in net revenue of R$ 4.2 million, a low level that does not make the operation profitable. An expansion in business activity is already projected for Q2 2026.

Amid the restructuring, the Company's order backlog in Brazil totaled R$ 47 million, remaining at the same level as the previous quarter. In March 2026, a contract for valve repair services with Petrobras in the amount of R$ 68 million was added to the backlog. Subsequently, in May 2026, another contract was signed with Petrobras for the supply of valves in the amount of R$ 125 million. These significant contracts are expected to contribute to a gradual increase in the level of activity.

Rafael Gorenstein - CEO and Investor Relations Officer

Economic and Financial Performance

The Lupatech Group operates in the manufacturing sector (Products segment), primarily producing industrial valves; oil and gas valves; synthetic fiber ropes for anchoring oil platforms and various other applications; and composite products, mainly utility poles and casing for oil pipelines.

In February 2026, the Company divested its assets and ceased operations in the synthetic fiber ropes business.

The Company previously operated in the oil services business (Services segment), from which various assets remain in the process of being divested, along with the associated legacy.

Net Revenue

Net Revenue (R$ thd)	1Q25	1Q26	4Q25	1Q26
Products	**18,351**	**4,275**	**6,591**	**4,275**
Valves	15,810	4,201	5,500	4,201
Ropes and Composites	2,541	74	1,091	74
Services	**68**	**-**	**25**	**-**
Oilfield Services	68	-	25	-
Total	**18,419**	**4,275**	**6,616**	**4,275**

In 1Q26, total consolidated net revenue reached R$ 4.3 million; the decline observed is due to the postponement of the purchase of raw materials as a result of the macroeconomic environment.

<u>Services</u>

Transactions in this segment result from the liquidation of inventory balances and other activities related to plants that were decommissioned, and do not refer to ordinary operations.

Order Backlog

As of March 31, 2026, the Company's order backlog in Brazil totaled R$ 47.1 million. On the same date, the Company had a balance of supply contracts without purchase obligations of R$ 73 million. (Note: the figures do not include won bids for which the respective orders or contracts have not yet been issued).

Gross Profit and Gross Margin

Gross Profit (R$ thd)	1Q25	1Q26	4Q25	1Q26
Products	**2,831**	**678**	**1,394**	**678**
Gross Margin - Products	*15.4%*	*15.9%*	*21.2%*	*15.9%*
Services	**17**	**-**	**(32)**	**-**
Gross Margin - Services	*n/a*	*n/a*	*n/a*	*n/a*
Total	**2,848**	**678**	**1,362**	**678**
Gross Margin - Total	*15.5%*	*15.9%*	*20.6%*	*15.9%*
Depreciation	**455**	**382**	**400**	**382**
Depreciation Products	455	382	400	382
Gross Profit without depreciation	**3,303**	**1,060**	**1,762**	**1,060**
Gross Profit without depreciation Products	**3,286**	**1,060**	**1,794**	**1,060**

**n/a - not applied*

<u>Products</u>

Gross profit for Q1 2026 reached R$ 0.7 million, with a margin of 15.9%, similar to Q1 2025.

Services

The results for the services segment stem from the sale of remaining inventory.

Expenses

Expenses (R$ thd)	1Q25	1Q26	4Q25	1Q26
Total Sales Expenses	**2,733**	**1,103**	**5,058**	**1,103**
Sales Expenses - Products	2,733	1,103	5,058	1,103
Total Administrative Expenses	**5,331**	**5,133**	**5,275**	**5,133**
Administrative Expenses - Products	4,445	4,264	5,123	4,264
Administrative Expenses - Services	886	869	152	869
Management Fees	**1,501**	**945**	**1,550**	**945**
Total Expenses	**9,565**	**7,181**	**11,883**	**7,181**

Selling and Administrative Expenses

In 1Q26, the Company recognized R$ 1.1 million in selling expenses; the variation is due, substantially, to non-recurring expenses included in the results of prior periods. Administrative expenses, on the other hand, remained similar.

Management Compensation

The amount presented consists of fixed and variable compensation.

Other Operating Revenue and (Expenses)

Other Operating (Expenses) (R$ thd)	1Q25	1Q26	4Q25	1Q26
Products	(242)	(8,505)	5,112	(8,505)
Expenses with Idleness - Products	(1,597)	(5,146)	(5,484)	(5,146)
Services	(961)	(24,336)	(14,124)	(24,336)
Total	**(2,800)**	**(37,987)**	**(14,496)**	**(37,987)**

In Q1 2026, “Other Operating Revenue” amounted to R$ 49.6 million, compared with “Other Operating Expenses” of R$ 87.6 million, resulting in a net negative effect of R$ 38.0 million. The following factors are worth noting:

I. R$ 5.1 million in costs related to production downtime;
II. R$ 1.0 million reflecting the net negative impact of adjustments to contingent liabilities, based on the analysis by legal counsel;
III. R$ 8.1 million reflecting the net negative effect from the sale of fixed assets;
IV. R$ 23.4 million related to a partial write-down of goodwill;
V. R$ 0.4 resulting from inventory obsolescence estimates.

