*São Paulo, May 8th, 2025 – **TOTVS S.A. (B3: TOTS3**) announces its*
results for the First Quarter of 2025 (1Q25).

EARNINGS RELEASE 1Q25

VIDEO CONFERENCE - May 9th, 2025 at 11:00 AM (BRT)

Click here to register for the live transmission in Portuguese with simultaneous translation into English

For more information, access ir.totvs.com

1Q25 EARNINGS

Consolidated Financial and Operational Highlights

R$1.5 billion Net Revenue [1]	+19% y/y	**R$5.8 billion** ARR	+19% y/y
R$379 million Adjusted EBITDA [1]	+24% y/y	**R$287 million** Net Addition of ARR	+51% y/y
25.9% EBITDA Margin [1]	+90bp y/y	**R$1.42** EPS LTM	+28% y/y
R$228 million Adjusted Net Income	+44% y/y	**+90%** Operating Cash Generation / Adjusted EBITDA	-16.8% y/y
R$129 million Free Cash Flow	-3.8% y/y		

Consolidated: ***Adjusted Net Income*** *grew* ***44% y/y*** *with* ***19% y/y*** *increase in* ***Total Net Revenue***

Management: ***24%*** *growth in* ***Recurring Revenue*** *and* ***22%*** *growth in* ***Adjusted EBITDA****, resulting in a* ***60 basis point*** *y/y* ***Margin expansion***

RD Station: ***19%*** *growth in* ***Recurring Revenue,*** *with* ***Adjusted EBITDA Margin*** *expanding by* ***430 basis points y/y***

Techfin: ***Revenue Net of Funding*** *grew* ***26%,*** *and* ***Adjusted Net Income*** *was* ***5.6x higher*** *than in 1Q24*

[1] Net Revenue and Adjusted EBITDA do not incorporate the results of Techfin.

Message from the CEO

A “death hoax” is the deliberate fabricated account of someone's death, which is later proven to be untrue. The writer Mark Twain is recognized as one of history's most famous victims of a death hoax. His good-natured reaction was the statement “The report of my death was an exaggeration”. In 1Q19, the Management BU recovered its double-digit growth in recurring revenue, reaching R$416.1 million. We have now ended 1Q25 maintaining consistent double-digit growth and achieving R$1.16 billion. The CAGR for this period was 21.6%.

Over the past few days, we have been curious to try to go back in time and replicate the revenue projections made by analysts and investors in the early years of this period of accelerated growth and compare them to TOTVS' achieved results. Of course, this task is not simple, because the projections normally look at a maximum horizon of 2 to 3 years, after which the model enters the so-called perpetuity growth calculation. In the best simulation we could build, we would have reached not R$1.31 billion in 1Q25, but something like R$960 million. That means less than ¾ of what was actually achieved. To the extent that the EBITDA margin increased significantly in this period, the difference in this metric would have been even greater. We haven't done similar exercises for other listed Brazilian companies, but I believe that in no case would there be a difference of that magnitude. In fact, in the vast majority of cases, the difference would probably have been negative, taking into account the pandemic scenario, economic and geopolitical instability, rising interest rates, and exchange rate devaluation.

Throughout this period, market interactions widely anticipated the imminent cessation of this growth trajectory. Indeed, numerous instances persist in which this expectation holds firm. If I were to use a poetic license, I would call this a case of death hoax of this accelerated growth. As we have seen, a death hoax is a knowingly false claim of someone's death (here, the death of something).

We then propose a review in the methodology for projecting TOTVS results to better align expectations with reality in recent years. We frequently observe that numbers are revised every quarter, excessively inflating short-term figures without impacting long-term projections. We understand that with TOTVS' business model, a balanced review emphasizing long-term trajectory over short-term results is appropriate. This change appears to completely eliminate this gap, in our view.

In the last quarter, we wrote about the difficulties in understanding the management software market's dynamics. We explained that the perimeter covered by it has been constantly expanding for many years, as well as the reasons for this to have occurred and that it probably will continue to happen. We gave concrete examples, including the cloud one. This thesis is confirmed by the chart, showing that the management software market's 5-year and 10-year CAGR grew twice more than nominal GDP.

CAGR	2014-24		2020-24	
Nominal GDP[1]	6.6%		8.1%	
		2x		1.8x
Mgmt Market[2]	13.4%		14.9%	
		1.2x		1.3x
TOTVS Mgmt[3]	15.6%		18.7%	

CAGR	2014-24		2020-24	
Nominal GDP[1]	6.6%		8.1%	
		3.6x		2.9x
RD Station Market[2]	23.7%		23.8%	
		2.6x		2.4x
TOTVS RD Station[4]	62.4%		32.7%	

[1] BACEN; [2] Gartner; [3] TOTVS – Recurring Revenue; [4] TOTVS - RD Station Revenue from 2014

In this first quarter of 2025, I complement the elements that make TOTVS grow 1.2x more than the market itself. It all starts with a deep understanding of our relationship with tens of thousands of customers, who represent 25% of the Brazilian GDP. It’s a relationship built on absolute trust—which we call a trusted advisor. We know that management software is a critical element. And we work hard to ensure the highest possible level of customer satisfaction. Therefore, product quality, portfolio width, sales coverage and reach, combined with verticalization of operations, are some of the elements that make up our DNA. They all guide our strategic decisions and our execution. A business view that prioritizes long-term relationships. All of this combines with the ability to attract and retain the best teams. Locate, negotiate, acquire, and merge the most valuable assets. Discipline, culture, innovation, boldness. TOTVS has been doing this for the past 42 years. And we are sure it will continue in the coming decades.

In this way, we close this message saying that, when new rumors about the death of our accelerated growth appear, we will take the liberty of being inspired by Mark Twain and saying that “reports of our early death were greatly exaggerated”.

Dennis Herszkowicz - CEO

CONSOLIDATED RESULTS

Financial and Operating Highlights

To align the result presented in this document with the quarterly financial statements, we will no longer proportionally consolidate Techfin's business unit Results. Techfin's Income Statement continues to be presented in the "**Techfin business unit**" section and its Balance Sheet and Cash Flow are available in **APPENDIX VII**.

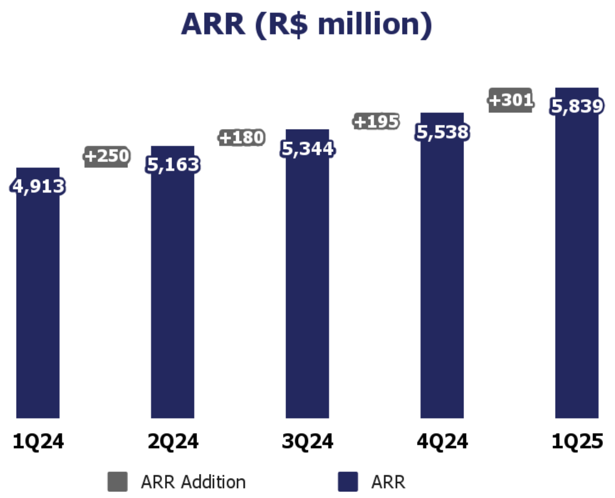
Moreover, in order to facilitate the analysis of Cost and Expenses behavior, the data presented in the following tables are already adjusted for extraordinary items. A reconciliation of adjusted and GAAP results can be found in **APPENDIX II and III**.

Finally, with the announcement of the sale of TOTVS' entire stake in RJ PARTICIPAÇÕES S.A. ("RJ") on March 13th, 2025, the result of this operation began to be disclosed in the "Net Income/(Loss) of the discontinued operation" line in the Company's Income Statement and in the "Cash Received (Invested) - RJ Participações" line in the Cash Flow Statement.

	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Result (in R$ million, except %)					
Net Revenue	**1,461.9**	**1,225.4**	**19.3%**	**1,376.8**	**6.2%**
Recurring Revenue	1,310.6	1,063.6	23.2%	1,236.9	6.0%
Non-Recurring Revenue	151.3	161.8	(6.5%)	139.9	8.2%
Adjusted Gross Profit	**1,061.3**	**893.1**	**18.8%**	**990.6**	**7.1%**
Adjusted Gross Margin	*72.6%*	*72.9%*	*-30 bp*	*71.9%*	*70 bp*
Adjusted EBITDA	**378.7**	**305.9**	**23.8%**	**341.0**	**11.1%**
Adjusted EBITDA Margin	*25.9%*	*25.0%*	*90 bp*	*24.8%*	*110 bp*
Adjusted Net Income	**227.7**	**158.5**	**43.7%**	**235.9**	**(3.5%)**
Adjusted Net Margin	*15.6%*	*12.9%*	*270 bp*	*17.1%*	*-150 bp*
Financial and Operational Indicators (in R$ million, except %)					
% Recurring Revenue	89.6%	86.8%	280 bp	89.8%	-20 bp
SaaS Revenue from Management + RD Station	733.2	557.8	31.4%	685.2	7.0%
ARR	5,838.8	4,912.7	18.9%	5,538.3	5.4%
ARR Net Addition	287.2	189.8	51.3%	194.7	47.5%
Recurring Revenue vs. ARR	92.2%	88.6%	360 bp	90.9%	130 bp

Net Revenue

The major driver of the Consolidated Net Revenue growth in 1Q25 was the sequential acceleration of the year over year Recurring Revenue growth, which went from 21% in 4Q24 to 23% in this quarter.



Two factors contributed to this acceleration of Recurring Revenue in the period: (i) the solid pace of revenue growth of Management SaaS + RD Station (+31% y/y), driven mainly by Sales Volume; and (ii) the Pricing Power of the Management business unit, which enabled to the full passthrough of net impact of the payroll tax surcharge effects, as of January in addition to the inflation passthrough applied in the automatic renewal of recurring contracts. This resulted in a record ARR net addition of R$287 million for the period.

The year over year reduction of 6.5% in Non-Recurring Revenue, as in previous quarters, is mostly associated with the reduction in License Revenue (-12% y/y), reflecting the focus on Recurring Revenues.

The quarter over quarter growth in Non-Recurring Revenue reflects the seasonality generated by the incremental revenue from Corporate Model Licenses in the Management business unit.

