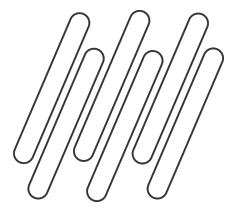


INSTITUTIONAL PRESENTATION

» Investor Relations

◀ 2022/November



DISCLAIMER



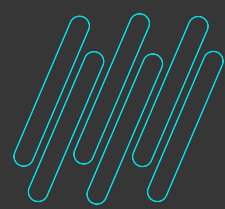
The information contained in this presentation and any forward-looking statements that may be made, related to business outlook, operational and financial projections of TOTVS are based on beliefs and assumptions of the Company's management, as well as information currently available. Forward-looking statements are not guarantee of future performance. They involve risks, uncertainties and assumptions as they refer to future events and, hence, depend on circumstances that may or may not occur.

Investors must understand that general economic conditions, industry conditions and other operational factors could affect future performance of TOTVS and could lead to results that differ materially from those mentioned in these forward-looking statements.



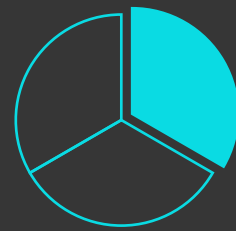
01

TOTVS



OUR UNIQUE 3D ECOSYSTEM STRATEGY

How TOTVS is Changing the Competitive Landscape



~1/3 of Public Companies⁽¹⁾
listed on B3 are **TOTVS** clients



~R\$2.7 trillion⁽²⁾
billed by TOTVS
clients base

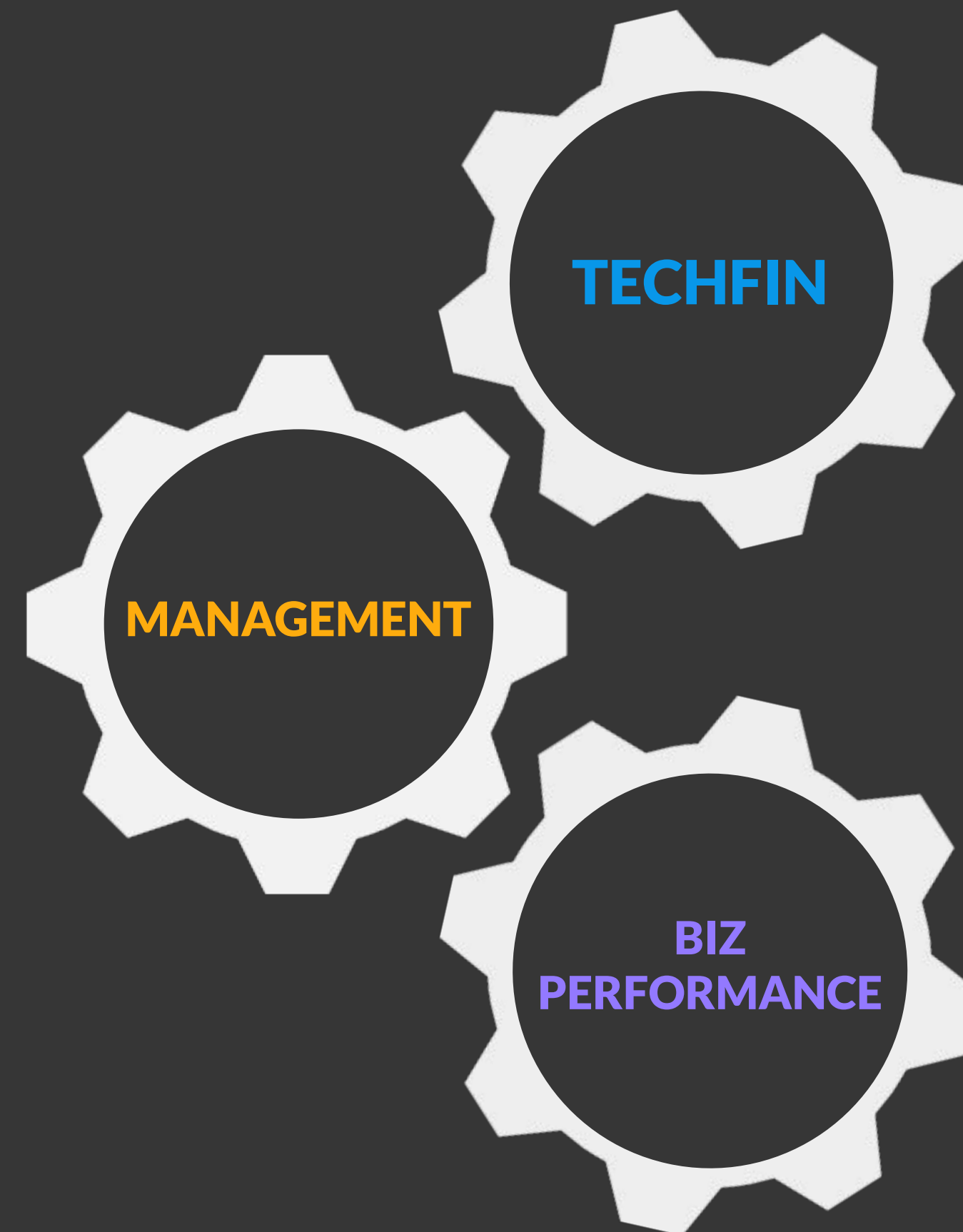


+70k client base
of all sizes in over 40 countries



#1 ERP Company in Brazil⁽³⁾
One of the largest tech companies, with
absolute dominance in ERP journey

Our solutions go far beyond ERP...



*...We drive business productivity, competitiveness and
digital financial services in 12 strategic markets*

RULE OF 40⁽⁴⁾ 3Q22 • **51.0%**

CONSOLIDATED ARR • **R\$ 3.8bn**

MANAGEMENT + BIZ
PERFORMANCE RENEWAL RATE 3Q22 • **98%**

REVENUE SHARE OF MANAGEMENT-SAAS,
TECHFIN AND BIZ PERFORMANCE 3Q22⁽⁵⁾ • **44%**

SHARE OF MANAGEMENT-SAAS,
TECHFIN AND BIZ PERFORMANCE^{(5) (6)} • **59%**
REVENUE INCREASE 3Q22 VS. 3Q21

MANAGEMENT-
RECURRING REVENUE 3Q22 • **R\$ 757mm**
(+28% vs 3Q21)

CREDIT PRODUCTION 3Q22 • **R\$ 2.9bn**
(+10% vs 3Q21)

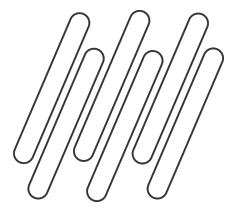
CREDIT PRODUCTION LTM • **R\$ 10.7bn**
(+18% vs 3Q21)

BIZ PERFORMANCE 2Q22
RECURRING REVENUE • **R\$ 82mm**
(+34% vs 3Q21)

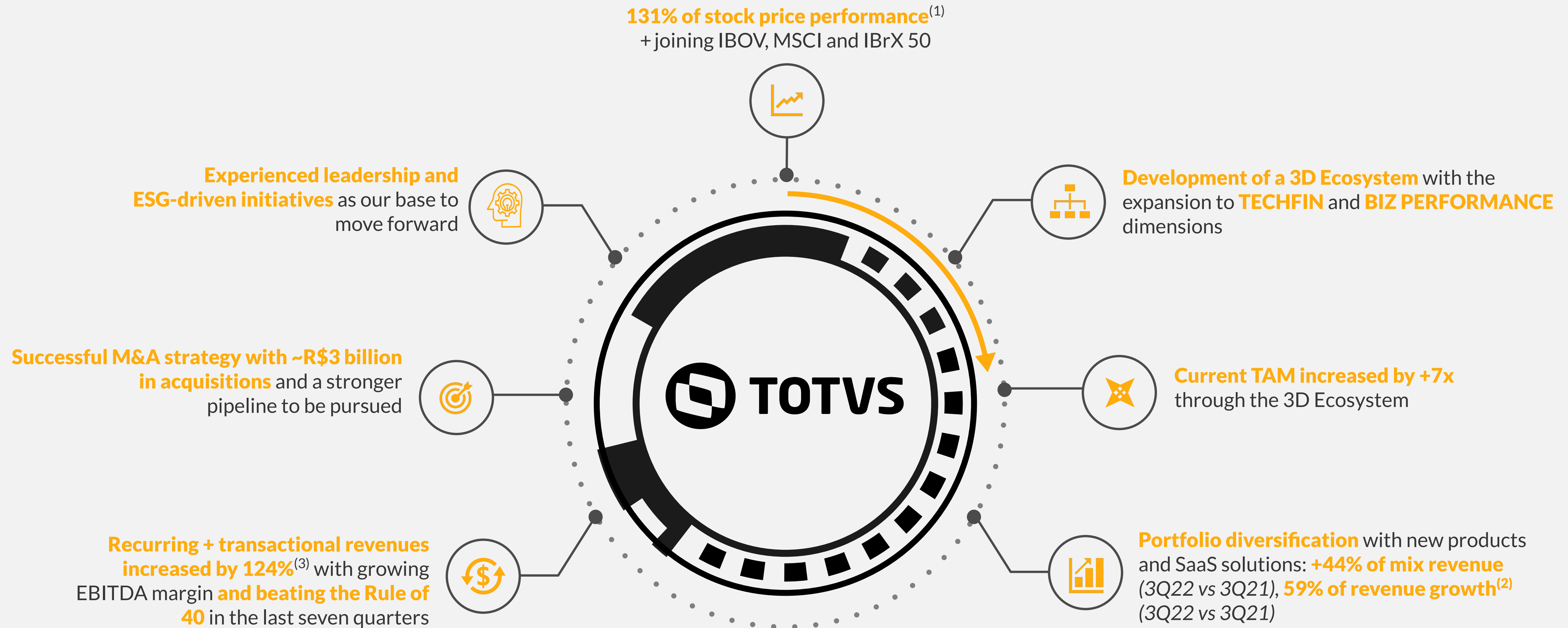
02

OUR TRAJECTORY

ACCOMPLISHMENTS SINCE 2019 FOLLOW-ON AND OUR
WAY FORWARD



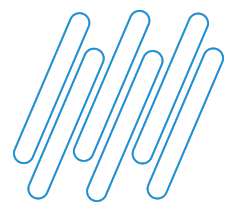
ACCOMPLISHMENTS SINCE 2019 FOLLOW-ON AND OUR WAY FORWARD





03

COMPETITIVE DIFFERENTIALS



1

BUSINESS MODEL

Combination of broad addressable market, high level of loyalty, profitability and sustainability of recurring revenue (SaaS) combined with potential growth in transactional revenues

2

DISTRIBUTION PLATFORM

Local and digital presence, based on a highly capillary distribution model

3

SOLUTIONS PORTFOLIO

Beyond the ERP: B2B technologies ecosystem in 3 business dimensions: Management, Techfin and Business Performance

4

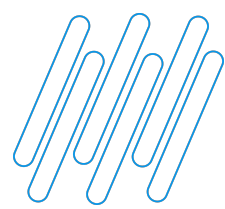
M&A & PARTNERSHIP STRATEGY

Main consolidator of Brazilian Tech Market: We believe acquisitions are a powerful tool to leverage our strategy of strengthening our core business and expanding into new market

5

ESG AGENDA

Executive Team engaged and experienced in the technology sector. Culture of operational excellence, transparency, efficiency, and high standards of excellence in governance, ethics and integrity and ESG



BUSINESS MODEL

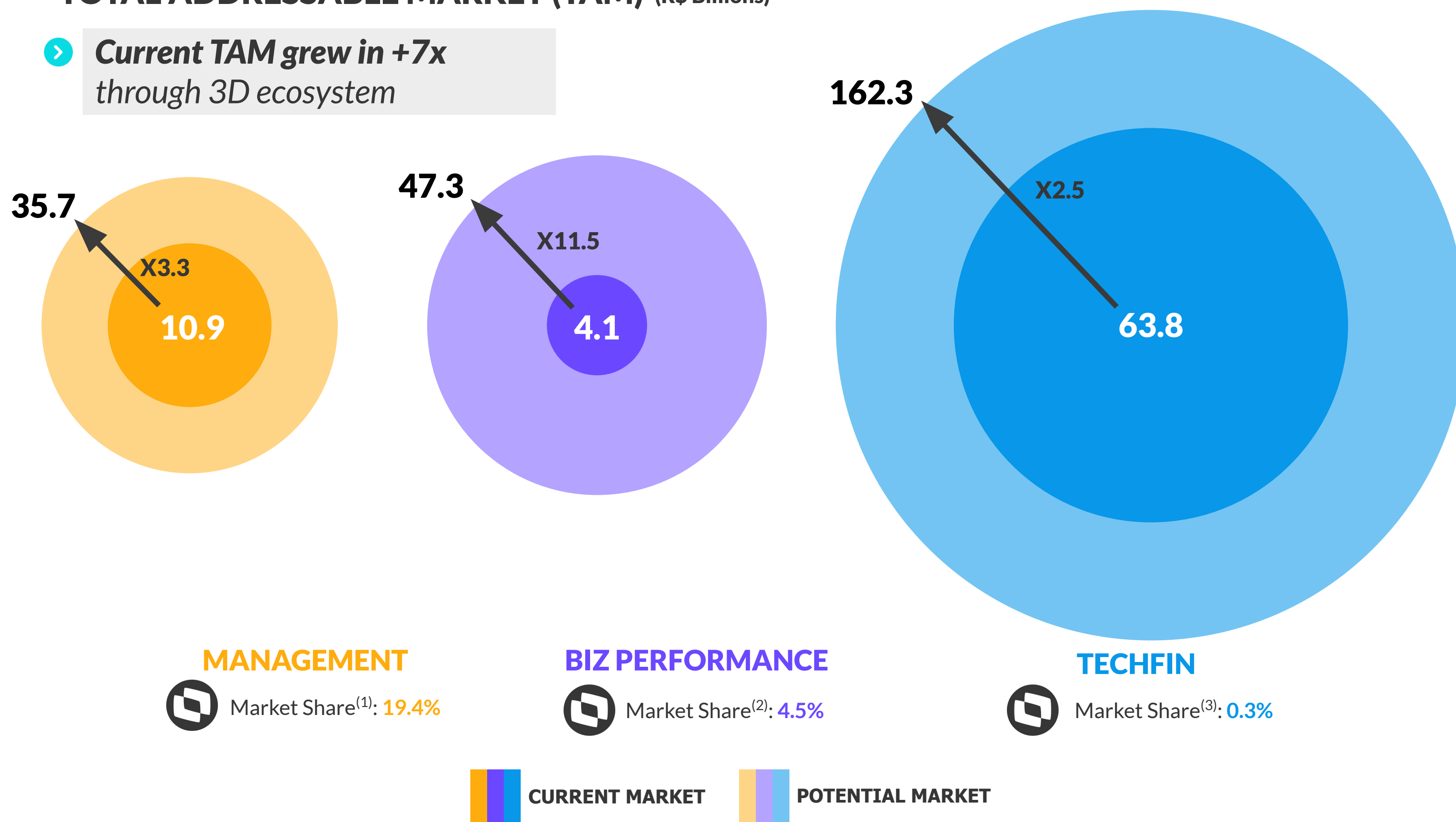
3D ecosystem expanding our addressable market

9



TOTAL ADDRESSABLE MARKET (TAM) (R\$ Billions)

> **Current TAM grew in +7x**
through 3D ecosystem



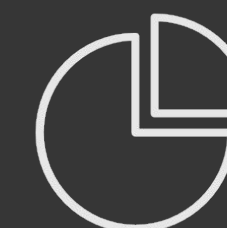
Compelling set of growth drivers to further increase the potential TAM...