Financial Result

Financial Results (R$ thd)	1Q25	1Q26	4Q25	1Q26
Financial Revenue*	809	147	460	147
Financial Expense*	(13,915)	(23,208)	(12,363)	(23,208)
Net Financial Results*	**(13,106)**	**(23,061)**	**(11,903)**	**(23,061)**
Net Exchange Variance	12,476	7,545	(4,855)	7,545
Net Financial Results - Total	**(630)**	**(15,516)**	**(16,758)**	**(15,516)**

*Excluding Exchange Variance

The net financial result for 1Q26 was a loss of R$ 23.1 million, primarily due to the present value adjustment of the bankruptcy debt. The total net financial result, on the other hand, is influenced by exchange rate fluctuations.
It is important to note that exchange rate fluctuations result primarily from their impact on loan balances between group companies abroad. Exchange rate fluctuations have an opposite effect on the translation of these entities' equity into Brazilian reais; therefore, offsetting entries for exchange rate fluctuations are recorded directly in the company's equity, without passing through the income statement.

See the following pro forma statement of the net economic effect of exchange rate fluctuations on intercompany loans:

	1Q26
Total Exchange Variation Revenue	**9,637**
Realized on exchange closing	92
Provision for outstanding securities	36
Provision for intercompany loans(1)	9,328
Provision for unsecured suppliers	181
Total Exchange Variation Expense	**(2,092)**
Realized on exchange closing	(20)
Provision on outstanding securities	(106)
Provision on intercompany loan(1)	(1,930)
Provision for unsecured suppliers	(36)
Net Exchange Variance	**7,545**
Counterpart in Shareholders' Equity(1)	(7,398)
Net Economic Effect of Exchange Variation	**147**

Adjusted EBITDA from Operations

EBITDA Adjusted (R$ thd)	1Q25	1Q26	4Q25	1Q26
Products	**(3,168)**	**(3,642)**	**(5,294)**	**(3,642)**
Margin	-17.3%	-85.2%	-80.3%	-85.2%
Services	**(672)**	**(381)**	**(1,412)**	**(381)**
Margin	n/a	n/a	n/a	n/a
Total	**(3,840)**	**(4,023)**	**(6,706)**	**(4,023)**
Margin	-20.8%	-94.1%	-101.4%	-94.1%

The negative Adjusted EBITDA for Products in 1Q26 is primarily due to a decline in revenue.

Adjusted EBITDA for Services consists of costs related to managing the legacy.

Adjusted Ebitda Reconciliation (R$ thd)	1Q25	1Q26	4Q25	1Q26
Gross Profit	2,848	678	1,362	678
SG&A	(8,064)	(6,236)	(10,333)	(6,236)
Management Compensation	(1,501)	(945)	(1,550)	(945)
Depreciation and Amortization	618	537	557	537
Other Operating Expenses	(2,800)	(37,987)	(14,496)	(37,987)
EBITDA from Activities	**(8,899)**	**(43,953)**	**(24,460)**	**(43,953)**
Result of disposal or write-off of assets	(170)	8,061	(4,597)	8,061
Provisions for Legal Proceedings	707	966	12,135	966
Idle expenses	1,597	5,146	5,484	5,146
Extraordinary Expenses	2,925	25,757	4,732	25,757
Adjusted EBITDA	**(3,840)**	**(4,023)**	**(6,706)**	**(4,023)**

	1Q26		
Reconciliation of Adjusted Ebitda (R$ thd)	**Products**	**Services**	**Total**
Gross Profit	678	-	678
SG&A	(5,367)	(869)	(6,236)
Management Compensation	(502)	(443)	(945)
Depreciation and Amortization	431	106	537
Other Operating Expenses	(13,651)	(24,336)	(37,987)
EBITDA from Activities	**(18,411)**	**(25,542)**	**(43,953)**
Result of disposal or write-off of assets	8,152	(91)	8,061
Provisions for Legal Proceedings	9	957	966
Idle expenses	5,146	-	5,146
Extraordinary Expenses	1,462	24,295	25,757
Adjusted EBITDA	**(3,642)**	**(381)**	**(4,023)**

Net Income

Net Result (R$ thd)	1Q25	1Q26	4Q25	1Q26
Result Before Income Tax and Social Contribution	(10,147)	(60,006)	(41,775)	(60,006)
Income Tax and Social Contribution - Current	(1)	(3)	9	(3)
Income Tax and Social Contribution - Deferred	(1,236)	1,899	499	1,899
Net Profit for the Period	**(11,384)**	**(58,110)**	**(41,267)**	**(58,110)**
Profit (Loss) per Share	(0.27)	(1.23)	(0.88)	(1.23)

The net loss reported in Q1 2026 is influenced not only by current revenues and expenses, but also by interest accruals on bankruptcy-related debt, interest accruals on loans, and the net effect of other operating revenues and expenses.