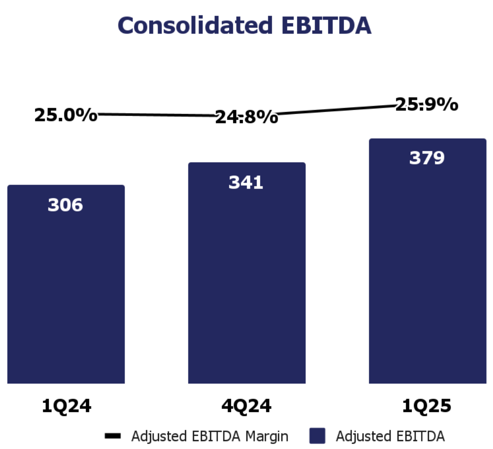
Gross Margin

The combination of Recurring Revenue acceleration with the seasonal effect of the Incremental License Revenue from the Corporate Model in the Management BU, allowed the expansion of 70 bp of Gross Margin in 1Q25 versus 4Q24, even with the additional costs of the payroll tax surcharge at the RD Station BU not fully passed through, since this BU will pass on such net impacts throughout the year, in accordance with the anniversary of the recurring contracts.

Compared to 1Q24, the slight drop (-30 bp) is an expected behavior that tends to be transient, since it reflects the planned reduction in the relevance of License Revenue, combined with the additional costs of the RD Station BU mentioned above.

EBITDA

The 24% year over year Adjusted EBITDA growth is even more significant considering the OPEX impact of R$22 million from the payroll tax surcharge in 1Q25, of which R$20 million are related to the Management BU.



The 90-basis-point rise in the Adjusted EBITDA Margin year over year resulted from the combined effects of Recurring Revenue growth above 20% and the continuous progress in operational efficiency. This trajectory of progress in operational leverage continues to be driven by: (i) in Management, the end of the mismatch between the IGP-M and the IPCA inflation rates, commented in previous quarters, combined with the integration of the latest acquisitions and the sustained growth of Recurring Revenue at an accelerated pace; and (ii) in RD Station, by the rapid scale gain in a business with very favorable unit economics.

The growth in the EBITDA margin in a quarterly comparison (+110 bp) is a result of the factors mentioned above, combined with the effect of the Corporate Model Increment.

Net Income

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Result (in R$ million, except %)					
Adjusted EBITDA	**378.7**	**305.9**	**23.8%**	**341.0**	**11.1%**
Depreciation and Amortization	(63.7)	(55.0)	15.8%	(60.8)	4.7%
Financial Result	(10.1)	3.9	(361.9%)	(6.5)	54.7%
Income Tax and Social Contribution	(74.9)	(92.8)	(19.3%)	(41.0)	82.9%
Non-Controlling Net Income - Dimensa	(5.9)	(2.7)	118.5%	(4.5)	31.4%
Adjusted Equity Pick-up - Techfin 50%	3.6	(0.8)	(564.4%)	7.8	(53.7%)
Adjusted Net Income	**227.7**	**158.5**	**43.7%**	**235.9**	**(3.5%)**
Adjusted Net Margin	*15.6%*	*12.9%*	*270 bp*	*17.1%*	*-150 bp*
Financial and Operational Indicators (in R$ million, except %)					
NOPLAT (1)	234.4	155.9	50.3%	240.2	(2.4%)
ROIC (LTM) (2)	18.3%	16.0%	230 bp	19.2%	-90 bp
EPS (LTM)	1.42	1.11	28.5%	1.30	9.1%

(1) NOPLAT = Adjusted Net Income - (Adjusted Financial Result) x 66 %

(2) ROIC = (NOPLAT LTM) / [(Shareholders' Equity) - (Net Debt or Cash) at the beginning of the period]

The significant increase in Adjusted Net Income in 1Q25 versus 1Q24 (+44%) was mainly driven by the 24% increase in Adjusted EBITDA. It is worth mentioning that the R$14 million impact on the year over year financial result, mainly reflecting the cash position, was offset by a R$18 million decrease (-19% y/y) in Income Tax and Social Contribution, related to the more than R$82 million in Interest on Equity declared on March 18th, 2025.

Compared to the previous quarter, the slight negative fluctuation in Adjusted Net Income essentially reflects the seasonal increase in Income Tax and Social Contribution (+83% q/q), offset almost entirely by the growth in Adjusted EBITDA in the period (+11% q/q).

Furthermore, Techfin's profitability continues to grow (+R$4.4 million y/y), reflecting operational improvements and efficiency gains of this BU.

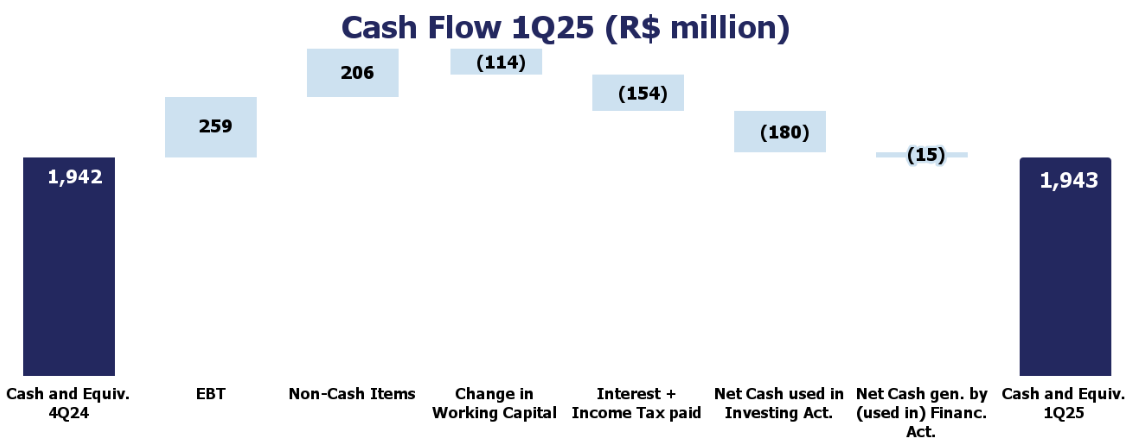
These consistent efficiency gains throughout all operations and the continuous improvement in the quality of the Company's results are also reflected in NOPLAT, which expanded 50% year over year, and ROIC, which grew 230 basis points in the same period.

Free Cash Flow

Free Cash Flow (In R$ million)	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Result (in R$ million, except %)					
EBT	**258.6**	**208.4**	**24.1%**	**204.8**	**26.2%**
Non-Cash Items	205.7	207.6	(0.9%)	195.0	5.5%
Change in Working Capital	(113.7)	(81.4)	39.7%	30.6	(472.0%)
Operating Cash Generation	**350.6**	**334.6**	**4.8%**	**430.4**	**(18.5%)**
(–) Income Tax and Social Contribution paid	(73.8)	(53.9)	37.0%	(27.0)	173.8%
(–) Investment in Fixed and Intangibles Assets	(72.7)	(52.6)	38.2%	(61.3)	18.7%
(–) Payment of Principal of Lease Liabilities	(15.4)	(15.0)	2.2%	(14.0)	10.1%
(–) Revenue from financial investment, net of Taxes	(59.2)	(78.5)	(24.5%)	(56.3)	5.2%
Free Cash Flow to Firm	**129.5**	**134.6**	**(3.8%)**	**271.9**	**(52.4%)**
Financial and Operational Indicators					
Op. Cash Generation / Adjusted EBITDA	92.6%	109.4%	-1680 bp	126.2%	-3360 bp
Free Cash Flow / Adjusted Net Income	56.9%	85.0%	-2810 bp	115.2%	-5830 bp

The specific decrease in Free Cash Flow (-3.8% y/y) is primarily associated with: (i) the 40% increase in the Change in Working Capital because the completion of the monthly recurring revenue billing occurred after the end of Carnival on March 5th, which increased the concentration of receivables due date on the last day of March, with bank credit in April (D+1), that is, already in the second quarter; and (ii) the seasonal increase (+38% y/y) in investments in Fixed and Intangible Assets due to the greater concentration of equipment acquisition and replacement in the quarter. These combined effects neutralized the 24% EBIT growth.

In comparison with the previous quarter, in addition to the effects mentioned above, the seasonality of the concentration of suppliers and commissions paid and the variation in the Income Tax and Social Contribution on Net Income paid (+174% q/q), mainly because of the variation in the payment of Interest on Equity, contributed to the 52% reduction in Free Cash Flow.



In the summarized Cash Flow Statement, it is worth mentioning that, besides the R$73 million of investment in CAPEX, the Net Cash in Investing Activities included the payment of R$87 million related to Accounts Payable from Acquisitions and the contribution of R$21 million in the TOTVS Venture Capital Fund (CVC Fund).

The detailed view of the Cash Flow is presented in the **APPENDIX IV** of this document.

Gross and Net Debt

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Loans and Financing	-	4.6	(100.0%)	-	-
Debentures	1,506.9	1,502.5	0.3%	1,535.1	(1.8%)
Financial Liabilities	**1,506.9**	**1,507.2**	**(0.0%)**	**1,535.1**	**(1.8%)**
Obligations Related to Acquisitions, Net	75.7	622.9	(87.9%)	141.1	(46.4%)
Total Gross Debt	**1,582.5**	**2,130.1**	**(25.7%)**	**1,676.2**	**(5.6%)**
(-) Cash and Cash Equivalents	(1,943.0)	(2,548.1)	(23.7%)	(1,942.2)	0.0%
Net Debt (Cash)	**(360.5)**	**(418.0)**	**(13.8%)**	**(265.9)**	**35.6%**
Cash and Equivalent from Dimensa	(555.6)	(555.6)	0.0%	(579.0)	(4.0%)
Gross Debt from Dimensa	84.8	84.8	0.0%	41.7	103.3%
Net Debt (Cash) - excl. Dimensa	**110.3**	**52.8**	**109.1%**	**271.3**	**(59.3%)**

Gross Debt totaled R$1.6 billion, with more than 95% maturing in over two years, highlighting the Company's strong and extended debt profile.