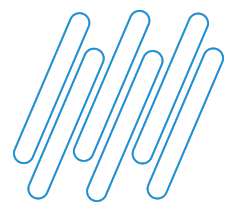
1. Potential of software market in Brazil
by considering an increase in the potential IT usage maturity of Brazilian companies to a level similar from OECD economies



2. Potential of B2B credit market in Brazil
when all companies in Brazil contract credit according to the average onerous indebtedness level of those that have already contracted today

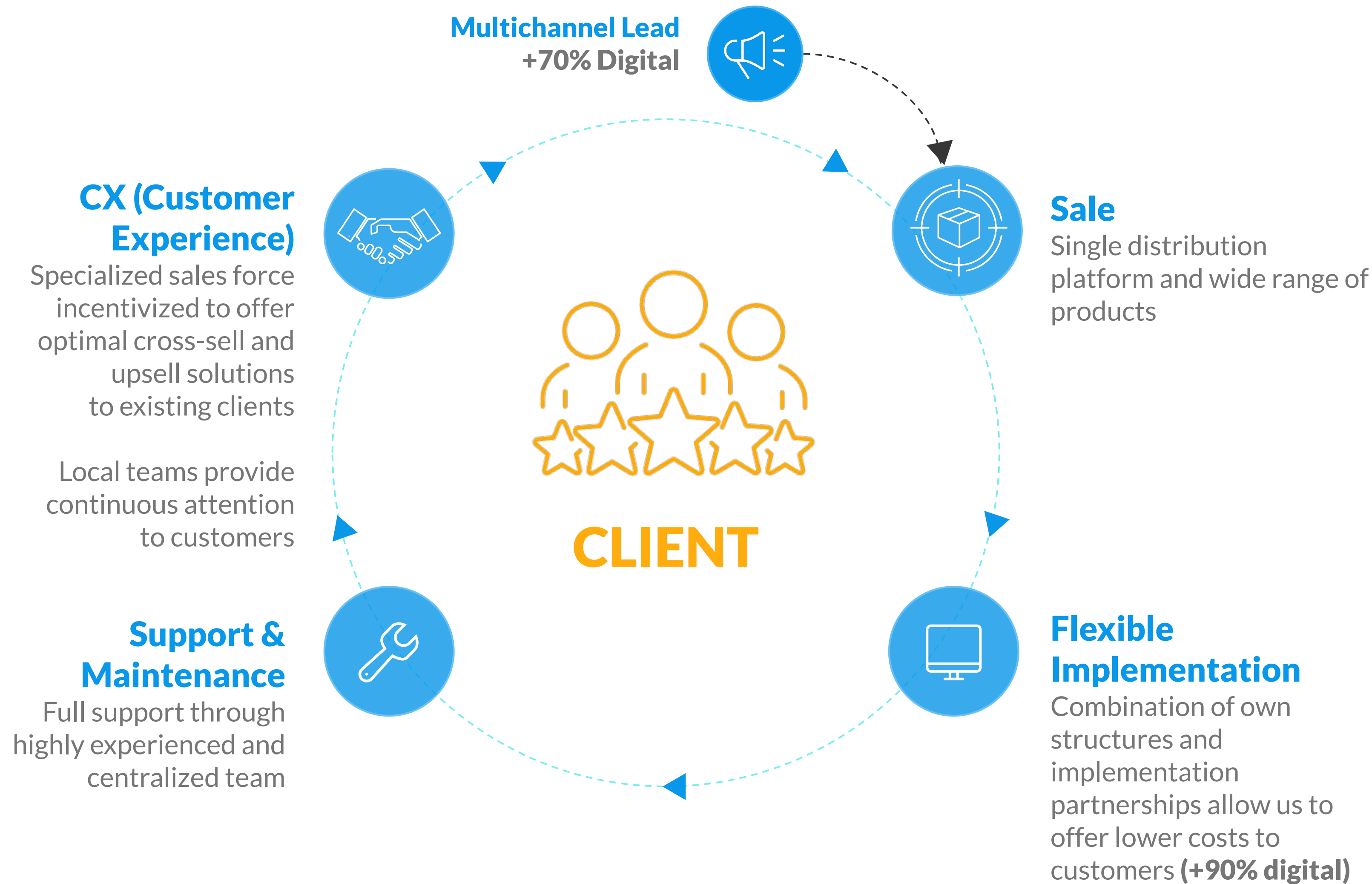


3. New markets (Techfin and Biz Performance)
the size of these new markets and their growth potential demonstrate that TOTVS does not need to be dominant in them for the growth coming from the new segments to be relevant



BUSINESS MODEL

Presence and partnership in all stages of the Customer Journey strengthen loyalty



Far Beyond ERP: 3D ecosystem



Management



Techfin



Biz
Performance

In 12 strategic segments of the economy and for customers of all sizes



Agribusiness



Construction



Distribution



Education



Financial Services



Health



Hospitality



Legal



Logistics



Manufacturing



Retail

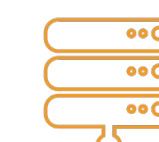


Service
Providers

Flexibly deployed



Cloud



On-premise



Across media

Distribution Platforms



Franchises &
Branches



Multichannel



Partnership



Own sales
force

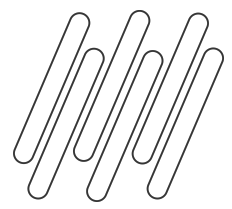


Affiliates



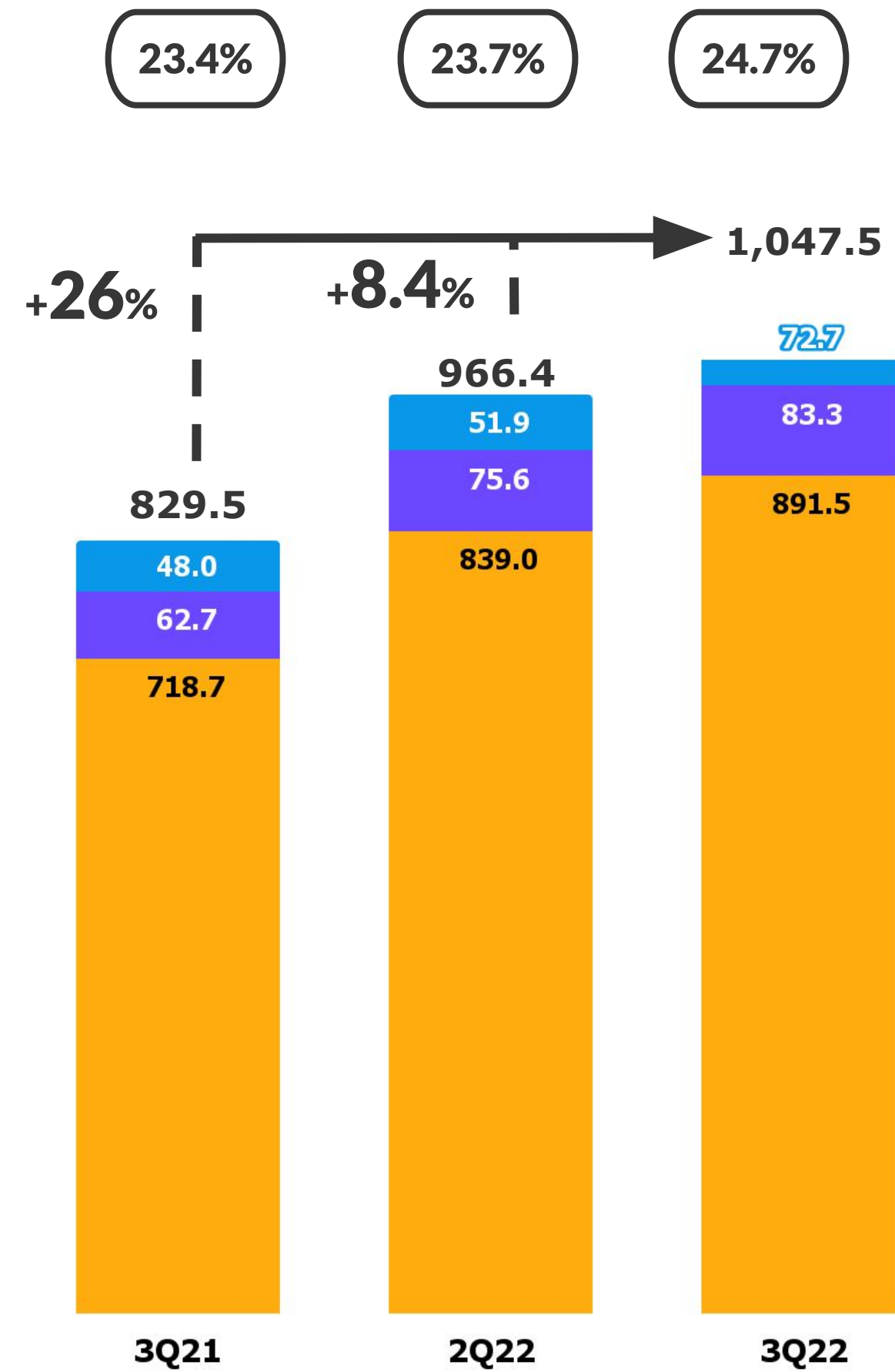
Digital
Platform





NEW GROWTH LOCOMOTIVES (SaaS, Biz Performance and Techfin)