Working Capital

Working Capital (R$ thd)	03/31/2026	12/31/2025
Accounts Receivable	14,597	13,950
Inventories	22,053	20,620
Advances of suppliers	1,131	504
Recoverable taxes	22,823	22,627
Other Accounts Receivable	46,902	23,452
Total Asset	**107,506**	**81,153**
Suppliers	29,139	26,242
Advances from Customers	972	690
Taxes payable	72,015	72,157
Other Accounts Payable/Other Obligations	15,916	15,317
Payroll and charges	7,825	7,857
Total Liabilities	**125,867**	**122,263**
Working Capital Employed	**(18,361)**	**(41,110)**
Working Capital Variation	22,749	

A comparison of the balances as of March 31, 2026, with those as of December 31, 2025, shows an increase in working capital. This increase in assets was primarily due to a change in other accounts receivable resulting from the sale of industrial assets. Liabilities, in turn, increased due to the non-payment of the installment related to the judicial reorganization.

Financial Indebtedness

Debts (R$ thd)	03/31/2026	12/31/2025
Short Term	**65,608**	**61,703**
Loans and financing - bankruptcy claims	18,699	17,014
Loans and Financing	46,909	44,689
Long Term	**120,451**	**116,445**
Loans and financing - bankruptcy claims	118,755	113,875
Loans and Financing	1,696	2,570
Total Debts	**186,059**	**178,148**
Cash and Cash Equivalents	253	384
Net Debt	**185,806**	**177,764**

The increase in financial debt when comparing balances as of March 31, 2026, to balances as of December 31, 2025, is primarily attributable to the restatement of the debt under judicial reorganization and the non-payment of the bankruptcy-related installment.

Short-term debt is detailed in the following tables, which show the breakdown by type and, subsequently, the coverage provided by guarantees.

Short-term debt	03/31/2026
BNDES - Fiduciary Sale of Machinery	11,167
Co-obligation on discounted securities	2,601
Working Capital (various types)	33,141
Total	**46,909**

Guarantee Coverage - Working Capital (various types)	03/31/2026
CDB and performing credits	471
Other*	32,670
Total	**33,141**

*Performing receivables, FGI, Intra-group guarantee.

Note that short-term debt consists of: (i) co-obligations on discounted securities (R$ 2.6 million), (ii) amounts to be settled automatically by receivables already settled or CDBs (R$ 0.5 thousand), and (iii) amounts covered by surety bonds or contingent on the future performance of receivables (R$ 32.7 million).

Annexes

Annex I - Income Statements (R$ Thousand)

	1Q25	1Q26
Net Revenue From Sales	18,419	4,275
Cost of Goods and Services Sold	(15,571)	(3,597)
Gross Profit	**2,848**	**678**
Operating Income/Expenses	**(12,365)**	**(45,168)**
Selling	(2,733)	(1,103)
General and Administrative	(5,331)	(5,133)
Management Fees	(1,501)	(945)
Other Operation Income (Expenses)	(2,800)	(37,987)
Net Financial Result	**(630)**	**(15,516)**
Financial Income	809	147
Financial Expenses	(13,915)	(23,208)
Net Exchange Variance	12,476	7,545
Results Before Income Tax and Social Contribution	(10,147)	(60,006)
Provision Income Tax and Social Contribution - Current	(1)	(3)
Provision Income Tax and Social Contribution - Deferred	(1,236)	1,899
Net Profit (Loss) for the year	(11,384)	(58,110)

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

	1Q25	**1Q26**
Adjusted EBITDA from Operations	(3,840)	(4,023)
Idleness Expenses	(1,597)	(5,146)
Extraordinary expenses	(2,925)	(25,757)
Provisions for Losses, Impairment and Net Result on Disposal of Assets	(537)	(9,027)
EBITDA from Operations	(8,899)	(43,953)
Depreciation and amortization	(618)	(537)
Net Financial Result	(630)	(15,516)
Income Tax and Social Contribution - Current and Deferred	(1,237)	1,896
Net Profit (Loss)	(11,384)	(58,110)