The relevant reduction of Net Debt (excl. Dimensa) of 59% quarter over quarter, even with the payment of Interest on Equity, reinforces TOTVS' strong operating cash generation capacity. Our historical profile of high cash generation positions us comfortably and resiliently in a high-interest rate environment, maintaining ample financing capacity to sustain our growth and leverage strategic opportunities.

RESULTS BY BUSINESS UNIT

Management business unit

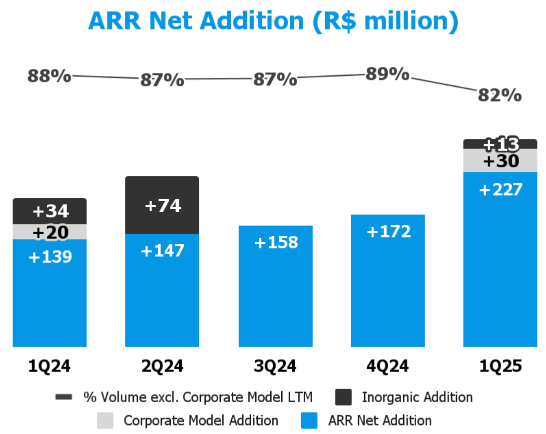
Our Management BU offers business management solutions to clients across 12 economic sectors. The portfolio includes ERP systems, productivity tools, analytics and platforms that support everything from financial and tax management to people management and specialized vertical solutions.

In order to facilitate the analysis of Cost and Expense behavior, the data presented in the table below is already adjusted for extraordinary items, as stated in **APPENDIX III**.

Management Result (in R$ million)	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Result (in R$ million, except %)					
Net Revenue	**1,308.2**	**1,096.2**	**19.3%**	**1,226.7**	**6.6%**
Recurring	1,160.4	937.0	23.8%	1,090.0	6.5%
Non-Recurring	147.8	159.3	(7.2%)	136.7	8.2%
Licenses	67.7	76.9	(12.0%)	46.3	46.1%
Services	80.2	82.4	(2.7%)	90.4	(11.3%)
Costs	**(358.1)**	**(301.2)**	**18.9%**	**(348.4)**	**2.8%**
Adjusted Gross Profit	**950.1**	**795.0**	**19.5%**	**878.3**	**8.2%**
Adjusted Gross Margin	*72.6%*	*72.5%*	*10 bp*	*71.6%*	*100 bp*
Adjusted Operating Expenses	**(589.2)**	**(498.6)**	**18.2%**	**(557.2)**	**5.7%**
% Net Revenue	*45.0%*	*45.5%*	*-50 bp*	*45.4%*	*-40 bp*
Research and Development	(207.5)	(183.9)	12.8%	(201.7)	2.9%
% Recurring Revenue	*17.9%*	*19.6%*	*-170 bp*	*18.5%*	*-60 bp*
Provision for Expected Credit Losses	(13.6)	(10.2)	34.1%	(13.4)	2.0%
% Net Revenue	*1.0%*	*0.9%*	*10 bp*	*1.1%*	*-10 bp*
Sales and Marketing Expenses	(258.5)	(218.6)	18.2%	(239.7)	7.9%
% Net Revenue	*19.8%*	*19.9%*	*-10 bp*	*19.5%*	*30 bp*
G&A Expenses and Others	(109.5)	(85.9)	27.5%	(102.4)	7.0%
% Net Revenue	*8.4%*	*7.8%*	*60 bp*	*8.3%*	*10 bp*
Adjusted EBITDA	**360.9**	**296.4**	**21.8%**	**321.1**	**12.4%**
% Adjusted EBITDA	*27.6%*	*27.0%*	*60 bp*	*26.2%*	*140 bp*
Financial and Operational Indicators (in R$ million, except %)					
% Recurring Revenue	88.7%	85.5%	320 bp	88.9%	-20 bp
SaaS Revenue	584.1	434.2	34.5%	541.0	8.0%
ARR	5,206.4	4,386.0	18.7%	4,936.5	5.5%
Retention Rate	98.3%	98.7%	-40 bp	98.9%	-60 bp
Recurring Revenue vs. ARR	91.5%	87.4%	410 bp	89.9%	160 bp

Net Revenue

The 19% year over year of Net Revenue growth in 1Q25, was fueled by the acceleration in the Recurring Revenue (21% y/y in 4Q24 versus 24% y/y in 1Q25), which held steady at 89% ratio of Total Revenue in a quarter in which Non-Recurring Revenue is seasonally and positively impacted by the Corporate Model Increment. This performance is a result of the combination of: (i) maintaining the high levels of new SaaS and Cloud sales, with SaaS Revenue totaling R$584 million (+35% y/y) in the period; and (ii) the Pricing Power of this business unit, as mentioned in the "Consolidated Result" section.



These two factors also explain the strong acceleration of Net Addition in the period (R$227 million), ending the quarter with the Management's ARR at more than R$5.2 billion. Additionally, the Net Addition also included R$30 million from the Corporate Model and the inorganic addition of R$13 million from VarejOnline. The customer retention rate held steady at a high 98.3%, which means 40 basis points lower than 1Q24 and 60 basis points lower than 4Q24. Both variations are natural given the indicator quarterly volatility.

The 7% drop in Non-Recurring Revenue compared to 1Q24 is primarily due to a 12% decrease in License Revenue (as noted in the "Consolidated Result" section), and the sale of part of the IP (Interior Paulista) Service Unit operations in 3Q24.

The growth in Non-Recurring Revenue compared to the previous quarter (+8.2%) is directly related to the increase in License Revenue for the period (+46%), which included the R$26 million Increment in the Corporate Model.

Gross Margin

The Adjusted Gross Margin of the Management business unit reached 72.6% in the quarter, growing 10 bp year over year and reversing the downward trend in annual comparisons stated in recent quarters. This performance was achieved despite the lower representation of License Revenue, demonstrating that the prioritization and sustainable growth of Recurring Revenue, associated with the constant search to reduce TCO (Total Cost of Ownership) of the solutions, can bring efficiency gains in the long term, even if, eventually, the margins are potentially pressured in the short term.

In the quarterly comparison, the Gross Margin expansion (+100 bp) results from the already mentioned increase in License Revenue because of the Increment in the Corporate Model.

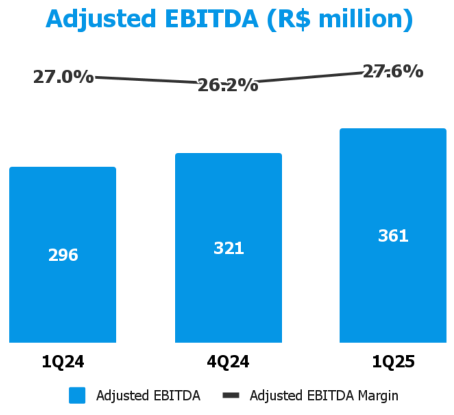
Operating Expenses

Adjusted Operating Expenses grew 18% year over year, but were 110 basis points below the growth in Net Revenue and representing 45% of Net Revenue (-50 bps y/y). This performance is even more relevant when we consider the aforementioned impact of the payroll tax surcharge in all OPEX lines, the salary adjustments of the collective bargaining agreement in Sao Paulo, and the R$13.5 million expense in Contingencies Provision that raised the General and Administrative Expenses line in the year over year comparison (+28% y/y and +60 bp versus Recurring Revenue). It is worth noting that the Contingency Provision line may show greater volatility on a quarterly basis, and the increase in the period reflects a reassessment of loss forecasts by our legal advisors, driven by developments in some of the older cases. This does not represent a change in the downward trend of the contingency provision observed in recent years.

This result of Operating Expenses reflects the Company's discipline and its ability to efficiently scale the business, maintaining a focus on sales and innovation without compromising operational leverage and the required Research and Development investments.

EBITDA

The relevant Adjusted EBITDA growth above the Net Revenue growth for the period (+22% y/y and +12% q/q), with a 27.6% Margin (+60 bp y/y and +140 bp q/q), results from the progress of important structural factors, combined with cyclical and historically seasonal factors. Among the structural factors, it is worth mentioning: (i) the solid performance of Recurring Revenue, which experienced significant growth acceleration in this quarter; and (ii) following the trends described in the previous quarter, an increase in the operational efficiency of the business unit due to the progress in integrating recent acquisitions. Among the cyclical factors, we highlight the convergence of the IGP-M to the IPCA inflation rate, which is more relevant for the annual comparison. And, among the seasonal factors, we have the most relevant Corporate Model Increment in the quarterly comparison.



This performance is even more significant considering that the costs and expenses of the business unit were impacted by the salary adjustments from the collective bargaining agreement in Sao Paulo (a region that represents approximately 50% of our total payroll) and by the payroll tax surcharge.

RD Station business unit

The RD Station business unit is focused on business performance solutions, that is, Digital Marketing, Sales, Digital Commerce, and Customer Experience (CX) solutions, with the aim of supporting companies in acquiring and converting customers.

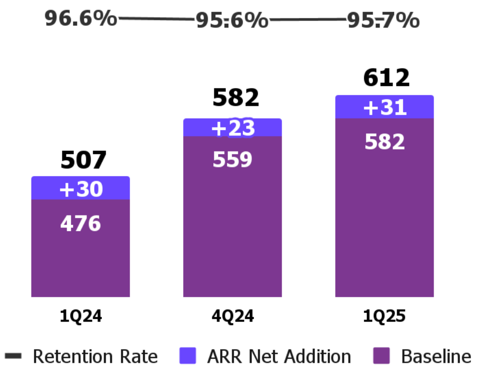
In order to facilitate the analysis of Cost and Expense behavior, the data presented in the table below is already adjusted for extraordinary items, as stated in **APPENDIX III**.