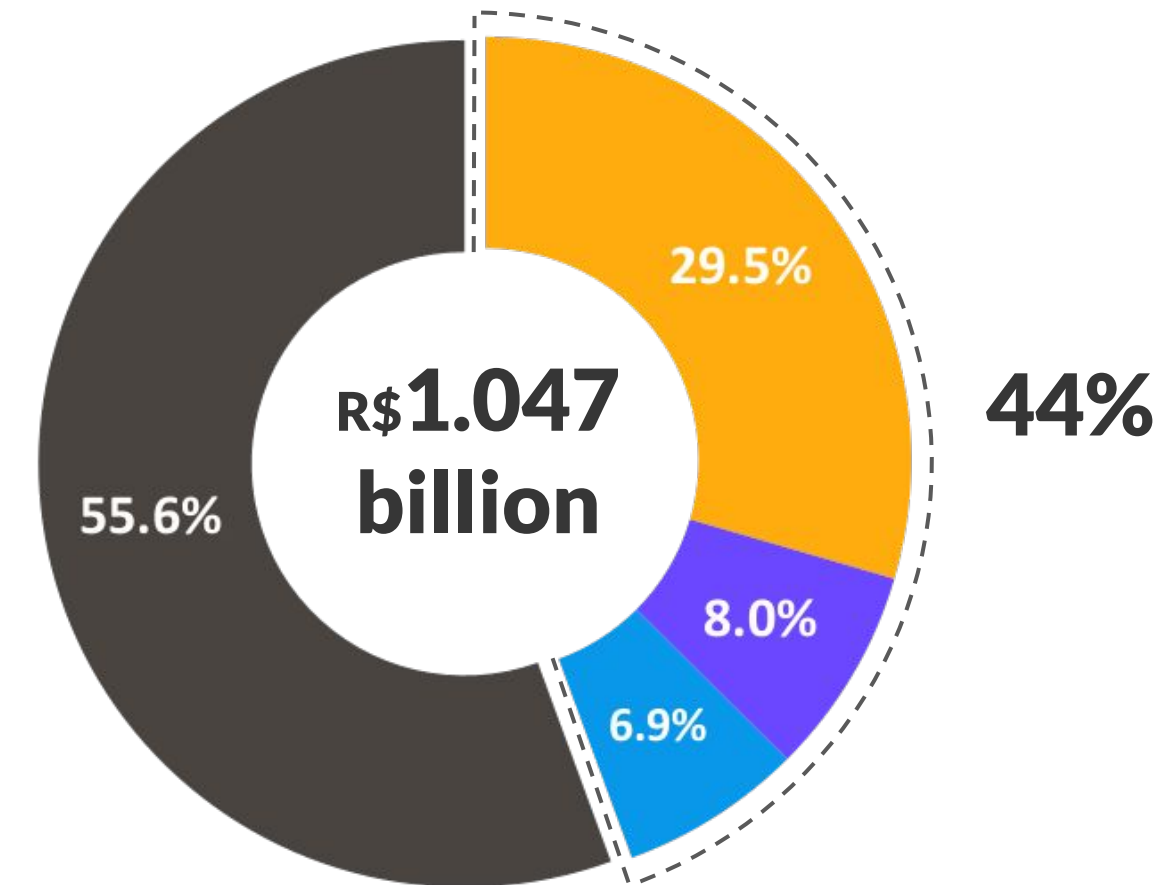
Net Revenue⁽¹⁾



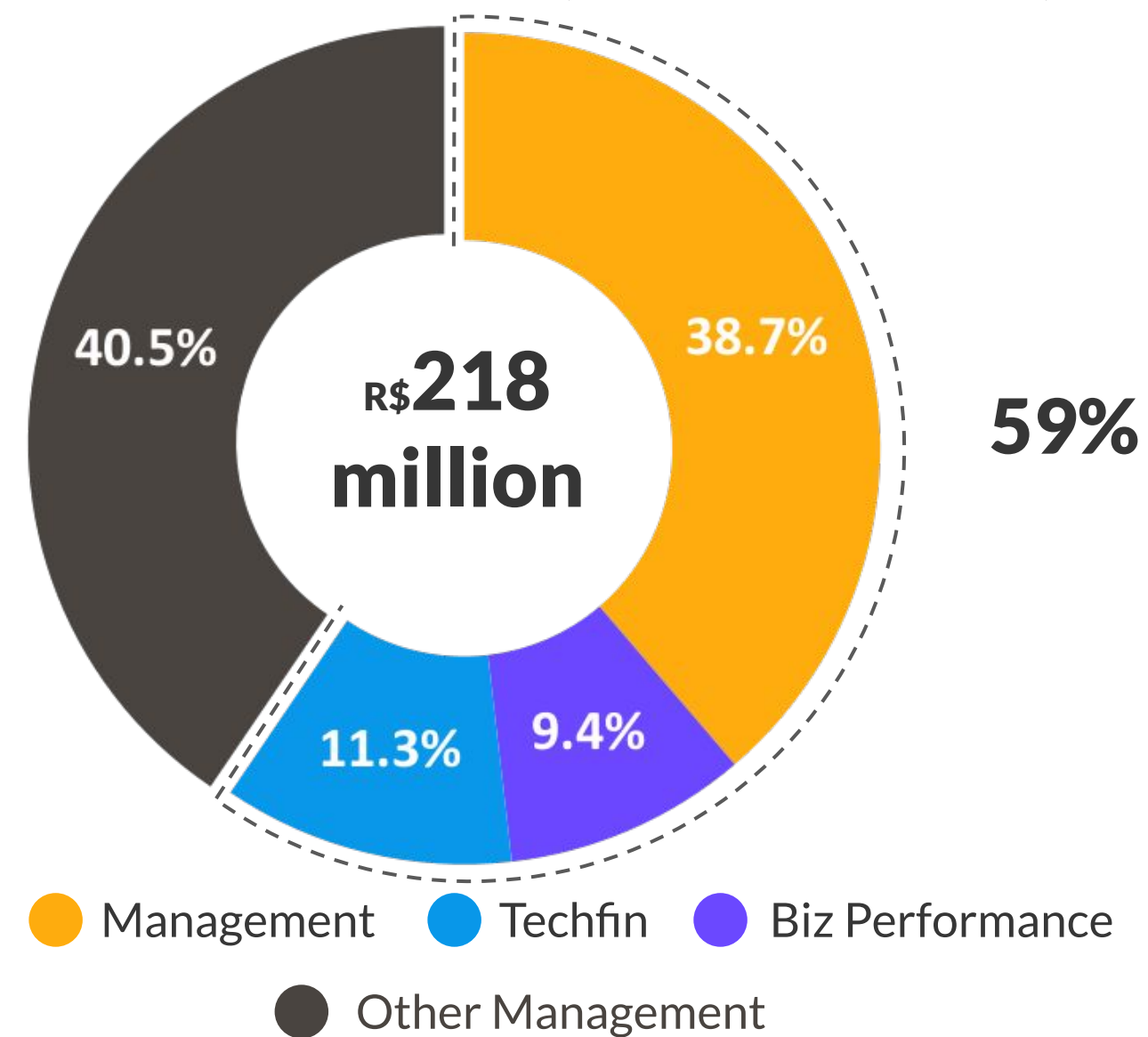
Adjusted EBITDA Margin⁽²⁾

Management Techfin Biz Performance

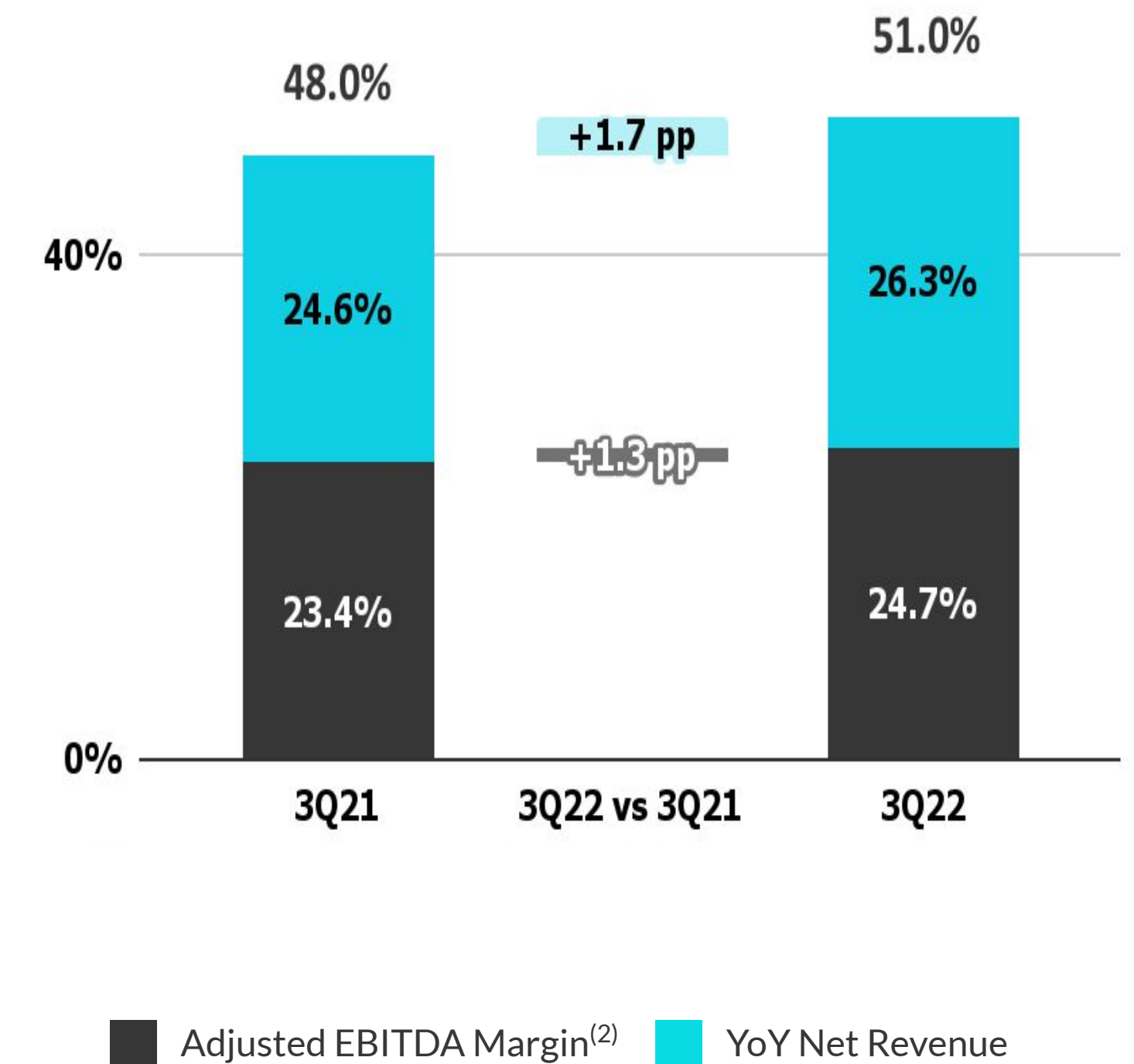
Net Revenue⁽¹⁾ (3Q22)

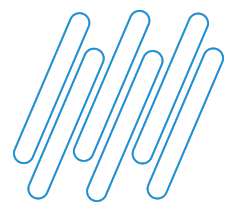


Revenue Growth (3Q22 vs 3Q21)



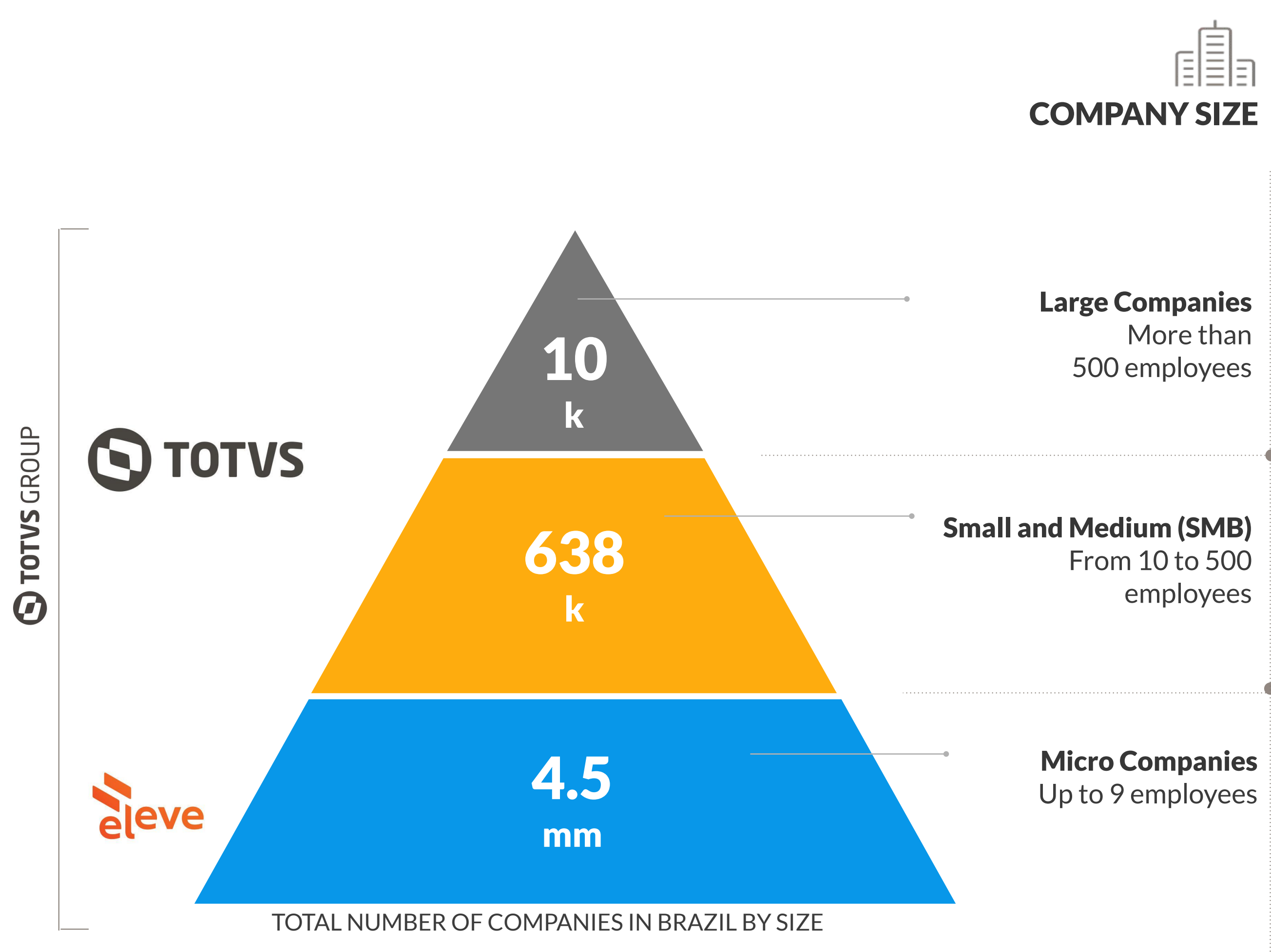
Rule of 40





DISTRIBUTION PLATFORM

Local and digital presence, based on a highly capillary distribution model



DISTRIBUTION CHANNELS LOCAL AND DIGITAL



HOW WE RELATE WITH OUR CUSTOMERS



Management



Techfin



Biz Performance

Large Enterprise Division

- Own team with qualified and specialized staff by industry, offering personalized service and consulting support

Affiliates

- Credit distribution through our suppliers' affiliates

Partners

- Vibrant partner ecosystem in marketing automation

52 Franchised Territories and 5 Branches

- Franchised territories according to industry sector. Local knowledge for SMB customers

Franchises and Branches

- Sales specialists fully-integrated in franchises and branches, still at the beginning of our journey and with large room to grow

Digital Commerce

- Fully-integrated Digital Commerce and Omnichannel sales specialists present in franchises and branches

Multichannel

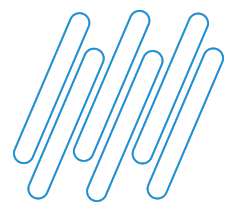
- Distribution model through partners from a multichannel base that provides TOTVS with unmatched penetration across all regions in Brazil

Cross-selling

- Cross-selling solutions through Management Dimension clients

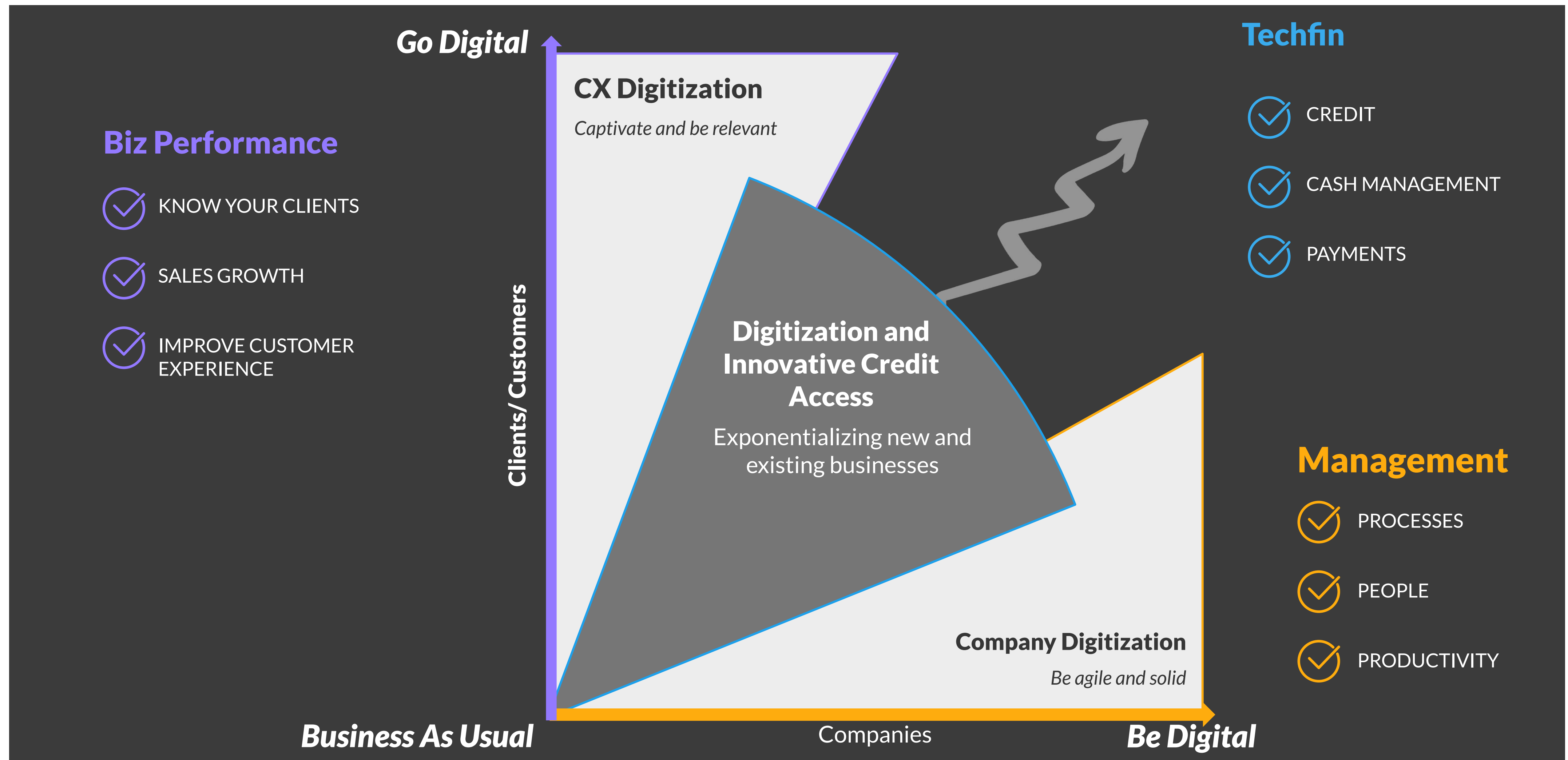
PLG (Product-Led Growth)

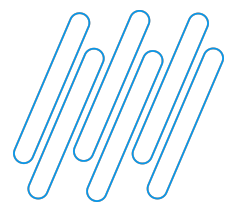
- Up-sell driven by PLG (Product Led Growth)



BUSINESS PORTFOLIO

Accelerating our clients' digital Journey through the 3D Ecosystem





BUSINESS PORTFOLIO

14



MANAGEMENT DIMENSION

ERP, HR solutions (from payroll to human capital management), and **vertical solutions** for 12 market segments



A market not yet mature, with **~30% of SaaS signings from New Names** and potential TAM to become 3.3x larger



The digitization Journey demands growing levels of corporate IT investments, boosting our core dimension



More than simple personnel department solutions, **SMB companies** are updating to the **ultimate platform** for human capital management

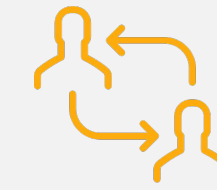


PORTFOLIO AND DISTRIBUTION

ERP & HR Suite

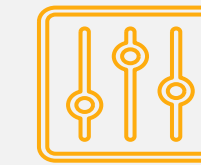


ERP Backoffice



HR (HXM)

Platforms



Business Intelligence (Analytics)



Carol Platform (AI e Data)



Fluig (Productivity & Collaboration)

Vertical Solutions



Agro



Construction



Distribution



Education



Financial Services



Health



Hospitality



Legal



Logistics



Manufacturing



Retail



Service Providers

Services



Consulting



Cloud

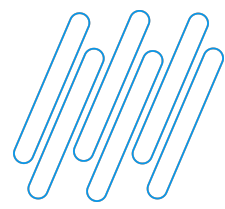


Trainings

Micro Companies



Solutions for Micro Companies



BUSINESS PORTFOLIO

15



TECHFIN DIMENSION

We are just starting our journey to become **THE FINANCIAL PLATFORM** for SMB clients, facilitating access to financial services through integrated and big data-driven credit and payments solutions