Annex III – Consolidated Balance Sheets (R$ Thousand)

	03/31/2026	12/31/2025
Total Asset	**452,921**	**480,101**
Current Assets	**205,202**	**236,427**
Cash and Cash Equivalents	253	384
Accounts Receivable	14,597	13,950
Inventories	22,053	20,620
Recoverable Taxes	22,823	22,627
Other Accounts Receivable	46,902	23,452
Prepaid Expenses	576	187
Advances to Suppliers	1,131	504
Assets Classified as Held for Sale	96,867	154,703
Non-Current Assets	**247,719**	**243,674**
Financial applications	188	234
Judicial Deposits	4,177	4,013
Recoverable Taxes	13,240	13,236
Deferred Income Tax and Social Contribution	70,111	68,212
Other Accounts Receivable	34,159	18,559
Investments	29,895	19,685
Fixed Assets	36,201	36,627
Intangible Assets	59,748	83,108
Total Liabilities and Shareholders Equity	**452,921**	**480,101**
Current Liabilities	**199,166**	**189,547**
Suppliers	24,419	22,109
Suppliers - bankruptcy claims	4,720	4,133
Loans and Financing	46,909	44,689
Loans and Financing - bankruptcy claims	18,699	17,014
Provisions Payroll and Payroll Payable	7,825	7,857
Taxes Payable	72,015	72,157
Obligations and Provisions for Labor Risks - bankruptcy claims	93	93
Advances from Customers	972	690
Other Accounts Payable	15,916	15,317
Other obligations - bankruptcy claims	7,598	5,488
Non-Current Liabilities	**240,321**	**216,084**
Suppliers - bankruptcy claims	22,713	20,923
Loans and Financing	1,696	2,570
Loans and Financing - bankruptcy claims	118,755	113,875
Taxes Payable	11,756	6,608
Provision for Contigencies	24,862	25,175
Obligations and Provisions Labor Risks - bankruptcy claims	1,854	1,854
Other Accounts Payable	12,031	1,821
Other obligations - bankruptcy claims	46,654	43,258
Shareholders' Equity	**13,434**	**74,470**
Capital Stock	1,928,443	1,927,668
Reserves and capital transactions	144,754	144,754
Accumulated conversion adjustments	70,985	74,686
Accumulated Losses	(2,130,748)	(2,072,638)

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

	1Q25	1Q26
Cash Flow from Operating Activities		
Profit (Loss) for the year	(11,384)	(58,110)
Adjustments:		
Depreciation and amortization	993	537
Gain on sale of fixed assets	24	8,137
Write-down of goodwill - non-deductible	-	23,354
Reversal of loss due to non-recoverability of assets	(196)	-
Deferred income tax and social contribution	1,236	(1,899)
Interest expense and foreign exchange gains/losses on financing	(343)	2,105
Obsolescence of inventory	(110)	(98)
(Reversal) Estimated losses on doubtful accounts	6	(43)
Present value adjustment	6,988	15,582
Foreign exchange gains/losses on foreign investments	(5,756)	(3,776)
Changes in Assets and Liabilities:		
(Increase) Decrease in accounts receivable	1,082	(604)
(Increase) Decrease in inventory	494	(1,335)
(Increase) Decrease in taxes receivable	790	(200)
(Increase) Decrease in other assets	(1,360)	(40,250)
Increase (Decrease) in accounts payable	580	(3,348)
Increase (Decrease) in taxes payable	2,355	3,442
Increase (Decrease) in other accounts payable	5,284	16,616
Net cash from operating activities	**683**	**(39,890)**
Cash Flows from Investing Activities		
Capital contribution to a subsidiary	-	(10,210)
Securities—restricted account	51	15
Proceeds from sale of fixed assets	176	49,431
Acquisition of fixed assets	(146)	(58)
Additions to intangible assets	-	(12)
Net cash provided by (used in) investing activities	**81**	**39,166**
Cash Flows from Financing Activities		
Proceeds from loans and financing	25,065	4,546
Capital increase	3	775
Repayment of loans and financing	(26,991)	(4,728)
Net cash provided by (used in) financing activities	**(1,923)**	**593**
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,159)**	**(131)**
Cash and Cash Equivalents at the Beginning of the Period	3,515	384
Cash and Cash Equivalents at the End of the Period	2,356	253

About Lupatech

Lupatech S.A. is a Brazilian high value-added products company focused on the oil and gas sector. It operates in manufacturing (Products segment), producing mainly industrial valves; valves for oil and gas; composite material artifacts, mainly power poles and tubes for lining oil pipes. In February 2026, the Company divested its assets and ceased operations in the synthetic fiber ropes business.