RD Station Result (in R$ million)	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Net Revenue	**153.7**	**129.2**	**19.0%**	**150.1**	**2.4%**
Recurring	150.2	126.6	18.6%	146.9	2.3%
Non-Recurring	3.5	2.5	38.6%	3.2	9.2%
Costs	(42.5)	(31.0)	36.9%	(37.8)	12.4%
Adjusted Gross Profit	**111.2**	**98.1**	**13.3%**	**112.3**	**(1.0%)**
Adjusted Gross Margin	*72.4%*	*76.0%*	*-360 bp*	*74.8%*	*-240 bp*
Adjusted Operating Expenses	**(93.4)**	**(88.6)**	**5.4%**	**(92.4)**	**1.1%**
% Net Revenue	*60.8%*	*68.6%*	*-780 bp*	*61.6%*	*-80 bp*
Research and Development	(29.6)	(28.3)	4.4%	(24.6)	20.4%
% Recurring Revenue	*19.7%*	*22.4%*	*-270 bp*	*16.7%*	*300 bp*
Provision for Expected Credit Losses	(0.9)	(3.1)	(69.7%)	(2.9)	(67.7%)
% Net Revenue	*0.6%*	*2.4%*	*-180 bp*	*1.9%*	*-130 bp*
Sales and Marketing Expenses	(47.8)	(41.8)	14.5%	(50.3)	(5.0%)
% Net Revenue	*31.1%*	*32.3%*	*-120 bp*	*33.5%*	*-240 bp*
G&A Expenses and Others	(15.1)	(15.5)	(2.5%)	(14.6)	3.3%
% Net Revenue	*9.8%*	*12.0%*	*-220 bp*	*9.8%*	*0 bp*
Adjusted EBITDA	**17.8**	**9.5**	**87.8%**	**19.9**	**(10.5%)**
% Adjusted EBITDA	*11.6%*	*7.3%*	*430 bp*	*13.3%*	*-170 bp*

Net Revenue

The 19% growth in Net Revenue compared to 1Q24 largely reflects the contribution of the Organic Net Addition of R$31 million in ARR, a level similar to the same period of the previous year and 34% above 4Q24. Although seasonally weaker in sales volume, the advance in 1Q25 was favored by the growing performance of multi-product solutions, especially due to the launch of the advanced CRM plan, leading this BU to over R$612 million in ARR, which is 21% above 1Q24, and the partial transfer of the impacts of the payroll tax surcharge, as already mentioned in the "Consolidated Results" section.

ARR (R$ million) e Retention Rate



Regarding the Retention Rate, it has not yet shown recovery compared to the average of the previous quarters. As noted last quarter, this performance reflects the behavior of a historically single product/channel business unit, which is now undergoing a significant and positive shift to a multi-product, multi-channel, and multi-profile operation. As this process advances, the trend points to room for improvement in the Retention Rate.

Gross Margin

The BU Gross Margin closed 1Q25 at 72.4% (-360 bp y/y and -240 bp q/q), mainly driven by the additional payroll tax surcharge pressure on the margin in the quarter.

In addition, the greater participation of newly acquired solutions, which are still in the maturing phase, also contributed to this movement. As these offerings grow in traction and maturity, the tendency is for their profit margins to converge towards those of established solutions.

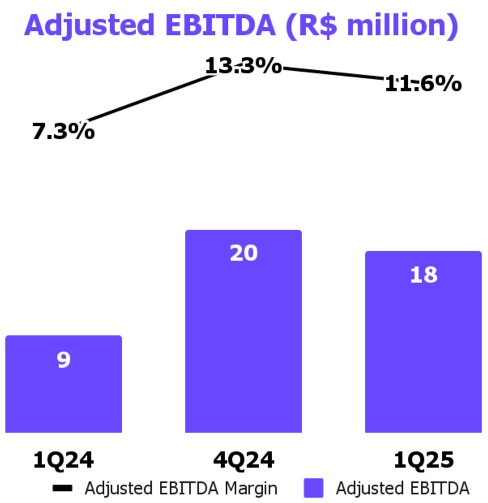
Operating Expenses

When compared to the 19% growth in Net Revenue, the growth of only 5.4% in Operating Expenses reflects the gains in operational scale, as well as the advances in the integration process of Lexos, Exact Sales, and Tallos Operations, started in the second half of 2024, while still making the required investments in Research and Development, for example.

EBITDA

The Adjusted EBITDA of R$18 million in the quarter marks a substantial improvement in operational efficiency, nearly doubling 1Q24 figure and yielding an 11.6% EBITDA Margin (+430 bp y/y). This result is mainly attributed to the scale gain driven by this BU rising Net Revenue and the successful integration of acquired companies. Driven by positive unit economics, these newer operations are continually improving, especially with the implementation of a multi-product strategy and cross-selling through the Management field sales team.

The quarter over quarter a drop in Adjusted EBITDA (-11%) and Margins (-170 bp) is essentially related to the impact on the costs and expenses of payroll tax surcharge. It is also worth mentioning that some margin fluctuation is normal and expected, especially in quarterly comparisons, since this operation is undergoing a significant process of transition and evolution for the multi-model, as already mentioned.



Techfin business unit

Techfin business unit aims to be the leading ERP Banking provider for medium and small businesses, offering digital financial solutions leveraging data intelligence and automation integrated with management systems to mitigate risks, enhance decision-making, and improve customer experience.

This business unit is a joint venture (TOTVS Techfin), in which TOTVS and Itaú BBA hold a shared control with a 50% interest each in the capital stock of TOTVS Techfin. Thus, the results of this operation are not consolidated in the Company's Cash Flow and Balance Sheet, and 50% of the result of TOTVS Techfin operation is contained in the Equity Pickup line.

The results below represent **100% of this Techfin business unit financial result**, while the reconciliation of Adjusted Net Income, Balance Sheet, Cash Flow, and Credit Rights by maturity can be found in **APPENDIX VII**.

Techfin	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Result (in R$ million, except %)					
Revenue - Net of funding	**79.5**	**63.0**	**26.1%**	**96.3**	**(17.5%)**
Credit products	121.2	97.5	24.3%	131.0	(7.4%)
Adjusted Funding Cost	(45.4)	(36.5)	24.5%	(38.5)	18.1%
Fee Revenue [1]	3.7	2.0	85.3%	3.8	(2.7%)
Provision for Expected Credit Losses	(7.1)	(7.2)	(1.4%)	(7.3)	(2.2%)
OPEX	(59.8)	(56.3)	6.2%	(64.7)	(7.6%)
Techfin Adjusted EBITDA	**12.6**	**(0.5)**	**<(999%)**	**24.3**	**(48.4%)**
% Techfin Adjusted EBITDA	*15.8%*	*-0.9%*	*1670 bp*	*25.2%*	*-940 bp*
Below EBITDA	(5.4)	(1.0)	431.0%	(8.8)	(39.0%)
Adjusted Net Income (Loss) from Techfin	**7.2**	**(1.5)**	**(564.4%)**	**15.5**	**(53.7%)**
% Net Income (Loss) from Techfin	*9.1%*	*-2.5%*	*1160 bp*	*16.1%*	*-700 bp*
Financial and Operational Indicators (in R$ million, except%)					
Credit products					
Credit Production	3,208.9	2,618.5	22.5%	3,414.7	(6.0%)
Average Term of Credit Production (days)	64.7	65.0	(0.5%)	69.6	(7.0%)
Credit Portfolio, Net	2,471.8	2,325.6	6.3%	2,152.5	14.8%
Average Term of On Due Portfolio (days)	68.6	79.4	(13.5%)	55.9	22.7%
Credit Operation Cash Position	206.1	189.5	8.8%	91.2	125.9%
Fee Products					
TPV - Techfin Pix	2,053.6	1,353.0	51.8%	2,140.1	(4.0%)

[1] Revenue fee from payment products such as credit cards and PIX (instant payment solution).

Revenue - Net of Funding

Revenue Net of Funding grew 26% year over year, mainly reflecting the 23% growth in Credit Production, even in a challenging Brazilian credit market, marked by high funding costs and the high Selic rate cycle.

In the quarterly comparison, the 17% drop is due to the expected seasonal reduction in the average production term, associated with the reduction in the concentration of agribusiness credit agreements in the production of the first half of the year.

In this beginning of 2025, we highlight that the new credit products launched in 2024 are starting to accelerate their growth. We also have a schedule of new releases over the next few quarters, showing that we are on the right track to consolidate the first ERP Banking in the market.

Operating Expenses (OPEX)

The OPEX showed a new efficiency gain, with 7.6% reduction in the quarter over quarter comparison, reflecting the maintenance of investment levels and the integration of the operations of this business unit, which was further intensified in the second half of 2024 by the unified Techfin leadership structure promoted in 4Q24.

The Provision for Expected Credit Losses remained stable compared to 1Q24 and 4Q24. Despite the most challenging scenario, Techfin maintained a disciplined management and strict default controls within its portfolio. This approach contributed directly to improve default performance over 90 days, resulting in a 0.9% rate by 1Q25, which is 370 basis points below the national average—demonstrating the portfolio's strength and the unit's effective risk management through analysis and mitigation mechanisms.

Net Income

The Adjusted Net Income reached R$7.2 million—a 5.6x increase from 1Q24—primarily due to Revenue growth, showcasing the BU rising profitability from operational enhancements and efficiency gains.

APPENDIX I

Consolidated Income Statement

Below, we are considering the result of the Techfin Dimension at 100% in the “Net Income (Loss) from Discontinued Operation” line until July 2023, according to IFRS-5, and at 50% in the “Equity Pickup” from August 2023. Additionally, with the announcement of the sale of TOTVS' entire stake in RJ PARTICIPAÇÕES S.A. (“RJ”) on March 13th, 2025, the result of this operation began to be disclosed in the "Net Income/(Loss) of the discontinued operation" line.