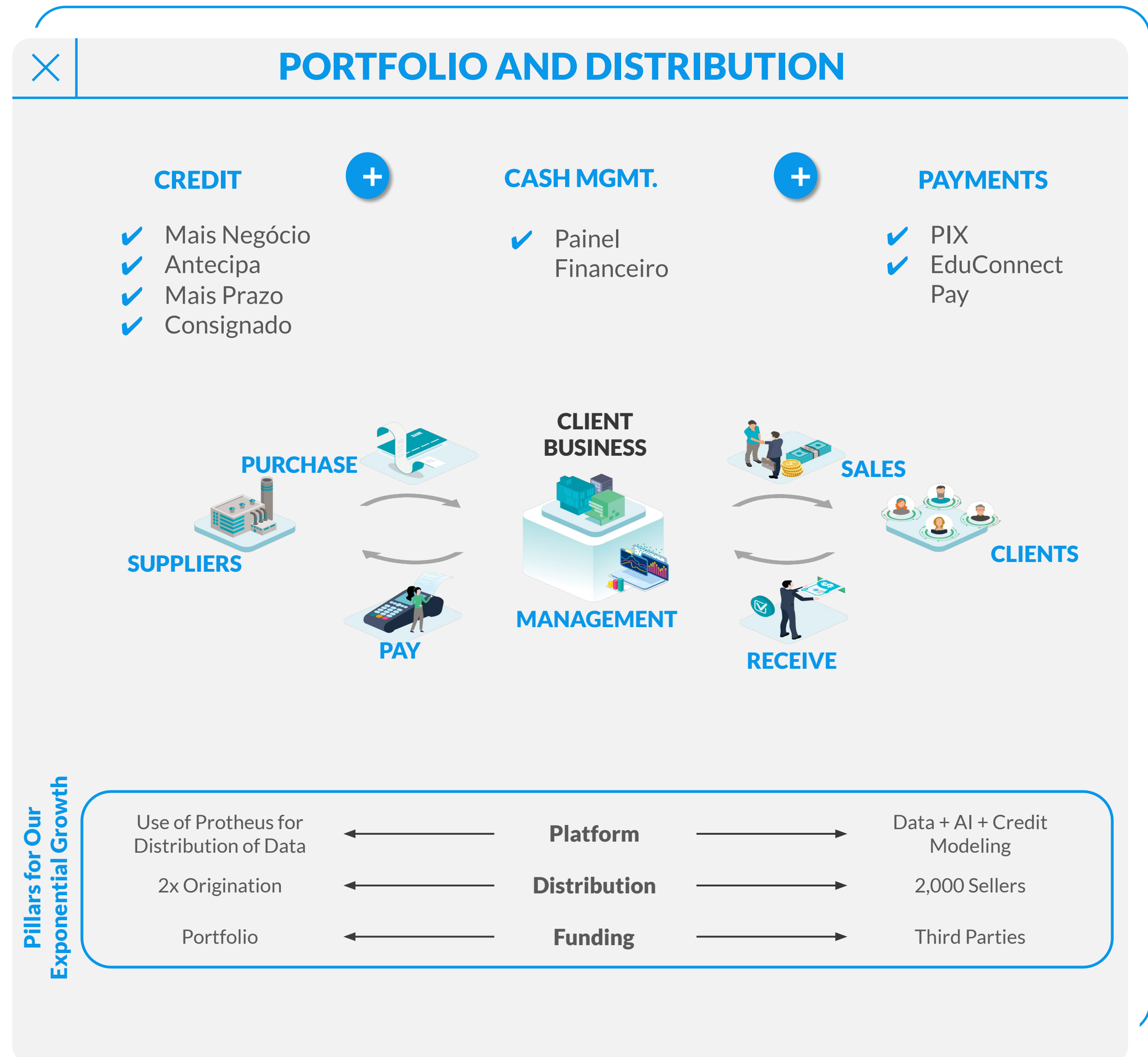
Simplify: Digital journey through ERP and HR integration

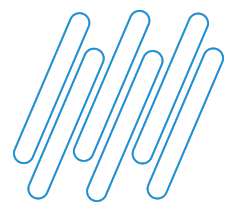


Amplify: Big Data and AI to support credit offer expansion



Affordability: Risk assessment through Big Data and AI enables lower rates for our clients





BUSINESS PORTFOLIO

16



BIZ PERFORMANCE DIMENSION

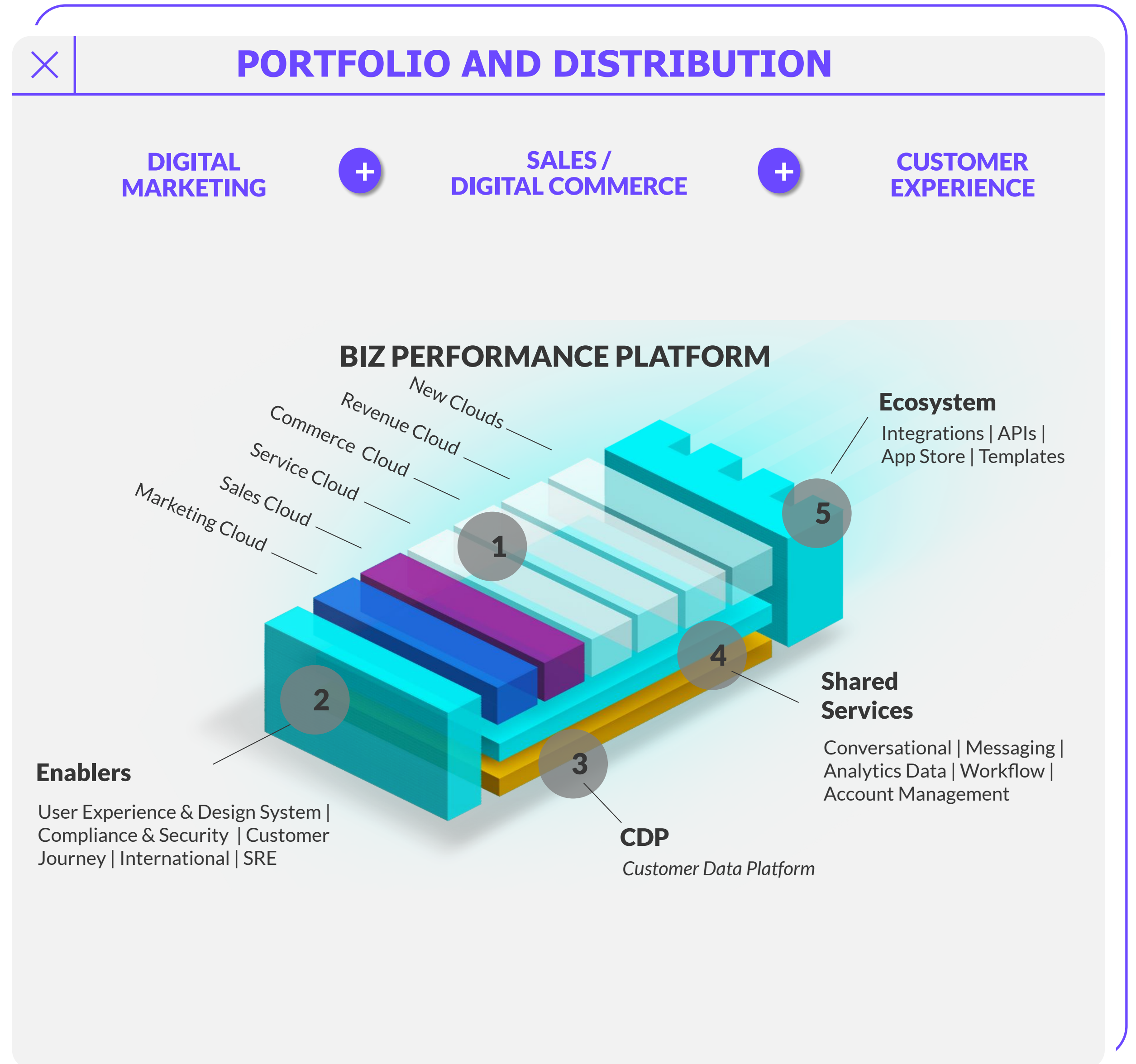
PORTFOLIO OF SOLUTIONS to support our clients from diverse market segments to increase sales, competitiveness and performance

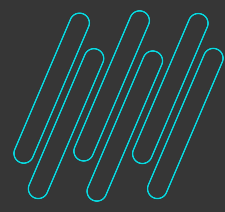


Digital marketing platform that drives demand and lead generation for SMB



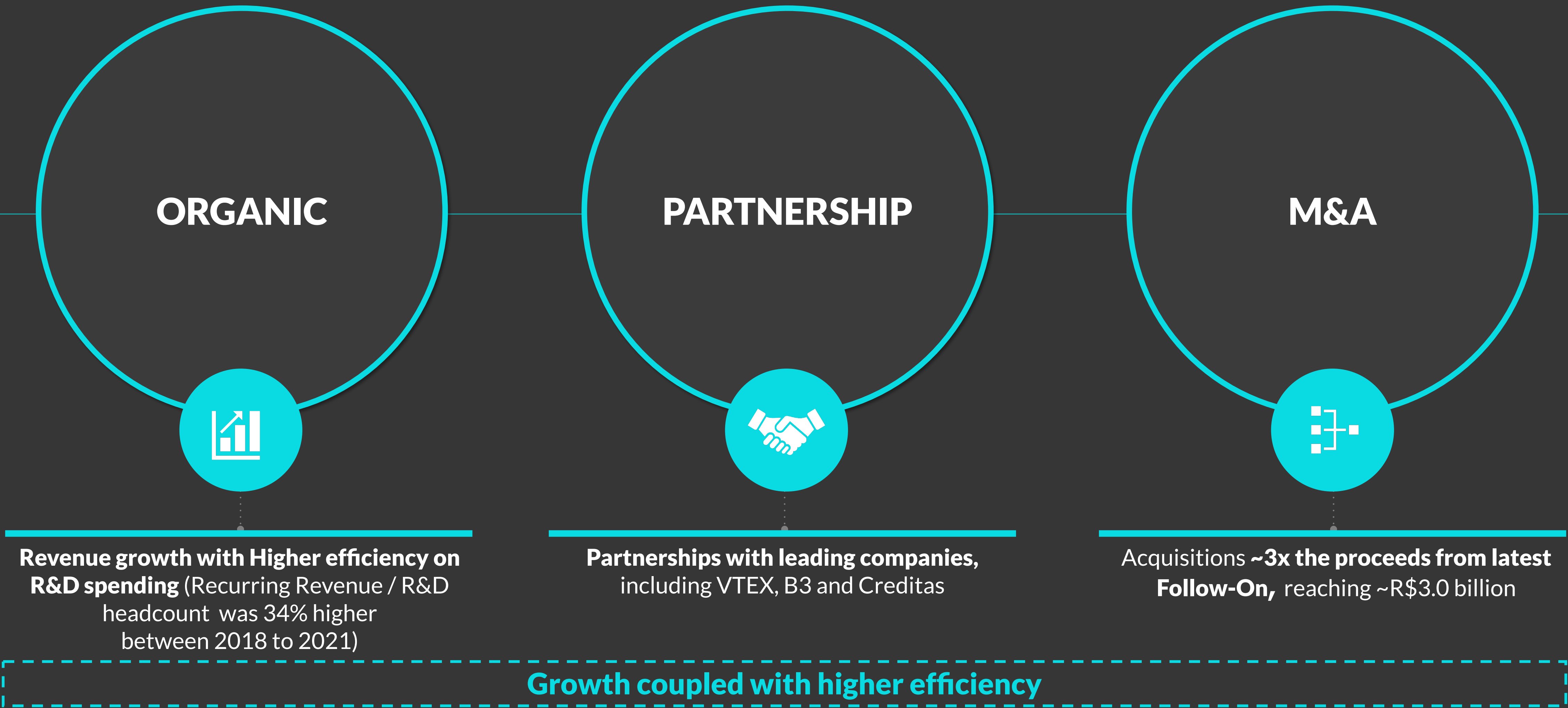
Exponentializing digital commerce with an asset light model that drives **GMV + take rate growth** through full commerce

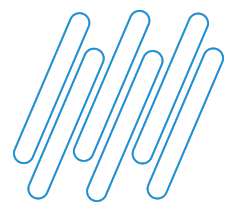
















M&A & PARTNERSHIP

Successful growth strategy based on three main levers





M&As Enterprise Value: ~R\$3.0 billion (~3x the 2019 Follow-On Proceeds)

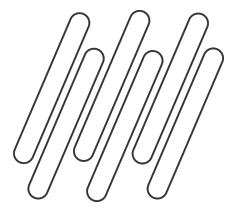
MANAGEMENT		TECHFIN		BIZ PERFORMANCE	
Verticals	Rational	Payroll Credit	Rational	Digital Commerce	Rational
 Dec/2019	Consolidate leadership in the cash and carry/supermarket segment	 Feb/2020	Offer payroll loans with no credit risk	 May/2019	JV to kick start our full commerce offering
Verticals	Rational	B2B Credit	Rational	Marketing Analytics	Rational
 Jul/2021	Unlock value through a carve-out + primary investment of a strategic partner	 Oct/2019	Best finance offer to the entire supply chain	 Dec/2020	Big data/analytics applied to digital marketing and sales
Plan. and management financial	Rational	Payments Retail Education	Rational	OMS	Rational
 Mar/2022	Increase in the Management business portfolio + access and data intelligence	 Mar/2019	Acquiring applied to segmented needs	 Jun/2019	Omnichannel platform for SMB
Human experience management	Rational	Digital Platform of Financial services	Rational	Digital Marketing	Rational
 Sep/2022	Expand HXM solutions, strengthening the portfolio for the Human Resources area	 Apr/2022	Expand, simplify, and democratize the access to a wide range of financial products in the B2B market	 Mar/2021	The leader in the digital marketing transformation of SMBs



M&A

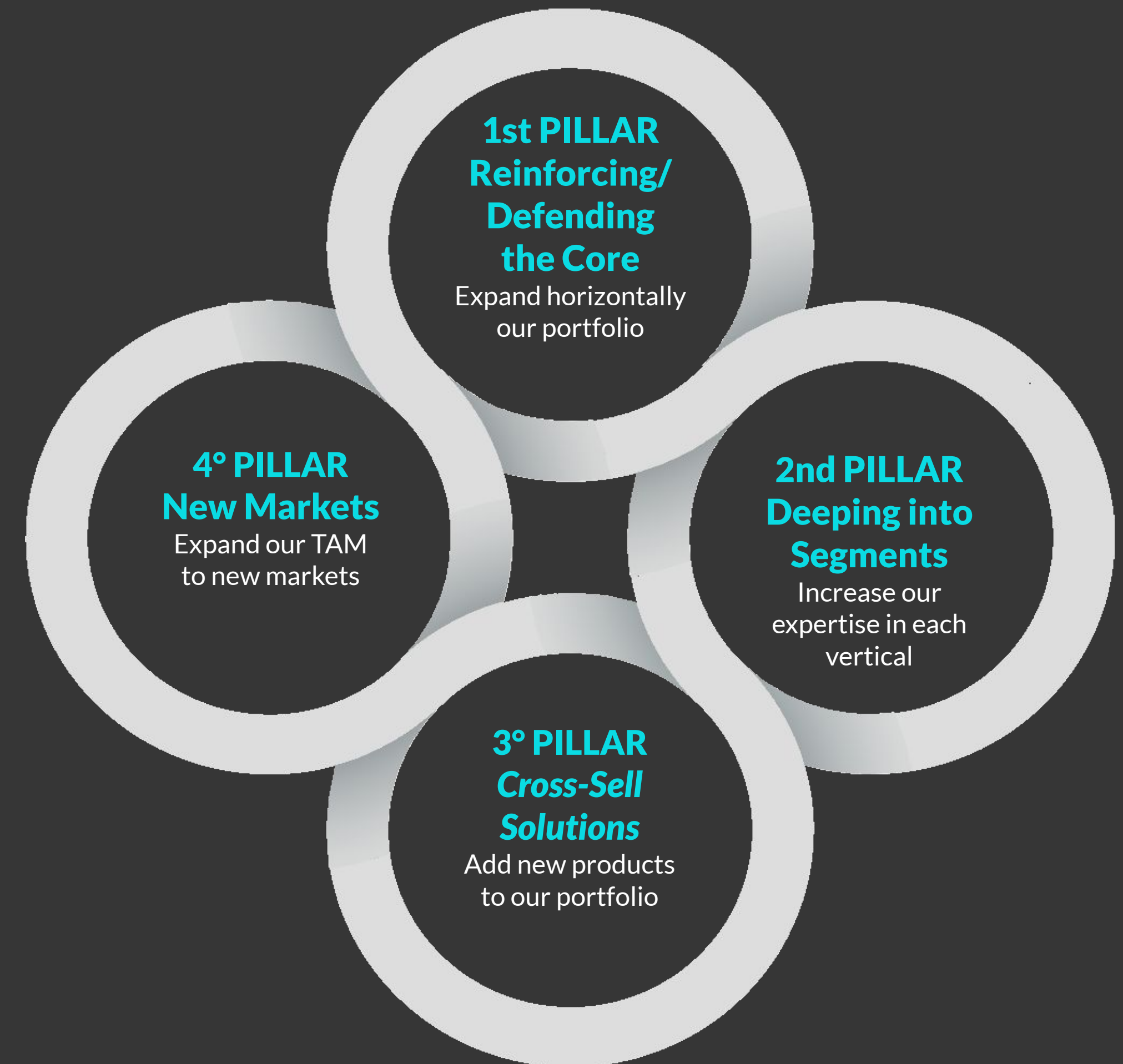


Partnership



EVEN STRONGER PIPELINE OF VALUE-ADDED OPPORTUNITIES

Proven strategy that combines resilience with innovation and growth, generating shareholder value





ESG AGENDA

GENERATION OF SHARED VALUE

Strengthening the integration of ESG aspects into the business strategy and creating value for our stakeholders

E

ENVIRONMENTAL

- GHG Emissions Inventory (Carbon Footprint & Climate Change)
- Reverse Logistics of IT Assets
- Management of natural resources and waste from operations

S

SOCIAL

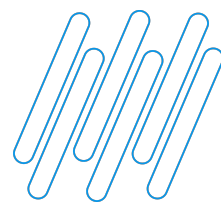
- Diversity, inclusion and meritocratic culture
- Clients satisfaction
- GDPR /LGPD Data Security and Privacy
- Education for work

G

GOVERNANCE

- Top-level Corporate Governance with the development of best practices

- ✓ At the Highest Level of **B3 Corporate Governance** (“B3 – Novo Mercado”)
- ✓ A member of **UN Global Compact** and the **Pact for Ethics and Against Corruption** of the ETHOS Institute since 2014
- ✓ Global commitment of public and private initiatives to the **2030 Agenda** in order to reach the **SDGs (Sustainable Development Goals)**
 - ✓ Renewed **#WEARETOTVERS** Culture: innovative, vibrating and mistake tolerance
 - ✓ **Social Investments** aligned with **business strategy** is propelled by our genuine brand purpose
- ✓ TOTVS Group’s personalized **ESG Sustainability Policy** objectives and guidelines implementation to enhance outcomes
- ✓ Following **Global trends** in Corporate **Performance and Sustainability reports**



GOVERNANCE



Highest level of Corporate Governance (B3 – Novo Mercado)

BOARD OF DIRECTORS

6 out of 7 board members are independent

Laércio Cosentino

Chairman
Co-Founder of TOTVS and
Chairman of Brasscom

Maria Letícia Costa

**Vice-Chairman
Independent Member**
Partner of Prada Assessoria
Empresarial and board
member of Localiza

Eduardo Vassimon

Independent Member
Chairman of the Board of
Directors of Votorantim S.A
and Board Member of B3*

Gilberto Mifano

Independent Member
Board Member
of Natura and Cielo

Guilherme Stocco Filho

Independent Member
Board Member
of Banco Original

Ana Claudia Reis

Independent Member
Senior Partner at Kingsley
Gate Partners

Tania Sztamfater Chocolat

Independent Member
Board Member
of Equatorial Energia

ADVISORY COMMITTEES

Statutory Audit

monitors the procedures for compliance with legal provisions, evaluates risk management policies and recommends improvements to internal policies

Personnel and Compensation

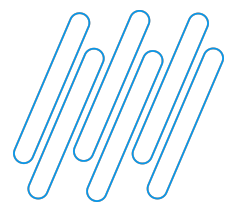
responsible for advising the Board of Directors in establishing the terms of compensation and other benefits

Governance and Nomination

promotes the development of the Company's corporate governance and ESG strategy, evaluates the adoption of good practices and selects members to the Board of Directors and the Executive Board

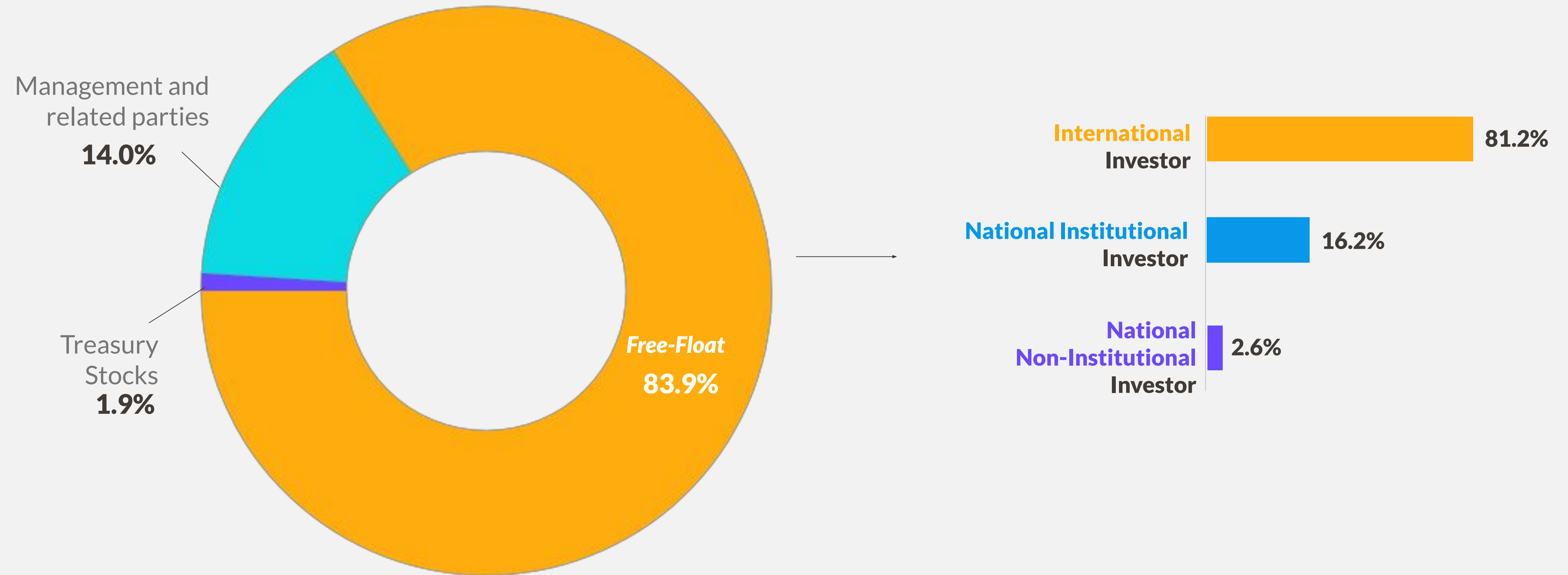
Strategy

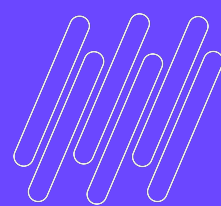
studies, debates, evaluates, proposes and monitors the main guidelines of the corporate and technological strategy



GOVERNANCE

Shareholding Composition*: True Corporation





► SOCIAL INVESTMENT

TOTVS MAINTAINS IOS AND BELIEVES THAT SOCIAL INVESTMENT DRIVES TRANSFORMATION

Free professional training for youth and disabled people, in the areas of Administration and Information Technology focused on employing skilled professionals in the economy of the future.

Indication of preselected graduating students to partner companies, and assistance in complying with the Law on Learning and the Law on Quotas for Disabled People.



39,000+ students graduated under a 23 years track record



49% increase in household income of students



1,400+ students have completed IOS courses



800+ students employed with IOS assistance



IOS – Instituto da Oportunidade Social
(Institute of Social Opportunity)



#WEARETOTVERS CULTURE

defines our essence



TECHNOLOGY + KNOWLEDGE ARE OUR DNA

We have built a legacy for an ever-changing-world. We are always thinking about how to combine technology and knowledge to keep boosting innovation now and forever. We are creative and not afraid of making mistakes.



THE SUCCESS OF OUR CLIENT IS OUR SUCCESS

We anticipate the needs of our customers. We deliver quality in solutions that are more essential, simpler and more agile for businesses. Always there and nearby.



WE VALUE COMPETENT PEOPLE WHO ARE NICE PEOPLE

Curious, collaborative, digital and driven by results. We are driven by our own style, and we are restless. We are TOTVERS.

By geographic location (own units)

8,745 in Brazil



276 abroad



ARG



MEX



USA



RUS



COL



CHL



PORT

By gender



64%



36%

By leadership position



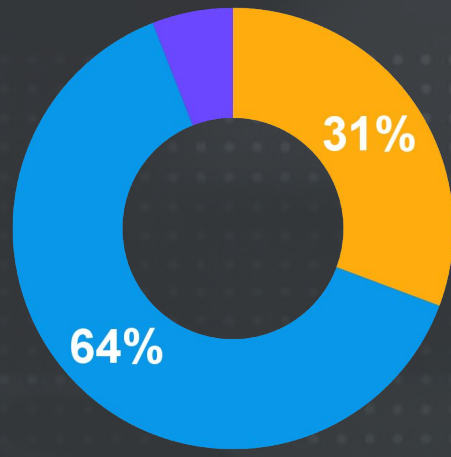
65%



35%

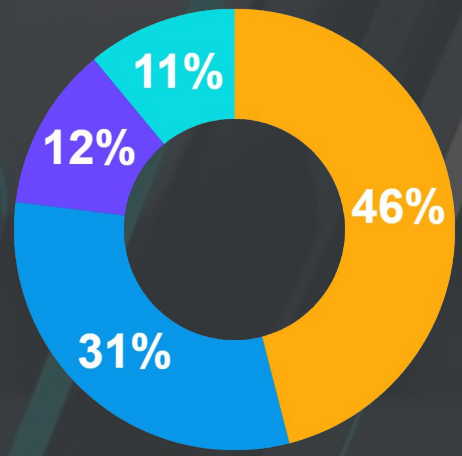
By age

- Up to 30
- From 30 to 50
- Older than 50



By activity

- R&D
- Services
- Adm / Others
- Sales

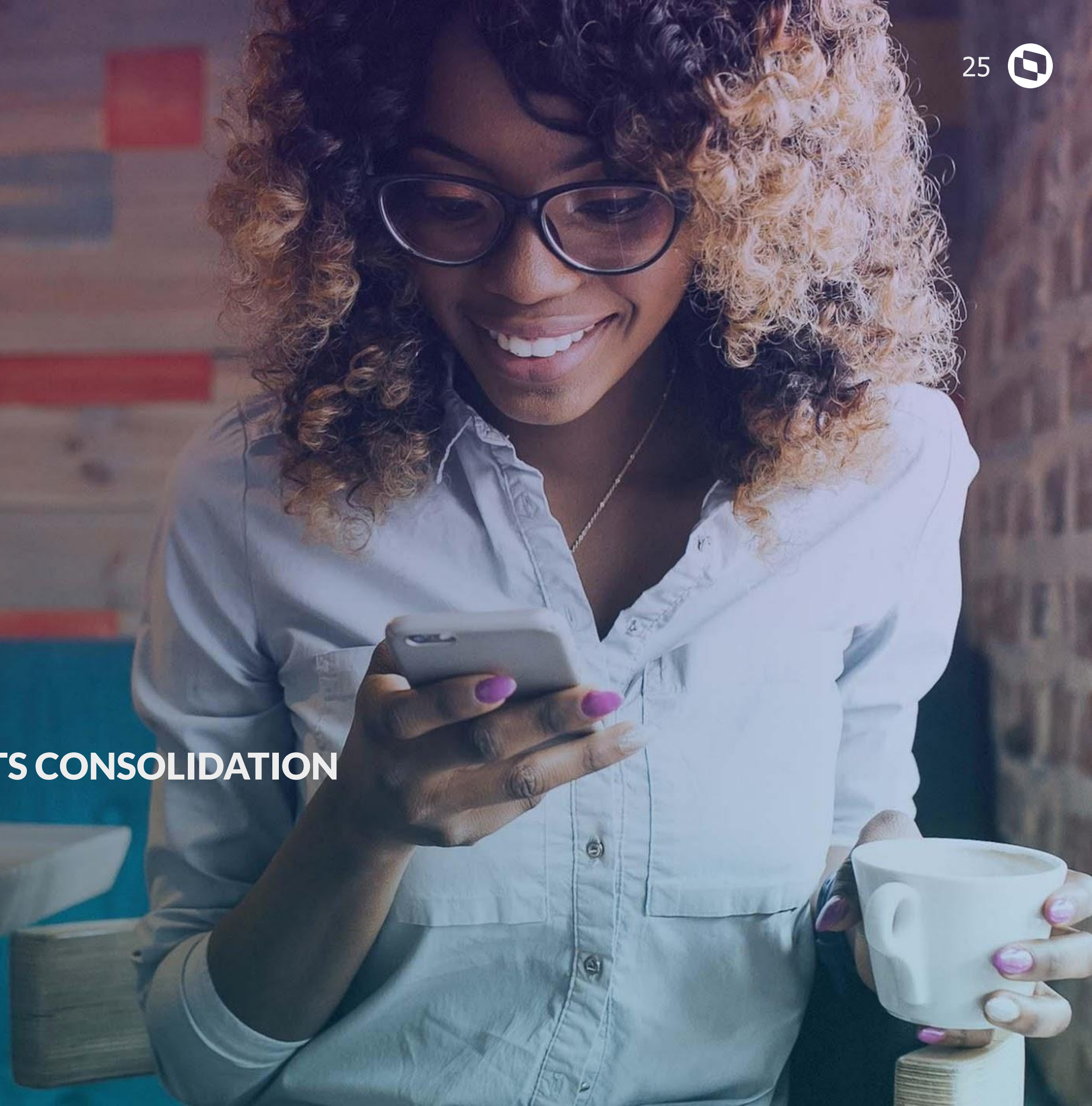


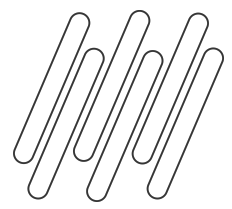
04

TECHFIN

CREDIT OPERATION:

ILLUSTRATIVE EXAMPLES OF RESULTS CONSOLIDATION





OVERVIEW - MAIN MODEL

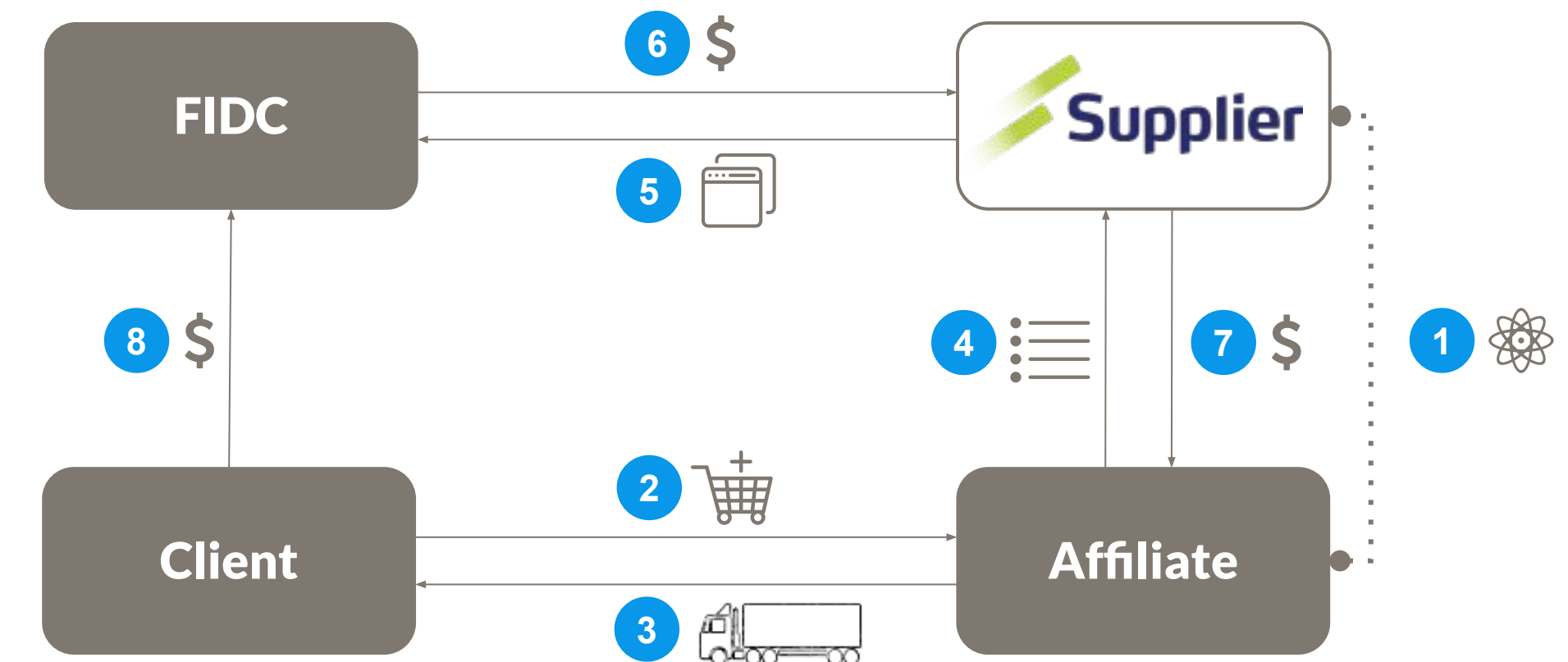


Supplier is a virtual B2B private label credit card administrator that has a business model based on partnerships with industries and distributors (called Affiliates), providing credit aimed at the relationship of these Affiliates with their SME customers, through a platform integrated with the ERP of the affiliate.