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Net Revenue	**1,461.9**	**1,225.4**	**19.3%**	**1,376.8**	**6.2%**
Management Revenue	1,308.2	1,096.2	19.3%	1,226.7	6.6%
RD Station Revenue	153.7	129.2	19.0%	150.1	2.4%
Operating Costs	**(401.0)**	**(333.1)**	**20.4%**	**(390.6)**	**2.7%**
Management Operating Costs	(358.6)	(302.1)	18.7%	(352.6)	1.7%
RD Station Operating Costs	(42.5)	(31.0)	36.9%	(38.0)	11.7%
Gross Profit	**1,060.9**	**892.3**	**18.9%**	**986.1**	**7.6%**
Operating Expenses	**(785.9)**	**(674.9)**	**16.4%**	**(770.3)**	**2.0%**
Research and Development	(237.0)	(212.2)	11.7%	(232.2)	2.1%
Sales and Marketing Expenses	(306.5)	(261.6)	17.2%	(295.3)	3.8%
Provision for Expected Credit Losses	(14.6)	(13.2)	10.1%	(16.3)	(10.3%)
General and Administrative Expenses	(114.8)	(108.7)	5.7%	(120.4)	(4.6%)
Provision for Contingencies	(13.5)	(0.3)	>999%	(9.9)	36.0%
Depreciation and Amortization	(85.4)	(73.4)	16.4%	(81.5)	4.8%
Other Net Revenues (Expenses)	(14.1)	(5.5)	155.2%	(14.8)	(4.6%)
EBIT	**274.9**	**217.4**	**26.5%**	**215.9**	**27.4%**
Financial Result	(19.4)	(4.7)	312.2%	(15.3)	26.8%
Equity Pickup	3.0	(4.3)	(169.8%)	4.2	(29.1%)
Earnings Before Taxes (EBT)	**258.6**	**208.4**	**24.1%**	**204.8**	**26.3%**
Income Tax and Social Contribution	(58.1)	(78.5)	(26.0%)	(16.1)	260.6%
Net Income (Loss) from Discontinued Operation	0.2	(0.5)	(127.7%)	0.8	(82.2%)
Consolidated Net Income	**200.6**	**129.4**	**55.1%**	**189.5**	**5.8%**
Non-Controlling Net Income	(5.9)	(2.7)	118.5%	(4.5)	31.4%
GAAP Net Income	**194.6**	**126.6**	**53.7%**	**185.0**	**5.2%**
Net Margin	*13.3%*	*10.3%*	*300 bp*	*13.4%*	*-10 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

	1Q25		
	GAAP Income Statement [1]	Deprec. and Amort. Reclass. [2]	Consolidated Income Statement
In R$ million	**(a)**	**(b)**	**(a+b)**
Net Revenue	**1,461.9**	**-**	**1,461.9**
Management Revenue	1,308.2	-	1,308.2
RD Station Revenue	153.7	-	153.7
Costs	**(431.9)**	**30.8**	**(401.0)**
Gross Profit	**1,030.0**	**30.8**	**1,060.9**
Gross Margin	70.5%		*72.6%*
Operating Expenses (Revenues)	**(755.1)**	**(30.8)**	**(785.9)**
Research and Development	(249.5)	12.5	(237.0)
Sales and Marketing Expenses	(318.9)	12.5	(306.5)
General and Administrative Expenses	(157.9)	29.6	(128.3)
Depreciation and Amortization	-	(85.4)	(85.4)
Provision for Expected Credit Losses	(14.6)	-	(14.6)
Other Net Revenues (Expenses)	(14.1)	-	(14.1)
EBIT	**274.9**	**0.0**	**274.9**
Financial Revenues	65.7	-	65.7
Financial Expenses	(85.1)	-	(85.1)
Equity Pickup	3.0	-	3.0
Earnings Before Taxes (EBT)	**258.6**	**0.0**	**258.6**
Income Tax and Social Contribution	(58.1)	-	(58.1)
Techfin Dim. Net Income (Loss)	0.2	-	0.2
Consolidated Net Income	**200.6**	**0.0**	**200.6**
Non-Controlling Net Income	(5.9)	-	(5.9)
GAAP Net Income	**194.6**	**0.0**	**194.6**
Net Margin	*13.3%*		*13.3%*

[1] The quarterly financial information of the Techfin operation is presented at 50% in the line "Equity Pickup"

[2] As established in IAS-1, expenses with depreciation and amortization were reclassified to cost and expense lines associated with the respective assets that originated them

APPENDIX III

EBITDA and Net Income Reconciliation (CVM Resolution 156/22)

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Consolidated Net Income	**200.6**	**129.4**	**55.1%**	**189.5**	**5.8%**
(–) Net Income (Loss) Techfin	-	(1.1)	(100.0%)	-	-
(–) Net Income (Loss) RJ	0.2	0.5	(72.0%)	0.8	(82.2%)
(+) Depreciation and Amortization	85.4	73.4	16.4%	81.5	4.8%
(–) Financial Results	(19.4)	(4.7)	312.2%	(15.3)	26.8%
(+) Income Tax and Social Contribution	58.1	78.5	(26.0%)	16.1	260.6%
EBITDA GAAP	**363.3**	**286.5**	**26.8%**	**301.5**	**20.5%**
(–) Equity Pickup	**3.0**	**(4.3)**	**(169.8%)**	**4.2**	**(29.1%)**
(+) Extraordinary Items	**18.4**	**15.2**	**21.0%**	**43.6**	**(57.9%)**
M&A Adjustment at Fair Value	13.5	14.0	(3.9%)	13.9	(3.2%)
Adjustment from Oper. Restructuring	0.6	4.1	(85.8%)	4.1	(86.0%)
Expenses with M&A Transactions	1.9	3.0	(36.7%)	2.8	(31.8%)
Loss (Gain) with Disposed Assets	2.4	(5.9)	(140.9%)	7.3	(67.1%)
Adj. - Payroll Tax Surcharge	-	-	-	15.5	(100.0%)
Adjusted EBITDA	**378.7**	**305.9**	**23.8%**	**341.0**	**11.1%**

Adjusted Net Income Reconciliation

Result (in R$ million, except %)	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
EBITDA GAAP	**363.3**	**286.5**	**26.8%**	**301.5**	**20.5%**
Depreciation and Amortization	(85.4)	(73.4)	16.4%	(81.5)	4.8%
Financial Result	(19.4)	(4.7)	312.2%	(15.3)	26.8%
Income Tax and Social Contribution	(58.1)	(78.5)	(26.0%)	(16.1)	260.6%
Net Income (Loss) from Discont. Operation - Techfin	-	(1.1)	(100.0%)	-	-
Net Income (Loss) from Discont. Operation - RJ	0.2	0.5	(72.0%)	0.8	(82.2%)
Non-Controlling Net Income - Dimensa	(5.9)	(2.7)	118.5%	(4.5)	31.4%
GAAP Net Income	**194.6**	**126.6**	**53.7%**	**185.0**	**5.2%**
Net Result from Discontinued Operation [1]	-	1.1	(100.0%)	-	-
Discontinued Operation Adjustment - RJ	(0.2)	(0.5)	(72.0%)	(0.8)	(82.2%)
Net Extraordinary Items [2]	12.0	10.9	9.5%	29.3	(59.1%)
PVA of Call Option, Net [3]	6.3	5.6	11.8%	6.3	0.3%
Net Effect of Amort. of Acquisitions' Intangibles [4]	15.0	14.7	1.7%	16.3	(7.9%)
Adjusted Net Income	**227.7**	**158.5**	**43.7%**	**235.9**	**(3.5%)**
Adjusted Net Margin [5]	*15.6%*	*12.9%*	*270 bp*	*17.1%*	*-150 bp*

[1] Until July/2023, subtract 50% of the Net Income/Loss from Discontinued Operation (Techfin business unit). From August/2023, subtract the Profit and price adjustment of the sale of 50% of Techfin to Itaú.

[2] Extraordinary items Net of Income Tax from: (i) EBITDA GAAP; (ii) Tax Credit arising from the constitution of Deferred Income Tax of RD Station; (iii) the PV adjustments arising from earn-out adjustments; and (iv) Techfin Result (50%)

[3] Present Value Adjustment Finance Expense arising from the Call Option to purchase non-controlling interests, as per the partnership agreement with B3 for the Dimensa operation

[4] Amortization of intangibles arising from acquisitions, except goodwill, Net of Income taxes

[5] Adjusted Net Income as % of the Revenue net of Funding Cost, considering the Techfin's Results revenue at 50% in all periods

Depreciation and Amortization Reconciliation

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Depreciation	(40.6)	(36.2)	12.2%	(39.0)	4.0%
Amortization	(23.1)	(18.8)	22.6%	(21.8)	5.9%
Adjusted Depreciation and Amortization	**(63.7)**	**(55.0)**	**15.8%**	**(60.8)**	**4.7%**
Intangibles Amortization from Acquisitions	(21.8)	(18.4)	18.4%	(20.7)	5.1%
Depreciation and Amortization	**(85.4)**	**(73.4)**	**16.4%**	**(81.5)**	**4.8%**

Financial Result Reconciliation

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Financial Revenues	65.7	88.9	(26.1%)	54.0	21.6%
Financial Expenses	(75.8)	(85.1)	(10.9%)	(60.5)	25.2%
Adjusted Financial Result	**(10.1)**	**3.9**	**(361.9%)**	**(6.5)**	**54.7%**
PVA of Call Option - Dimensa	(9.5)	(8.5)	11.8%	(9.5)	0.3%
Extraordinary PVA - Earn-outs	0.2	(0.0)	(643.2%)	0.7	(67.8%)
Financial Result	**(19.4)**	**(4.7)**	**312.2%**	**(15.3)**	**26.8%**

Adjusted Income Tax Reconciliation

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
EBT (Management + RD Station)	**255.6**	**212.7**	**20.2%**	**200.6**	**27.4%**
Taxes at nominal rate (34%)	(86.9)	(72.3)	20.2%	(68.2)	27.4%
Law 11,196/05 - R&D Incentive	7.5	7.0	7.9%	9.9	(24.2%)
Interest on Equity	27.9	-	-	43.8	(36.4%)
Effect of Different Taxation in Subsidiaries	(2.8)	(7.1)	(60.7%)	(1.9)	47.4%
Management Bonus	(1.2)	(0.5)	140.7%	(1.1)	13.4%
Workers' Meal Program	1.0	1.0	(3.1%)	0.6	76.2%
Other	(3.6)	(6.5)	(45.4%)	0.8	(547.7%)
Income Tax and Social Contribution	**(58.1)**	**(78.5)**	**(26.0%)**	**(16.1)**	**260.6%**
Current Income Tax and Social Contribution	(64.2)	(66.4)	(3.4%)	(39.8)	61.2%
Deferred Income Tax and Social Contribution	6.1	(12.0)	(150.6%)	23.7	(74.3%)
% Total Effective Tax Rate	*22.7%*	*36.9%*	*-1420 bp*	*8.0%*	*1470 bp*
Extraordinary Items Income Tax Adjustment (34%)	**(16.8)**	**(14.3)**	**17.3%**	**(24.8)**	**(32.4%)**
Extraordinary Items - EBITDA	(6.2)	(5.2)	21.0%	(14.8)	(57.9%)
Extraordinary Items - Depreciation and Amortization	(7.4)	(6.2)	18.4%	(7.0)	5.1%
Extraordinary Items - Financial Result	(3.2)	(2.9)	8.4%	(3.0)	6.0%
Adjusted Income Tax and Social Contribution	**(74.9)**	**(92.8)**	**(19.3%)**	**(41.0)**	**82.9%**

APPENDIX IV

Cash Flow

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
EBT	**258.6**	**208.4**	**24.1%**	**204.8**	**26.2%**
Adjustments:	**205.7**	**207.6**	**(0.9%)**	**195.0**	**5.5%**
Depreciation and Amortization	85.4	73.4	16.4%	81.5	4.8%
Share-based Compensation	12.4	26.0	(52.3%)	4.7	163.4%
Loss (Gain) with Disposed Assets	2.3	(0.6)	(506.9%)	8.5	(73.0%)
Provision for Expected Credit Losses	14.6	13.2	10.1%	16.3	(10.3%)
Equity Pickup	(3.0)	4.3	(169.8%)	(4.2)	(29.1%)
Prov. for Contingencies, Net of Reversals	13.5	0.4	>999%	9.9	36.2%
Provision (Reversal) for Other Obligations	11.2	14.0	(20.4%)	16.5	(32.4%)
Interest and Monet./FX variations, net	69.3	76.8	(9.7%)	61.8	12.1%
Changes in Op. Assets and Liabilities:	**(113.7)**	**(81.4)**	**39.7%**	**30.6**	**(472.0%)**
Trade Receivables	(98.0)	(48.2)	103.1%	7.2	<(999%)
Recoverable Taxes	(23.3)	(2.7)	763.9%	(15.6)	49.7%
Judicial Deposits	(3.6)	1.4	(362.8%)	1.7	(319.8%)
Other Assets	(24.3)	(34.1)	(28.8%)	26.5	(191.5%)
Labor Liabilities	14.9	7.3	102.9%	(26.0)	(157.4%)
Trade and Other Payables	20.8	13.7	51.1%	38.2	(45.6%)
Commissions Payable	(8.3)	(4.0)	109.3%	5.5	(250.9%)
Taxes and Contributions Payable	9.0	(7.8)	(215.0%)	0.4	>999%
Other Accounts Payable	(0.9)	(7.0)	(87.2%)	(7.3)	(87.7%)
Operating Cash Generation	**350.6**	**334.6**	**4.8%**	**430.4**	**(18.5%)**
Interest paid	(80.2)	(97.8)	(18.0%)	(1.5)	>999%
Tax Paid	(73.8)	(53.9)	37.0%	(27.0)	173.8%
Net Cash from Operating Activities	**196.5**	**182.9**	**7.4%**	**401.9**	**(51.1%)**
Acquisitions of Prop. Plant and Equip.	(51.8)	(23.5)	120.9%	(38.7)	33.9%
Acquisition of Intangible Assets	(22.3)	(36.2)	(38.3%)	(24.2)	(7.9%)
Franchises Loan	2.9	3.6	(18.7%)	10.8	(72.9%)
Acquisition of Subsidiaries, Net of Cash	-	(570.9)	(100.0%)	(38.9)	(100.0%)
Payments from Acquisitions of Subsidiaries	(87.5)	(25.6)	241.2%	(159.7)	(45.2%)
Proceeds from Sale of Subsid., Net of Cash	-	21.1	(100.0%)	(1.4)	(100.0%)
Proceeds from Sale of Prop. Plant and Equip.	1.4	7.0	(79.5%)	1.7	(14.0%)
CVC Fund Investments	(21.4)	(26.0)	(17.8%)	(5.6)	280.9%
Cash generated from (used in) RJ Participações	(1.6)	1.3	(224.5%)	0.4	(470.5%)
Net Cash used in Investing Act.	**(180.3)**	**(649.1)**	**(72.2%)**	**(255.6)**	**(29.5%)**
Payment of Princ. of Loans and Financing	-	(35.7)	(100.0%)	-	-
Payment of Principal of Lease Liabilities	(15.4)	(15.0)	2.2%	(14.0)	10.1%
Dividends and Interest on Equity Paid	-	-	-	(128.7)	(100.0%)
Net Treasury Shares	-	(64.1)	(100.0%)	(216.3)	(100.0%)
Net Cash gen. by (used in) Financ. Act.	**(15.4)**	**(114.8)**	**(86.6%)**	**(359.0)**	**(95.7%)**
Incr. (Dec.) in Cash and Cash Eq.	**0.9**	**(581.0)**	**(100.2%)**	**(212.7)**	**(100.4%)**
Cash and Equiv. Beginning of the Period	1,942.2	3,129.2	(37.9%)	2,154.8	(9.9%)
Cash and Equiv. End of the Period	1,943.0	2,548.1	(23.7%)	1,942.2	0.0%

APPENDIX V

Balance Sheet (GAAP)

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
ASSETS					
Current Assets	**2,921.7**	**3,375.4**	**(13.4%)**	**2,763.6**	**5.7%**
Cash and Cash Equivalents	1,943.0	2,548.1	(23.7%)	1,942.2	0.0%
Trade Receivables	714.2	642.4	11.2%	625.7	14.1%
Provision for Expected Credit Losses	(73.1)	(61.7)	18.4%	(62.4)	17.3%
Recoverable Taxes	100.9	91.2	10.7%	83.5	20.9%
Escrow Account	14.3	13.8	4.3%	14.0	2.6%
Other Assets	165.5	141.8	16.7%	160.6	3.0%
RJ Participações Assets	56.8	-	-	-	-
Non-current Assets	**5,763.9**	**5,648.4**	**2.0%**	**5,768.2**	**(0.1%)**
Long-term assets	**820.4**	**584.3**	**40.4%**	**785.9**	**4.4%**
Trade Receivables	14.5	16.7	(13.0%)	13.8	5.0%
Receivables from Related Parties	5.8	5.0	16.4%	5.1	15.2%
Deferred Tax Assets	256.1	138.6	84.8%	253.5	1.0%
Judicial Deposits	32.4	32.2	0.5%	28.4	14.2%
Investments at Fair Value	193.7	140.7	37.7%	179.8	7.7%
Escrow Account	182.5	178.2	2.4%	188.8	(3.3%)
Other Assets	135.4	72.9	85.7%	116.5	16.2%
Investments	324.8	319.1	1.8%	321.8	0.9%
Property, Plant and Equipment	418.9	405.7	3.3%	399.2	4.9%
Intangible	4,199.8	4,339.3	(3.2%)	4,261.2	(1.4%)
TOTAL ASSETS	**8,685.6**	**9,023.8**	**(3.7%)**	**8,531.7**	**1.8%**
LIABILITIES					
Current Liabilities	**1,158.4**	**1,427.3**	**(18.8%)**	**1,144.2**	**1.2%**
Labor Liabilities	442.8	407.7	8.6%	438.7	0.9%
Trade and Other Payables	232.2	171.4	35.5%	212.0	9.6%
Taxes and Contributions Liabilities	121.4	116.2	4.4%	122.6	(1.0%)
Debentures	33.4	10.3	224.8%	62.8	(46.9%)
Loans and Financing	-	1.7	(100.0%)	-	-
Lease Liabilities	60.1	59.8	0.4%	58.1	3.4%
Dividends Payable	83.2	1.8	>999%	1.2	>999%
Accounts Payable from Acq. of Subsid.	46.3	496.2	(90.7%)	115.7	(59.9%)
Commissions Payable	60.9	61.2	(0.5%)	69.1	(11.9%)
Other Liabilities	68.3	100.9	(32.3%)	64.0	6.8%
RJ Participações Liabilities	9.6	-	-	-	-
Non-current Liabilities	**2,415.7**	**2,514.9**	**(3.9%)**	**2,400.4**	**0.6%**
Lease Liabilities	62.3	93.2	(33.1%)	68.3	(8.7%)
Debentures	1,473.5	1,492.3	(1.3%)	1,472.3	0.1%
Loans and Financing	-	2.9	(100.0%)	-	-
Accounts Payable from Acq. of Subsid.	226.2	318.7	(29.0%)	228.2	(0.9%)
Tax Obligations	-	1.0	(100.0%)	0.0	(100.0%)
Deferred Income Taxes	15.9	11.6	36.4%	13.7	15.5%
Provision for Contingencies	111.3	108.7	2.3%	106.3	4.7%
Call Option of Non-controlling Interests	454.3	421.2	7.9%	444.8	2.1%
Other Liabilities	72.3	65.3	10.7%	66.8	8.3%
Shareholders' Equity	**5,111.5**	**5,081.7**	**0.6%**	**4,987.1**	**2.5%**
Share Capital	2,962.6	2,962.6	0.0%	2,962.6	0.0%
Treasury Shares	(349.7)	(367.9)	(5.0%)	(350.2)	(0.1%)
Capital Reserves	294.5	758.8	(61.2%)	281.8	4.5%
Profit Reserve	1,828.1	1,389.4	31.6%	1,715.4	6.6%
Carrying Value Adjustments	64.3	44.0	46.0%	71.7	(10.3%)
Non-controlling Interest	311.7	294.8	5.7%	305.8	1.9%
TOTAL LIABILITIES AND EQUITY	**8,685.6**	**9,023.8**	**(3.7%)**	**8,531.7**	**1.8%**

APPENDIX VI

Amortization Aging of Acquisition Intangibles (Management + RD Station)

In R$ million	1Q25
Up to 12 months	79.2
from 13 to 24 months	81.0
from 25 to 36 months	79.1
from 37 to 48 months	65.8
over 48 months	262.9
Total	**568.0**

Amortization Aging of Acquisition Intangibles (Techfin 100%)

In R$ million	1Q25
Up to 12 months	6.7
from 13 to 24 months	6.6
from 25 to 36 months	6.6
from 37 to 48 months	6.6
over 48 months	25.1
Total	**51.5**

Amortization of Acquisition Goodwill

The acquisition goodwill represents the difference between the amount paid for acquiring a company and the fair value of its net assets. In Brazil, the amortization of this goodwill can generate a significant tax benefit, allowing the amortized amount to be deducted from the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) tax bases, thereby reducing the acquiring company's tax burden.