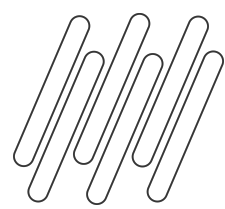
After this integration with the ERP, Supplier gains access to the Affiliate's historical transaction data with its Clients, which are used together with public information to establish the credit limit for these Clients.

When the Affiliate performs the sale to its client using this credit, Supplier pays the Affiliate the amount net of the agreed **fee** and the client settles the debt at receivable term.

Supplier may assign the credit card receivables to Supplier's exclusive Receivables Investment Fund (FIDC), which, in this case, carries the portfolio and credit risk.



- 1 Supplier integrates its platform with the Affiliate ERP and sets the pre-approved credit limit for each client in the credit card private label solution based on the transaction history between the parties.
- 2 Client places a forward purchase order using its limit of credit card provided by the Affiliate.
- 3 Affiliate delivers items purchased by Client.
- 4 Supplier records credit card receivables.
- 5 Supplier assigns credit card receivables to FIDC.
- 6 FIDC pays the amount net of its credits' assignment fee
- 7 Supplier pays the Affiliate the amount net of its fee, within the term agreed in the contract.
- 8 Client pays FIDC at face value on term.



EXAMPLE 1: CREDIT OPERATION - Full Portfolio Assignment

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Description of the Operation

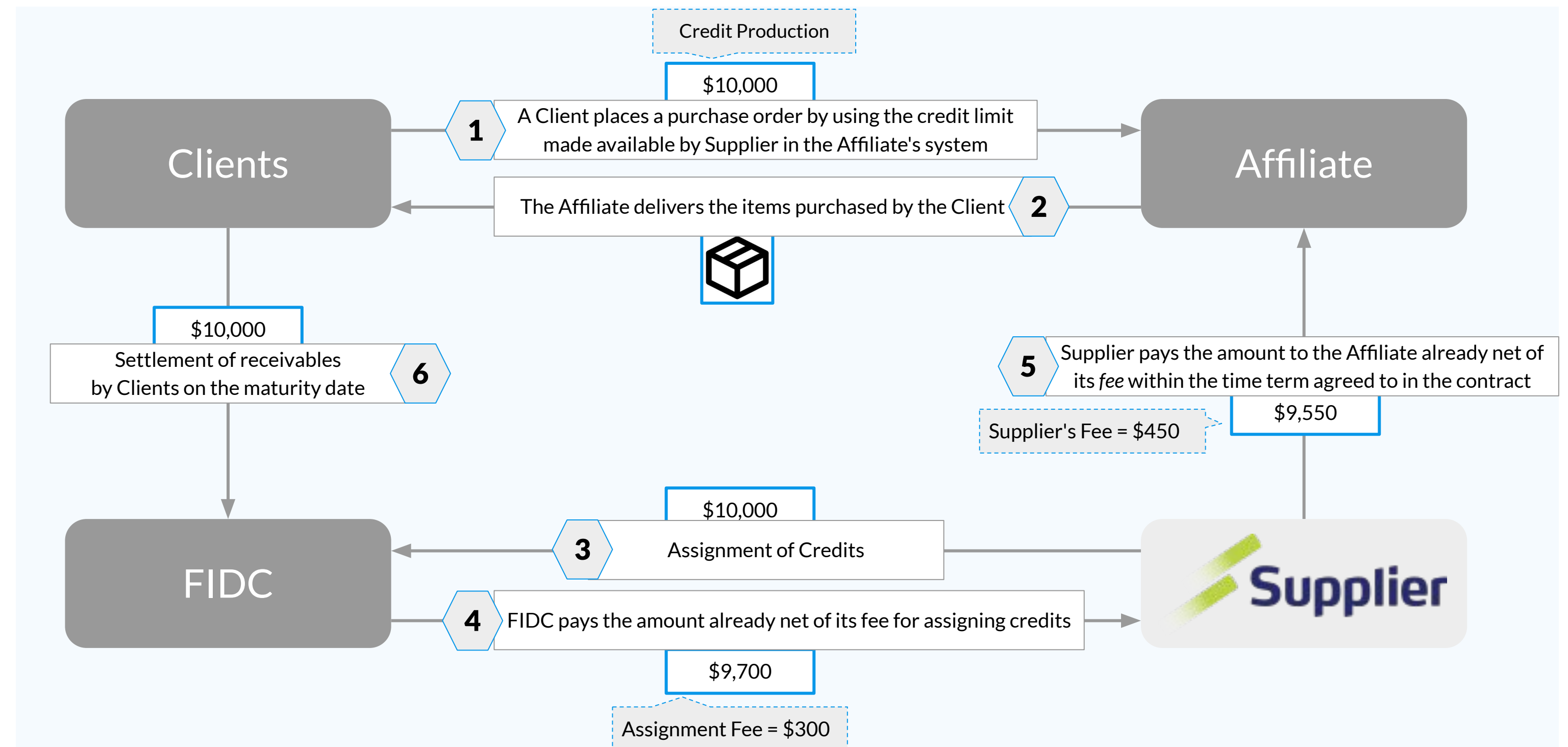
Example of a credit transaction originated by Supplier and fully assigned to the FIDC.

Most transactions of Supplier use this model on a default basis. Depending on the strategy and for greater efficiency, the percentage of transactions on this model can be changed, seeking to optimize the use of cash and, consequently, increase the profitability of the business.

Transaction Assumptions

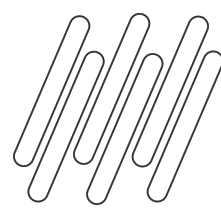
- **Credit production:** \$\$10,000 (several receivables)
- **Supplier's Fee:** \$450
- **FIDC's Assignment Fee:** \$300
- **Average Production maturity term:** 60 days
- **FIDC's Deferred Revenue:** \$150
- **Funding cost:** \$50
- Every **Credit is performed**
- **Supplier consolidates** FIDC's results in accordance with **IFRS 10**

Portfolio fully assigned to FIDC (No use of Floating)



Techfin's Results	Month 1			Month 2			YTD		
	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	600	450	150	150	-	150	750	450	300
(-) Assignment	(300)	(300)	-	-	-	-	(300)	(300)	-
Techfin Revenue	300	150	150	150	-	150	450	150	300
(-) Funding Cost	(50)	-	(50)	(50)	-	(50)	(100)	-	(100)
Revenue Net of Funding	250	150	100	100	-	100	350	150	200

Note: The numbers used in this example are merely illustrative and randomly determined, without any real or projected basis, in order to facilitate the understanding of the examples provided.



EXAMPLE 2: CREDIT OPERATION SUPPLIER



✕

Description of the Operation

Example of a credit operation originated by Supplier, not assigned to the FIDC, and using Supplier's floating.

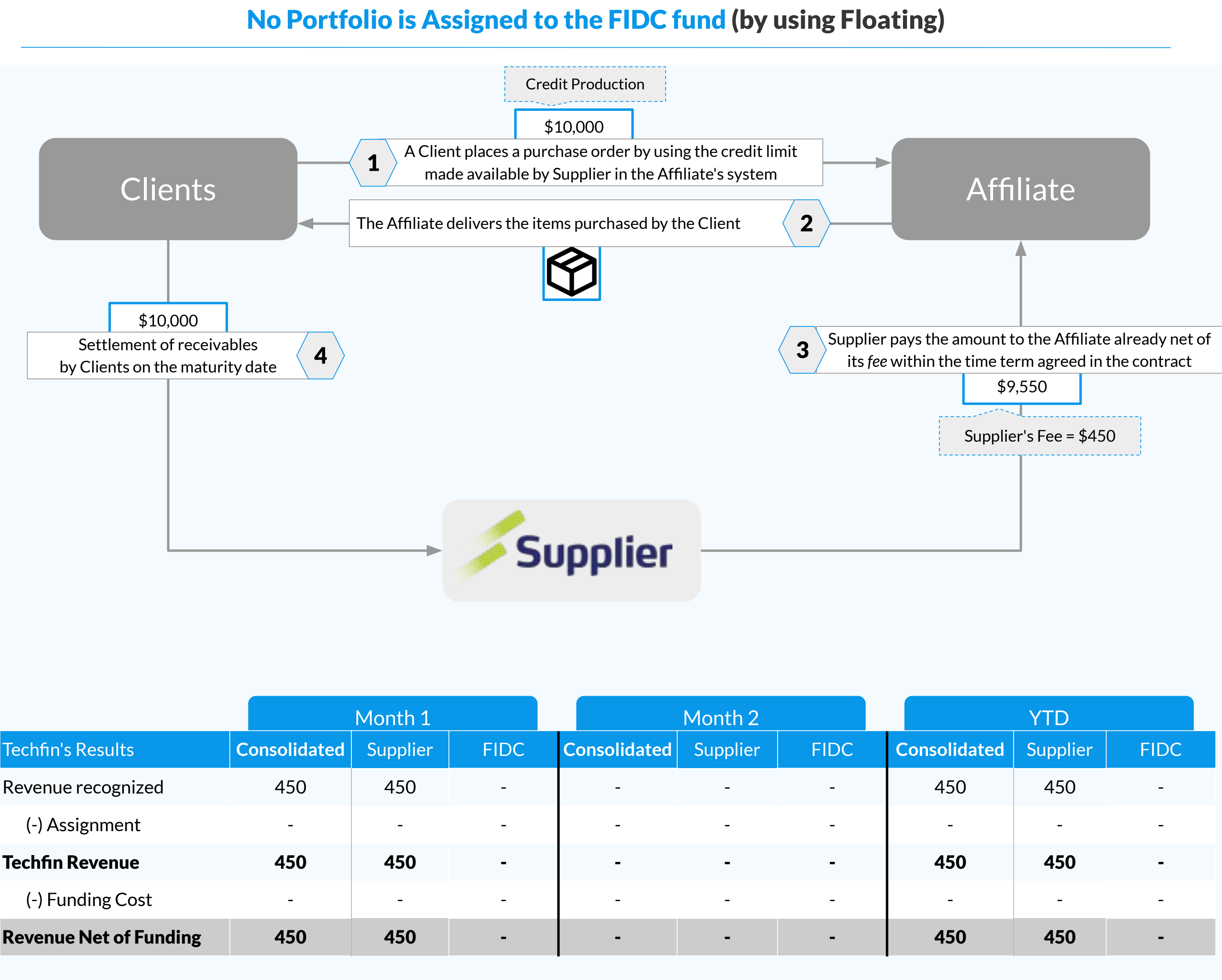
Floating is the fund generated by Supplier due to the payment term to the Affiliate is longer than the payment term from FIDC to Supplier.

This is an operation model that has always been used by Supplier, seeking to: (i) improve the operation efficiency; (ii) optimize the use of FIDC; and (iii) meet credit demands that, at first, may not fit the FIDC's portfolio average maturity term.

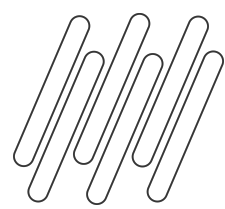
In this kind of operation, the credit insurance coverage is higher to preserve Supplier's risk exposure, also counting on pre-approved bank loans in case an Affiliate may request to anticipate receivables.

Transaction Assumptions

- **Credit production:** \$10,000 (several receivables)
- **Supplier's Fee:** \$450
- Every **Credit is performed**
- **Supplier consolidates** FIDC's results in accordance with **IFRS 10**



Note: The numbers used in this example are merely illustrative and randomly determined, without any real or projected basis, in order to facilitate the understanding of the examples provided.



EXAMPLE 3: CREDIT OPERATION - Partial Portfolio Assignment

29



Description of the Operation

Example of a credit operation with partial assignment to FIDC and using Supplier's floating.

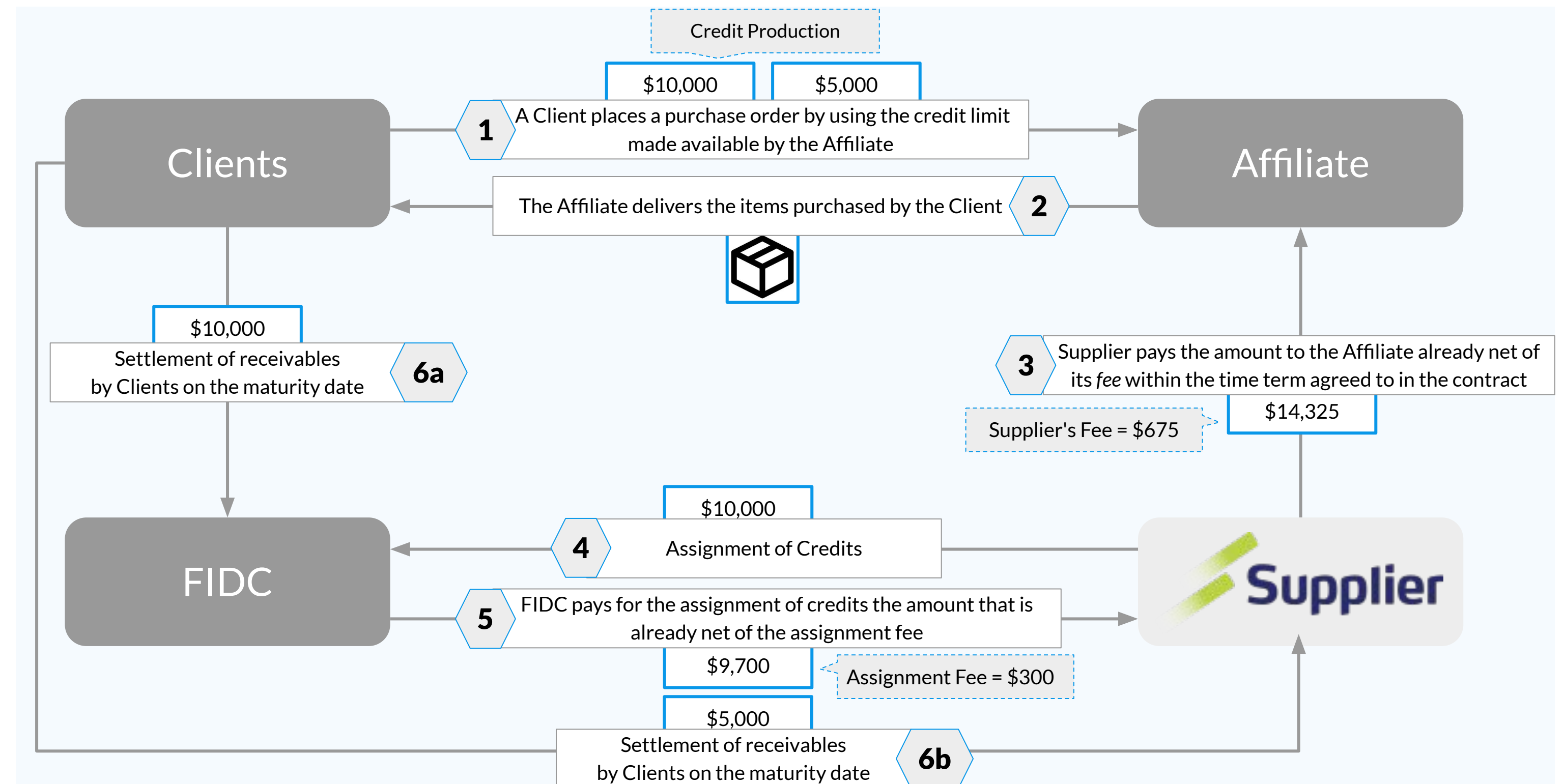
Supplier has always been using different transaction models, as consequence of the flexibility and the very characteristic of an operation that generates positive floating.