The goodwill related to acquisitions is not amortized for accounting purposes. As shown in the table below, total goodwill amounted to R$3.3 billion in 1Q25, of which R$714 million has already been amortized for IR/CS tax purposes.

Acquisition Goodwill (R$ million)	
Total	**3,345.7**
Used as a benefit until 03/31	(714.0)
Balance to be used:	**2,631.7**
Balance of non-merged companies	2,076.0
Incorporated balance to be used:	**555.7**
2025	(116.6)
2026	(153.8)
2027	(126.3)
>2027	(159.0)

APPENDIX VII

Adjusted Net Income Reconciliation Techfin (100%)

Techfin Result (in R$ million)	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
Adjusted Net Income (Loss) from Techfin	**7.2**	**(1.5)**	**(564.4%)**	**15.5**	**(53.7%)**
Extraordinary Items, Net	-	(1.7)	(100.0%)	(1.9)	(100.0%)
Net Effect of Amortization	(1.2)	(5.2)	(76.1%)	(5.2)	(76.1%)
Net Income (Loss) from Techfin	**5.9**	**(8.5)**	**(169.8%)**	**8.4**	**(29.1%)**
Other Results [1]	3.0	(4.3)	(169.8%)	4.2	(29.1%)
Equity Pickup - TOTVS	3.0	(4.3)	(169.8%)	4.2	(29.1%)

[1] Result allocated to partner shareholders + Net Result from Techfin before the JV with Itaú

Cash Flow Techfin (100%)

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
EBT	**11.2**	**(8.4)**	**(233.5%)**	**13.6**	**(17.6%)**
Non-Cash Items	**45.9**	**50.4**	**(9.0%)**	**50.4**	**(9.1%)**
Change in Working Capital	**(100.9)**	**(253.5)**	**(60.2%)**	**(143.8)**	**(29.8%)**
Operating Cash Generation	**(43.8)**	**(211.5)**	**(79.3%)**	**(79.8)**	**(45.0%)**
Interest paid	(0.1)	(0.1)	7.7%	(3.6)	(98.5%)
Income Tax and Social Cont. paid	(1.2)	(0.4)	235.0%	(0.4)	255.1%
Net Cash from Operating Activities	**(45.1)**	**(211.9)**	**(78.7%)**	**(83.7)**	**(46.1%)**
Fixed Assets	(0.2)	(0.3)	(43.2%)	(0.5)	(65.7%)
Intangibles	(0.2)	(1.1)	(83.5%)	- .0	-
Financial Rescues (Invest.)	(19.6)	150.9	(113.0%)	151.2	(113.0%)
Net Cash used in Investing Act.	**(19.9)**	**149.5**	**(113.3%)**	**150.7**	**(113.2%)**
Increase (Decrease) Gross Debt	(138.4)	100.0	(238.4%)	118.1	(217.2%)
Payment of Principal of Lease Liabilities	(0.6)	(0.4)	40.3%	(1.8)	(66.1%)
Red. (Inv.) of Senior Quotas	54.2	(42.0)	(229.0%)	(124.6)	(143.5%)
Net Cash gen. by (used in) Financ. Act.	**(84.8)**	**57.5**	**(247.3%)**	**(8.2)**	**931.0%**
Incr. (Dec.) in Cash and Cash Equivalent	(149.8)	(4.9)	>999%	58.7	(355.0%)
Cash and Equiv. Beginning of the Period	259.0	199.2	30.0%	200.2	29.3%
Cash and Equiv. End of the Period	**109.2**	**194.3**	**(43.8%)**	**259.0**	**(57.8%)**
Revenue from financial investment, net of Taxes	3.5	5.1	(30.9%)	2.8	26.3%
Free Cash Flow to Firm [1]	**(49.5)**	**(218.7)**	**(77.4%)**	**(85.1)**	**(41.8%)**

[1] Operating Cash Generation (–) Income Tax and Social Cont. paid (–) Investing in Fixed Assets and Intangibles (–) Payment of Principal of Lease Liabilities (–) Short-term investment yield

Balance Sheet Techfin (100%)

In R$ million	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
ASSETS					
Current Assets	**2,821.5**	**2,685.2**	**5.1%**	**2,689.5**	**4.9%**
Cash and Cash Equivalents	109.2	194.3	(43.8%)	259.0	(57.8%)
Financial Investments	177.7	141.3	25.8%	154.2	15.3%
Trade Receivables	2,471.4	2,320.1	6.5%	2,148.5	15.0%
Other Assets	63.2	29.6	113.9%	127.8	(50.6%)
Non-current Assets	**215.5**	**256.1**	**(15.9%)**	**223.6**	**(3.7%)**
Long-term assets	**36.3**	**50.1**	**(27.7%)**	**41.6**	**(12.8%)**
Other Assets	36.3	50.1	(27.7%)	41.6	(12.8%)
Property, Plant and Equipment	6.3	6.4	(1.8%)	7.0	(9.2%)
Intangible	172.9	199.5	(13.4%)	175.1	(1.3%)
TOTAL ASSETS	**3,036.9**	**2,941.3**	**3.3%**	**2,913.1**	**4.3%**
LIABILITIES					
Current Liabilities	**2,374.9**	**2,293.1**	**3.6%**	**2,259.5**	**5.1%**
Loans and Financing	233.3	101.7	129.5%	372.7	(37.4%)
Business Partners Payable	876.8	721.8	21.5%	715.1	22.6%
Senior and Mezzanine Quotas	1,203.7	1,412.3	(14.8%)	1,111.1	8.3%
Other Liabilities	61.0	57.4	6.4%	60.6	0.8%
Non-current Liabilities	**12.8**	**10.0**	**28.5%**	**10.0**	**28.6%**
Loans and Financing	1.7	1.5	18.4%	2.4	(27.1%)
Other Liabilities	11.1	8.5	30.2%	7.6	45.9%
Shareholders' Equity	**649.2**	**638.2**	**1.7%**	**643.6**	**0.9%**
TOTAL LIABILITIES AND EQUITY	**3,036.9**	**2,941.3**	**3.3%**	**2,913.1**	**4.3%**

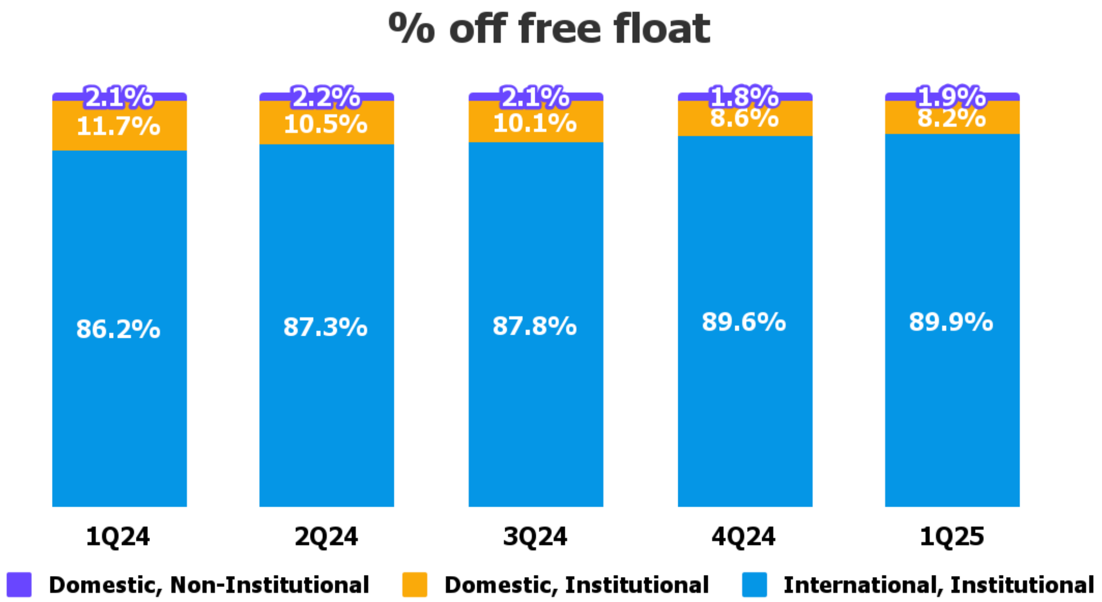
Techfin's Credit Rights by Maturity (100%)

Credit Rights by Maturity (In R$ million)	1Q25	1Q24	Δ y/y	4Q24	Δ q/q
On Due	2,446.4	2,308.9	6.0%	2,120.9	15.3%
Notes overdue					
Up to 30 days	22.3	13.3	67.9%	33.3	(33.0%)
from 31 to 60 days	7.7	5.0	54.3%	2.8	177.6%
from 61 to 90 days	3.5	4.4	(20.3%)	2.9	22.3%
from 91 to 180 days	7.5	10.2	(26.1%)	8.0	(6.1%)
from 181 to 360 days	15.8	22.9	(30.8%)	18.0	(11.8%)
over 360 days	144.6	110.4	31.0%	138.0	4.8%
Gross Trade Receivables	**2,647.9**	**2,475.1**	**7.0%**	**2,323.8**	**13.9%**
Provision for Expected Credit Losses	(176.1)	(149.5)	17.8%	(171.3)	2.8%
Total	**2,471.8**	**2,325.6**	**6.3%**	**2,152.5**	**14.8%**

APPENDIX VIII

SHAREHOLDING COMPOSITION

TOTVS closed 1Q25 with a share capital of approximately R$3 billion, composed of 599,401,581 common shares, of which approximately 89% are in free float, with the following composition:



Foreign institutional investors reached a 90% stake in the free float, the highest percentage since 2016. In a scenario of significant outflows of foreign capital from B3, this may indicate a perception, by this type of investor, that TOTVS is a high-quality asset, combining the company's sustainable growth with improved profitability and trading at a substantial discount compared to its international peers.

GLOSSARY

A

Adjusted Net Income: is a non-accounting measure that represents Net Income without the net effects of the respective impacts of income tax and social contribution from: (i) extraordinary expenses; (ii) financial expenses for adjustment to present value arising from the option to purchase a non-controlling interest, as provided for in the partnership agreement of Dimensa's operation with B3; (iii) extraordinary impacts on financial expenses for adjustment to present value arising from earn-outs adjustments; and (iv) the portion of Income attributed to Dimensa's non-controlling shareholders.

ADTV Average Daily Trading Volume of shares.

ARR (Annual Recurring Revenue): It denotes the yearly income generated from recurring agreements. It is an important indicator of the company's revenue predictability.

B

Business Performance Dimension: a division of TOTVS that offers solutions for enhancing business performance, such as digital marketing, customer management, and automation tools.

C

CAC (Customer Acquisition Cost): it is an indicator that reveals the average expenditure a company incurs in acquiring a new customer. It is calculated by dividing the total marketing and sales investment by the number of customers acquired within a specific timeframe.

Corporate Model: under this payment model for management software, customers receive unlimited access to contracted systems. Annual agreement fees are adjusted in the first quarter based on customer performance in the previous year, as determined by updated contractual metrics like gross revenue. The updated fees have an impact on both License Revenue and Recurring Revenues. With Licenses, the increase reflects only customers who expanded their business year after year, increasing to a higher range in the price list, while with Recurring Revenue the impact is the net balance between customers who “went up” and those who “went down” in the price list.

E

Earn-out: it is a portion corresponding to the payment of the part of the acquisition price of a company, usually tied to performance and to certain targets of the acquired company.

EBITDA: acronym of Earnings Before Interest, Income Tax (IRPJ) and Social Contribution on Earnings, Depreciation and Amortization. It is a non-accounting measurement prepared by the Company that comprises net income for the year or period, excluding the effects of revenues and financial expenses, of income Tax and of social contribution and of costs and expenses from depreciation and amortization.

eNPS (Employee Net Promoter Score): it comprises an employee engagement index. It measures how likely employees are to recommend the company as a good place to work.

F

FIDC (Credit Rights Investment Fund): it is a type of investment fund that pools funds from multiple investors to purchase credit rights, that is, the FIDC buys debts from companies or individuals and divides them into smaller portions that are sold to investors.

G

GDP is the Law 13.709/2018, called the General Data Protection Law.

Global Report Initiative (GRI): is a multi-stakeholder organization that sets global sustainability reporting standards developed with input from different stakeholders and focused on the public interest.

GMV (Gross Merchandise Volume): It represents the overall number of goods and services sold on its marketplace during a specific timeframe. It is a metric adopted to estimate the size of one's platform, but not its health.

I

IBOV (Bovespa Index): it is the most important indicator of the average performance of stock prices traded on B3 - Brasil, Bolsa, Balcão.

IBrX-50 (Brazil 50 Index): an indicator of the average price performance of the 50 most tradable and representative assets of the Brazilian stock market.

IGP-M (General Market Price Index): a comprehensive Brazilian inflation index that measures the variation of prices at different stages of production, from raw materials to finished goods. This can be compared to the American indicators PPI (Producer Price Index) and PCE (Personal Consumption Expenditures), which monitor not just retail prices but also intermediate product prices and company production costs. It is widely used to update contracts fees, such as rentals, and to index investments.

Inflation in costs and expenses: operating costs and expenses can be influenced by inflation. As a Technology company, the main line is Personnel. Employees' salary bases are readjusted through the negotiation process between workers' unions and companies. This adjustment is generally annual and aims to compensate for the loss of purchasing power caused by inflation. Therefore, the variation of the IPCA and/or INPC over the last 12 months is used as the basis for this negotiation. Each region in which the Company operates is associated with a specific union in the sector and has adjustment anniversaries on different dates, the most relevant being listed below according to the concentration of number of employees: (i) São Paulo readjusted in January; (ii) Belo Horizonte and Rio de Janeiro readjusted in September; (iii) Joinville readjusted in October; and (iv) Santa Catarina in August.

Inflation in revenue: the Company periodically adjusts the prices of its products and services, aiming at business sustainability and monitoring market variations. The price list is regularly reviewed and the vast majority of Recurring Revenue contracts provide for automatic annual adjustments, taking into account several factors, the main one being inflation.
In the case of the Management Dimension, approximately 80% of the Recurring Revenue base is automatically renewed each year and its values are readjusted according to the accumulated inflation of the last 12 months, calculated on the contract anniversary. If inflation is negative, the value of the contract is not reduced. The inflation indices most used for these adjustments are the IGP-M and the IPCA, and the new contracts, by default, are linked to the IPCA, causing this index to increase its representation over time. The other approximately 20% of the company's recurring revenue contracts are adjusted annually by a performance mechanism, with the corporate model being the most common and also the Intera Unlimited model which has been gaining representation. Finally, there is less than 5% of contracts that do not have automatic renewal and depend on commercial negotiation at each renewal.
In the case of the Business Performance Dimension, most annual adjustments to current contracts also occur on the anniversary of the contracts and take into account the last update of the price table. This table can be updated more than once a year and normally takes into account the inflation of the period (generally IPCA), added to other market effects, such as the price charged by competitors.

INPC (National Consumer Price Index): a Brazilian inflation index that, like the IPCA, measures the price variation of a selection of goods and services consumed by Brazilian families. However, the major difference between the two is the target audience. The INPC monitors the price variation for families with an income of up to 5 minimum wages. The IPCA monitors the price variation for families with an income of up to 40 minimum wages.

Interest on Equity: is a form of remuneration paid to the partners or shareholders of a company, calculated on the value of the equity. This remuneration is considered an expense for the company, which means it can be deducted from the net income before calculating the Corporate Income Tax (IRPJ) and the Social Contribution on Net Income (CSLL), thus reducing the company's tax burden while distributing dividends to shareholders. It is worth noting that the payment of Interest on Equity is limited to the lower value among: (i) 50% of the net income for the fiscal year; (ii) 50% of retained earnings and profit reserves; and (iii) the variation of the Long-Term Interest Rate (TJLP) on the equity.

IPCA (Broad National Consumer Price Index): a Brazilian inflation index that measures the average variation of prices paid by urban consumers for goods and services that Brazilians consume on a daily basis, such as food, rent, transportation, etc. Comparable to the American CPI (Consumer Price Index), this indicator holds significant influence over key decisions in Brazil, particularly in determining the interest rate by the Central Bank.

L

Lei do Bem: Law 11.196/05, popularly known as Lei do Bem, was created to stimulate and encourage Brazilian companies to invest in Research, Development and Innovation (R&D). This law offers several tax benefits to companies that carry out R&D activities, aiming to boost innovation and competitiveness in the private sector in Brazil. In the case of TOTVS, the main benefit is the reduction of Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) obtained through the deduction of a portion of R&D expenses from the calculation basis of these taxes, thus reducing its tax burden.

LTV (Life Time Value): it is a metric that defines the average value of the customer's life cycle. It represents the financial resources acquired by the company through customer purchases and services over the duration of their relationship with the company.

LTM (Last Twelve Months): sum of the last twelve months.

M

Management business unit: a segment of TOTVS's business focused on business management solutions, which includes the offer of ERPs and other software for business management.

N

NPS (Net Promoter Score): is a measure obtained from customer surveys to evaluate the likelihood of recommending the company, product, or service.

P

Payroll Exemption: It is a measure that aims to reduce companies' labor costs, replacing the social security contribution on the payroll with a contribution on gross revenue. In other words, instead of paying a percentage of each employee's salary, the company pays a percentage of the total value of its sales. Currently, TOTVS uses, in most of its operations, the benefit of payroll exemption, replacing the 20% rate on INSS on payroll for a rate of 4.5% of Social Security Contribution on Gross Revenue (CPRB).

PLG (Product-Led Growth): is described as a scenario where the product's usage is the major factor driving users' acquisition, retention, and expansion. Thus, PLG can be considered both a growth strategy and an innovative business model. It is a growth model focused on the end user, based entirely on the product.

R

RD Station business unit: a division of TOTVS that offers solutions for enhancing business performance, such as digital marketing, customer management, and automation tools.

Renewal Rate: represents the percentage of clients that remained in the recurring base at the end of the period, compared with the base at the beginning of the period, using the Recurring Revenue as a reference.

Revenue Net of funding cost: a structure usually adopted by the financial market, which makes up the revenue net of the cost formed by the remuneration of the FIDC's senior and mezzanine shares.

S

SDGs (Sustainable Development Goals): a collection of 17 global goals established by the United Nations General Assembly in 2015. These goals represent a call to action for all countries, rich and poor, to eradicate poverty, protect the planet, and ensure that all people enjoy peace and prosperity.

Selic (Special Settlement and Custody System): it is the basic interest rate of the Brazilian economy. It is the major monetary policy metric used by the Brazilian Central Bank (BC) to control inflation.

Signings: the Company's sales and growth indicator that shows how much TOTVS is managing to expand its customer base, whether by up-selling or cross-selling, and to increase its recurring revenues, especially in increasingly competitive markets.

T

Take rate: it is a metric that represents the percentage of a transaction's value retained by a platform or intermediary as revenue. This concept is commonly used in marketplaces, fintechs, e-commerce, and online service platforms business models, where the company acts as an intermediary between sellers and buyers.

TCO (Total Cost of Ownership): it denotes the sum of all possible costs related to the purchase and possession of a product or service.

TPV (Total Payment Volume): is the total value of transactions processed by a particular company, payment platform, or financial institution.

Techfin business unit: TOTVS's financial services division, responsible for providing credit and financing solutions to customers, which is seamlessly incorporated into the company's management systems.

U

Unlimited Intera Model: This model is similar to the corporate model, differing only in the anniversary of the adjustment, which is made on the anniversary of the contract and not in the first quarter and the fact that it only affects Recurring Revenue.