It is worth highlighting that none of such transaction models use any fund of TOTVS' software operation. Only funds of Supplier's balance sheet are used.

Transaction Assumptions

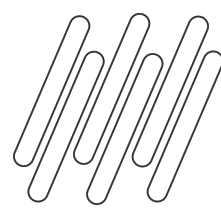
- **Credit production:** \$15,000 (several receivables)
- **Supplier's Fee:** \$675
- **Non-Assigned Production:** \$5,000
- **FIDC's Assignment Fee:** \$300
- **Average Production Maturity Term:** 60 days
- **FIDC's Deferred Revenue:** \$150
- **Funding Cost:** \$50
- **Every Credit is performed**
- **Supplier consolidates** FIDC's results in accordance with **IFRS 10**

Portfolio partially assigned to FIDC (by using Floating)



	Month 1			Month 2			YTD		
Techfin's Results	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	825	675	150	150	-	150	975	675	300
(-) Assignment	(300)	(300)	-	-	-	-	(300)	(300)	-
Techfin Revenue	525	375	150	150	-	150	675	375	300
(-) Funding Cost	(50)	-	(50)	(50)	-	(50)	(100)	-	(100)
Revenue Net of Funding	475	375	100	100	-	100	575	375	200

Note: The numbers used in this example are merely illustrative and randomly determined, without any real or projected basis, in order to facilitate the understanding of the examples provided.



EXAMPLE 4: CREDIT OPERATION - Portfolio Assigned in a Subsequent Period



✕

Description of the Operation

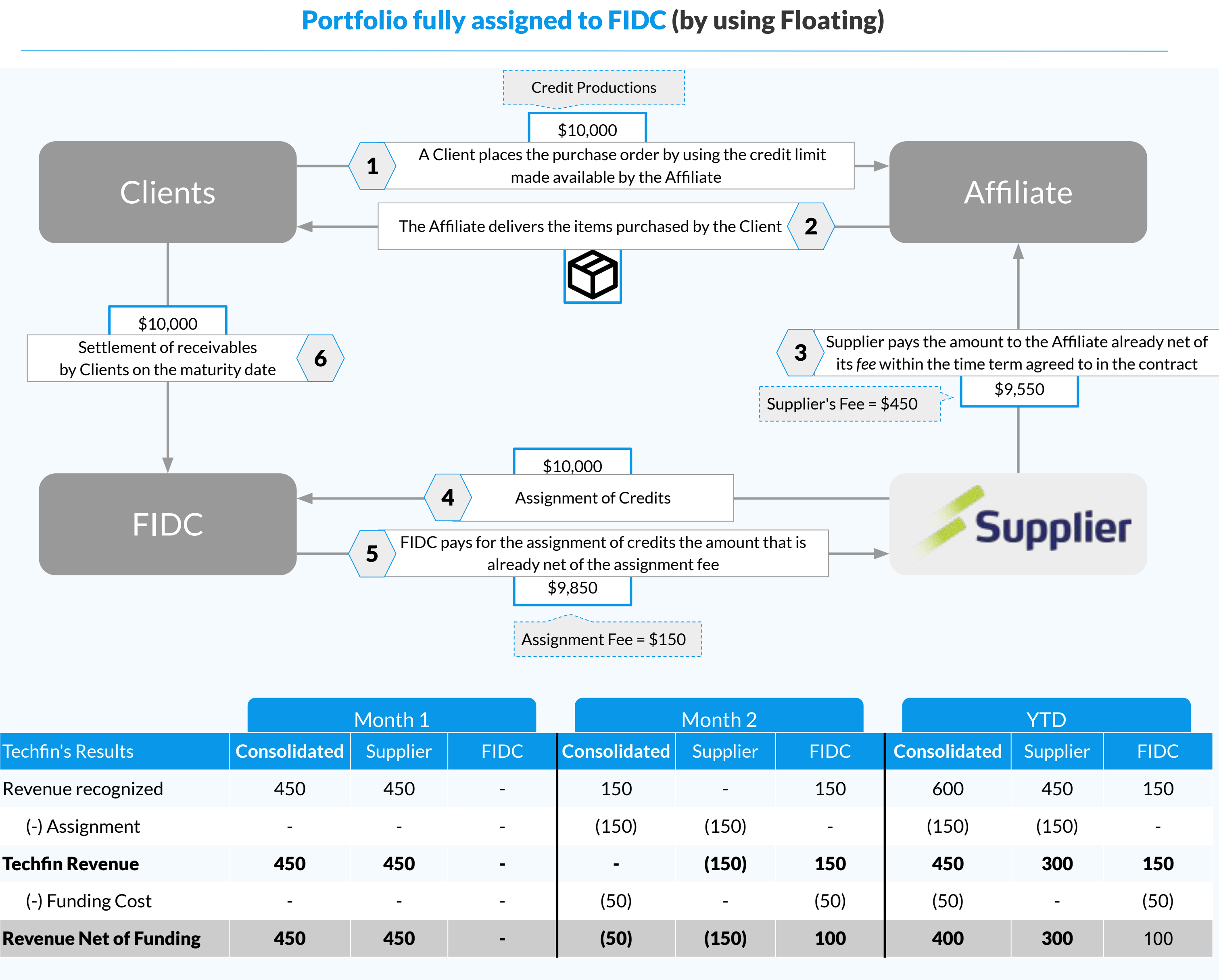
Example of a credit transaction originated by Supplier and fully assigned to the FIDC in a different period.

This model of operation is usual and meets the credit demands that, at first, do not fall within the FIDC.

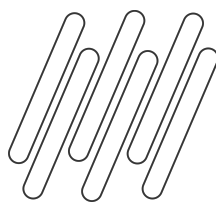
Supplier, when carrying out the operation without assigning the credit portfolio to FIDC in the same period, carries the cost of assignment for the subsequent period. However, upon following up the consolidated Year to Date operation, the negative effect of the assignment is fully offset.

Transaction Assumptions

- **Credit production:** \$10,000 (several receivables)
- **Supplier's Fee:** \$450
- **FIDC's Assignment Fee:** \$150
- **Average Production Maturity Term:** 60 days
- **Funding** Cost: \$50
- Every **Credit is performed**
- **Supplier consolidates** FIDC's results in accordance with **IFRS 10**



Note: The numbers used in this example are merely illustrative and randomly determined, without any real or projected basis, in order to facilitate the understanding of the examples provided.



EXAMPLE 5: CREDIT OPERATION - INCREASE IN THE ASSIGNMENT FEE



✕

Description of the Operation

Example of a model with change in the FIDC's assignment fee.

The increase in the assignment fee may take place because of SELIC rate increase.

The effects of the increase in the assignment fee have an impact especially on “Revenue Recognized” and “Assignment” to FIDC. However, the effect of the increase in the assignment fee is neutralized when we follow up the Year to Date Consolidated view.

Transaction Assumptions

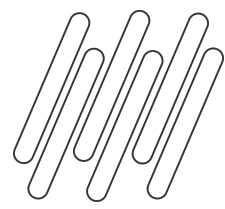
- **Credit production:** \$10,000 (several receivables)
- **Supplier's Fee:** from \$450 to \$540
- **FIDC's Assignment Fee:** from \$300 to \$360
- **Average Production Maturity Term:** 60 days
- **Funding Cost:** from \$50 to \$60
- Every **Credit is performed**
- **Supplier consolidates** FIDC's results in accordance with **IFRS 10**

Assignment Fee \$300		Month 1			Month 2			YTD		
Techfin's Results	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	
Revenue recognized	600	450	150	150	-	150	750	450	300	
(-) Assignment	(300)	(300)	-	-	-	-	(300)	(300)	-	
Techfin Revenue	300	150	150	150	-	150	450	150	300	
(-) Funding Cost	(50)	-	(50)	(50)	-	(50)	(100)	-	(100)	
Revenue Net of Funding	250	150	100	100	-	100	350	150	200	

Assignment Fee \$360									
Techfin's Results	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	720	540	180	180	-	180	900	540	360
(-) Assignment	(360)	(360)	-	-	-	-	(360)	(360)	-
Techfin Revenue	360	180	180	180	-	180	540	180	360
(-) Funding Cost	(60)	-	(60)	(60)	-	(60)	(120)	-	(120)
Revenue Net of Funding	300	180	120	120	-	120	420	180	240

Changes	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	120	90	30	30	-	30	150	90	60
(-) Assignment	(60)	(60)	-	-	-	-	(60)	(60)	-
Techfin Revenue	60	30	30	30	-	30	90	30	60
(-) Funding Cost	(10)	-	(10)	(10)	-	(10)	(20)	-	(20)
Revenue Net of Funding	50	30	20	20	-	20	70	30	40

Note: The numbers used in this example are merely illustrative and randomly determined, without any real or projected basis, in order to facilitate the understanding of the examples provided.



EXAMPLE 6: CREDIT OPERATION - INCREASE IN PRODUCTION MATURITY TERM

32



Description of the Operation

Example of a model with change in the average maturity term of credit production.

The increase in the average portfolio term impacts the revenue recognized by the FIDC. The revenue is recognized on a pro rata basis; therefore, it is deferred over time.

The lengthening in the average production term increases the operation total revenue and deferred revenue of the FIDC.

Transaction Assumptions

- **Credit production:** \$10,000 (several receivables)
- **Supplier's Fee:** from \$450 to \$675
- **FIDC's Assignment Fee:** from \$300 to \$450
- **Average Production Maturity Term:** 60-90 days
- **Funding Cost:** \$50
- Every **Credit is performed**
- **Supplier consolidates** FIDC's results in accordance with **IFRS 10**

Average product. term = 60 days				Month 1			Month 2			Month 3			YTD		
Techfin's Results	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	600	450	150	150	-	150	-	-	-	-	-	-	750	450	300
(-) Assignment	(300)	(300)	-	-	-	-	-	-	-	-	-	-	(300)	(300)	-
Techfin Revenue	300	150	150	150	-	150	-	-	-	-	-	-	450	150	300
(-) Funding Cost	(50)	-	(50)	(50)	-	(50)	-	-	-	-	-	-	(100)	-	(100)
Revenue Net of Funding	250	150	100	100	-	100	-	-	-	-	-	-	350	150	200

Average product. term = 90 days															
Techfin's Results	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	825	675	150	150	-	150	150	-	150	1.125	675	450	1.125	675	450
(-) Assignment	(450)	(450)	-	-	-	-	-	-	-	(450)	(450)	-	(450)	(450)	-
Techfin Revenue	375	225	150	150	-	150	150	-	150	675	225	450	675	225	450
(-) Funding Cost	(50)	-	(50)	(50)	-	(50)	(50)	-	(50)	(150)	-	(150)	(150)	-	(150)
Revenue Net of Funding	325	225	100	100	-	100	100	-	100	525	225	300	525	225	300

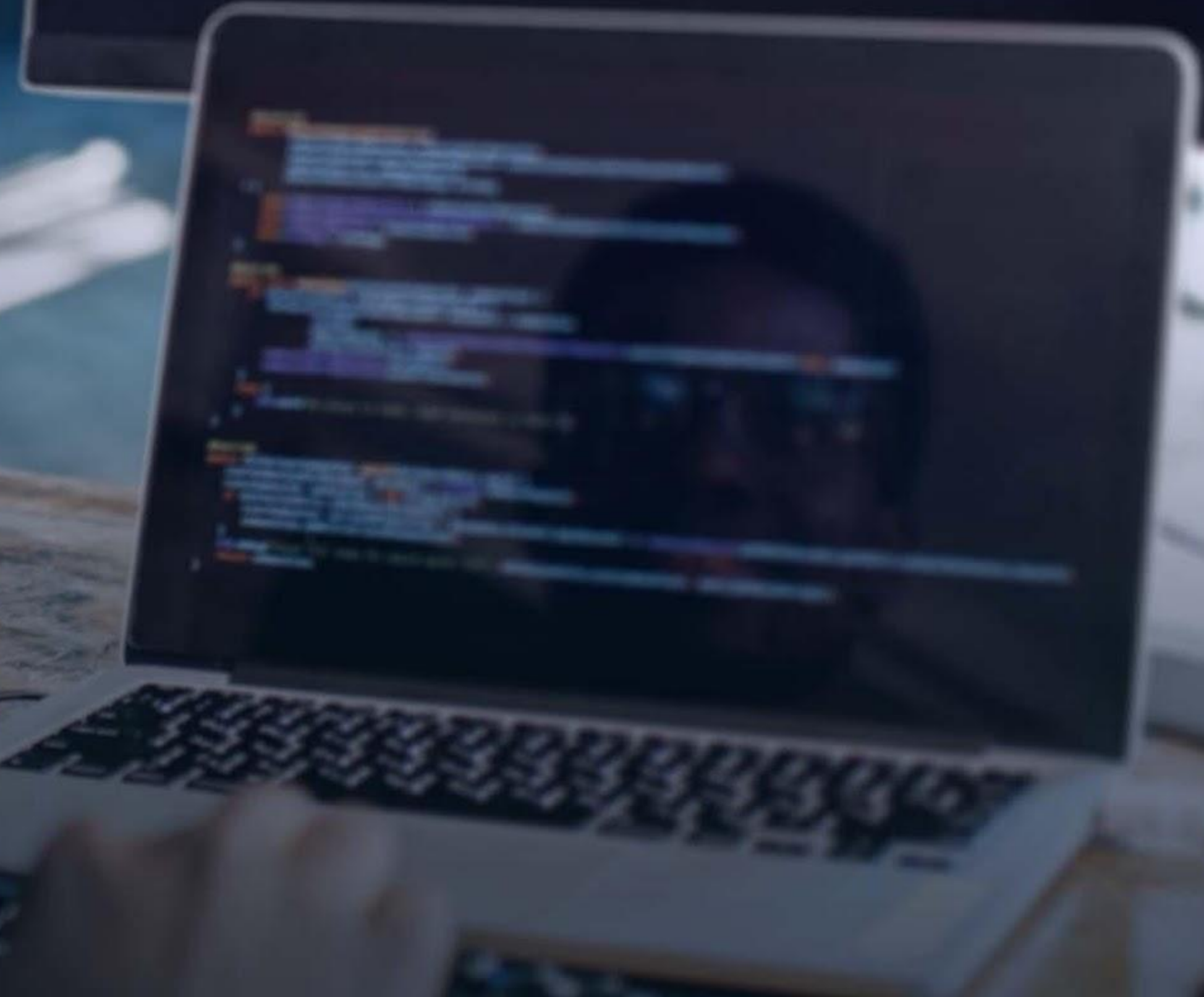
Changes	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC	Consolidated	Supplier	FIDC
Revenue recognized	225	225	-	-	-	-	150	-	150	375	225	150
(-) Assignment	(150)	(150)	-	-	-	-	-	-	-	(150)	(150)	-
Techfin Revenue	75	75	-	-	-	-	150	-	150	225	75	150
(-) Funding Cost	-	-	-	-	-	-	(50)	-	(50)	(50)	-	(50)
Revenue Net of Funding	75	75	-	-	-	-	100	-	100	175	75	100

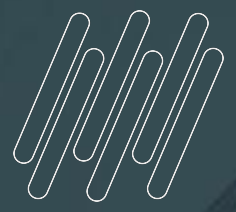
Note: The numbers used in this example are merely illustrative and randomly determined, without any real or projected basis, in order to facilitate the understanding of the examples provided.



05

QUARTERLY RESULTS 3Q22





3Q22 EARNINGS: HIGHLIGHTS

NET REVENUE EXCEEDED R\$1 BILLION IN 3Q22, +26% YOY

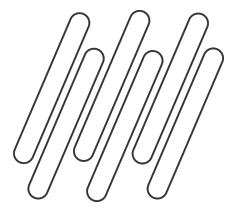
- + 29% Consolidated Recurring Revenue growth
- + Growth of 51% in Techfin Revenue and 33% in Business Performance Revenue year over year
- + Cash Earning reached R\$169 million in 3Q22, +52% year on year and 40% quarter on quarter
- + Net Operating Cash Generation grew 64% quarter over quarter, reaching R\$303 million in the quarter

BUILDING A 3D ECOSYSTEM
INTERCONNECTED AND INTERDEPENDENT



01

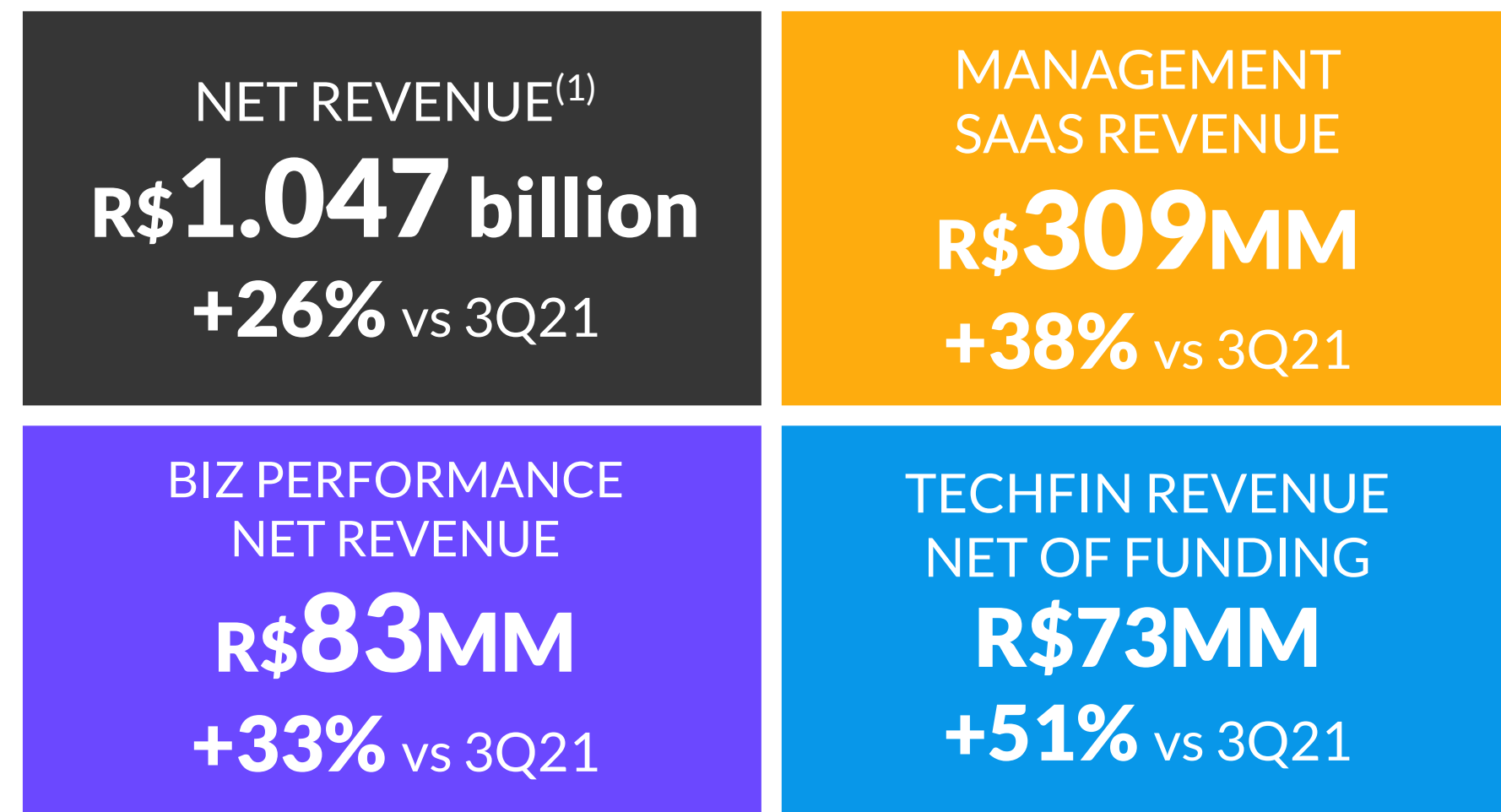
Financial & Operational 3Q22 Highlights



CONSOLIDATED RESULTS

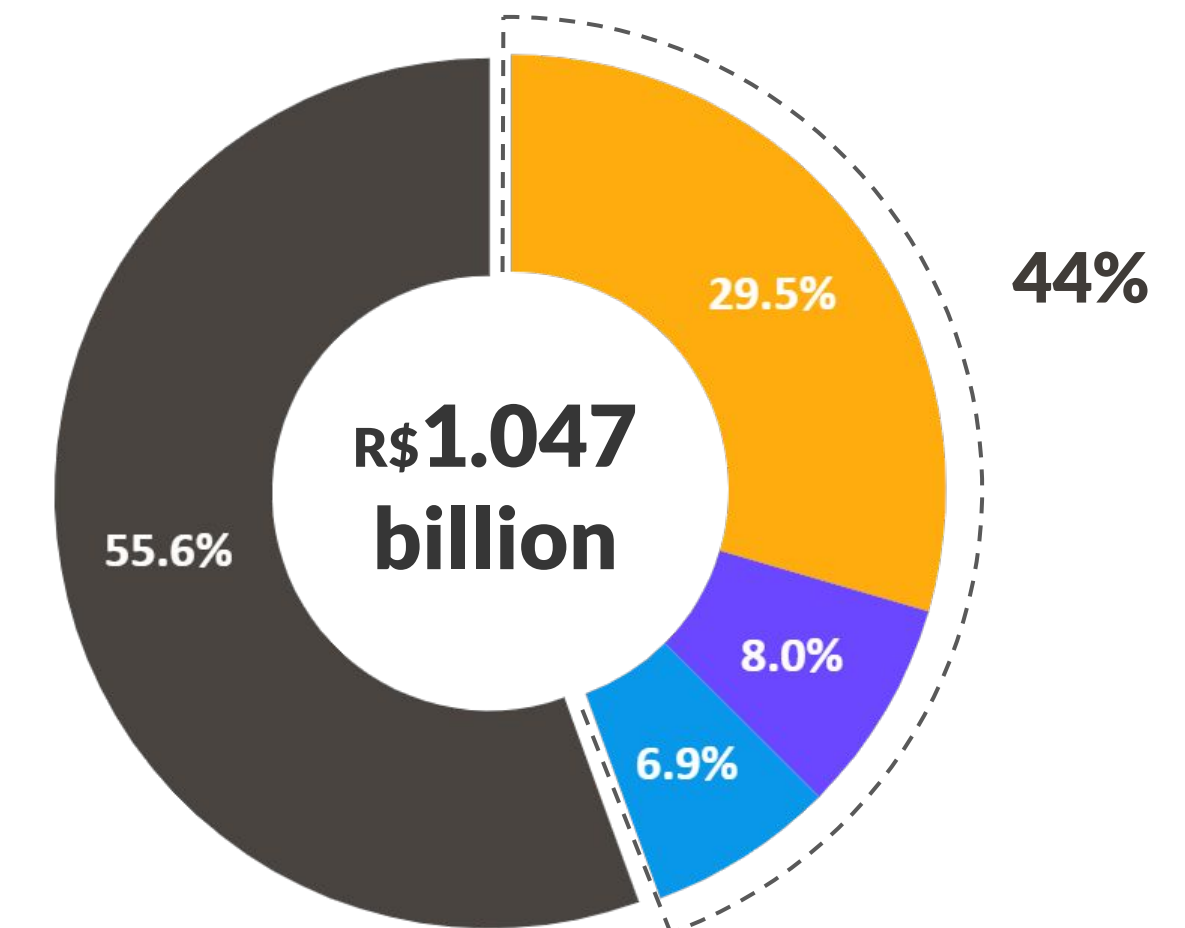
Net Revenue ⁽¹⁾ + **R\$1 billion in 3Q22, +26%YoY**, with these highlights:

- **Recurring Revenue from Management +28%** vs. 3Q21
- **Acceleration of Net Revenue from Business Performance +10%** vs. 2Q22

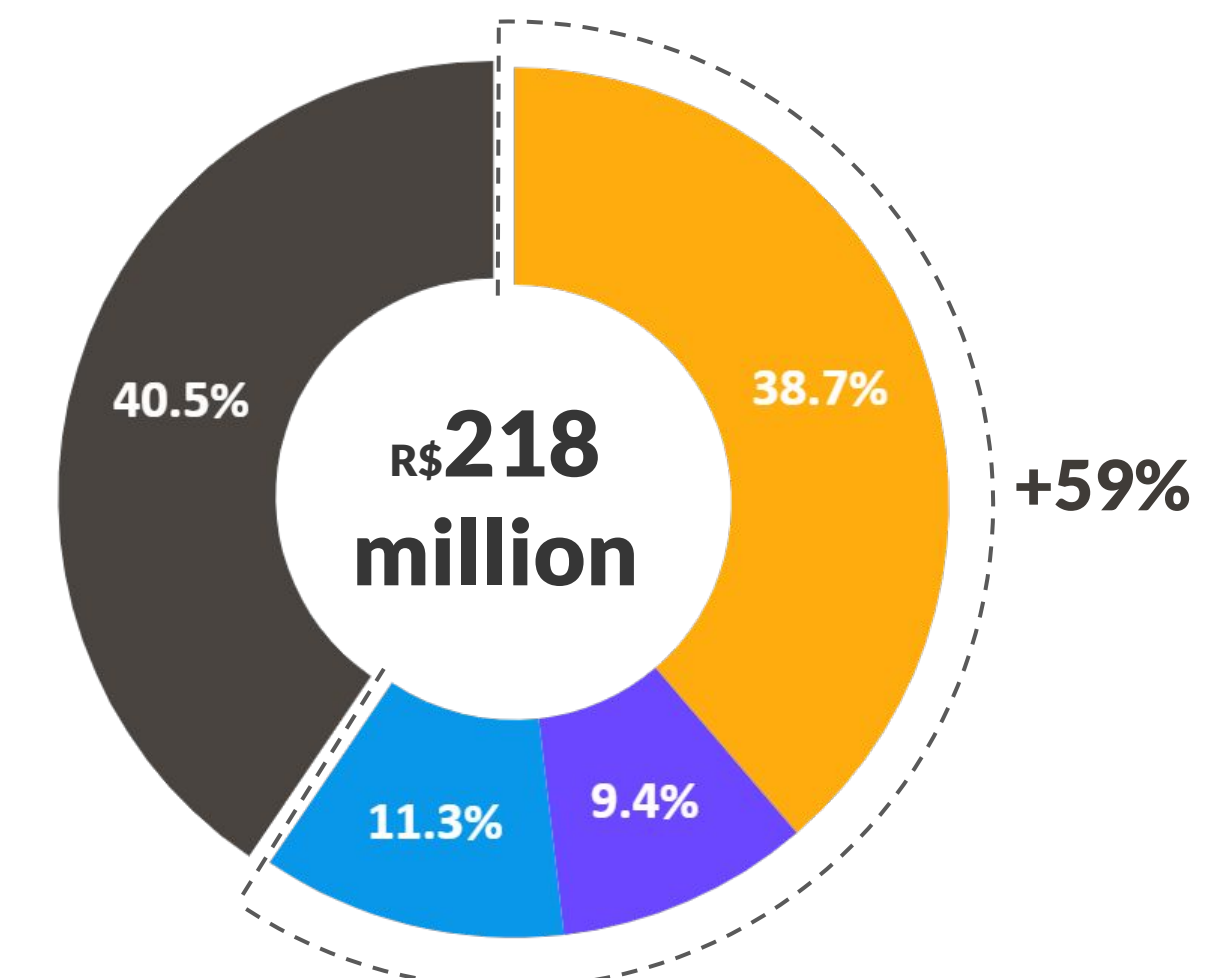


NET REVENUE ⁽¹⁾

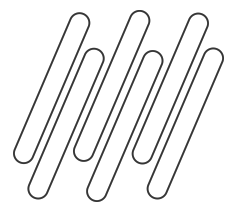
3Q22



3Q22 vs 3Q21
Growth



● Other Management⁽²⁾ ● SaaS Management ● Biz Performance ● Techfin

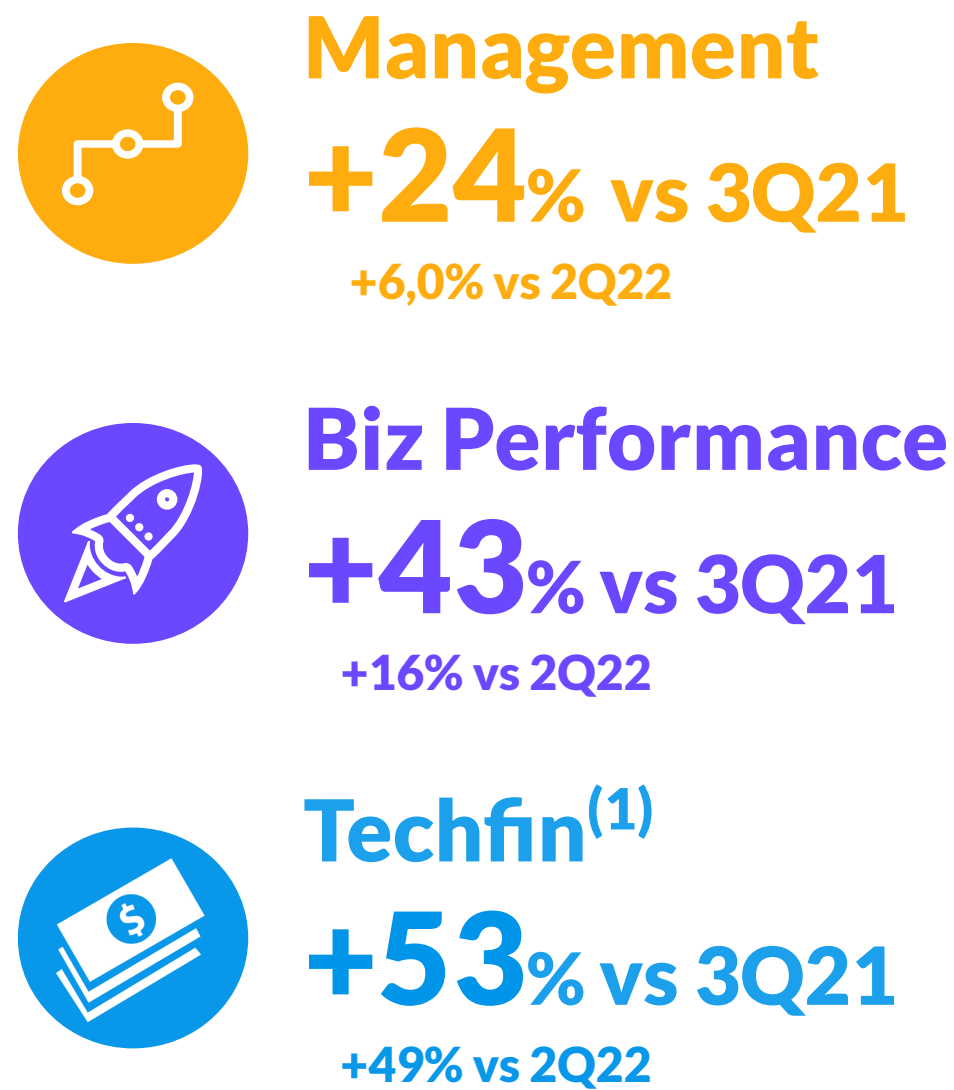


FINANCIAL & OPERATIONAL HIGHLIGHTS

PROFITABILITY

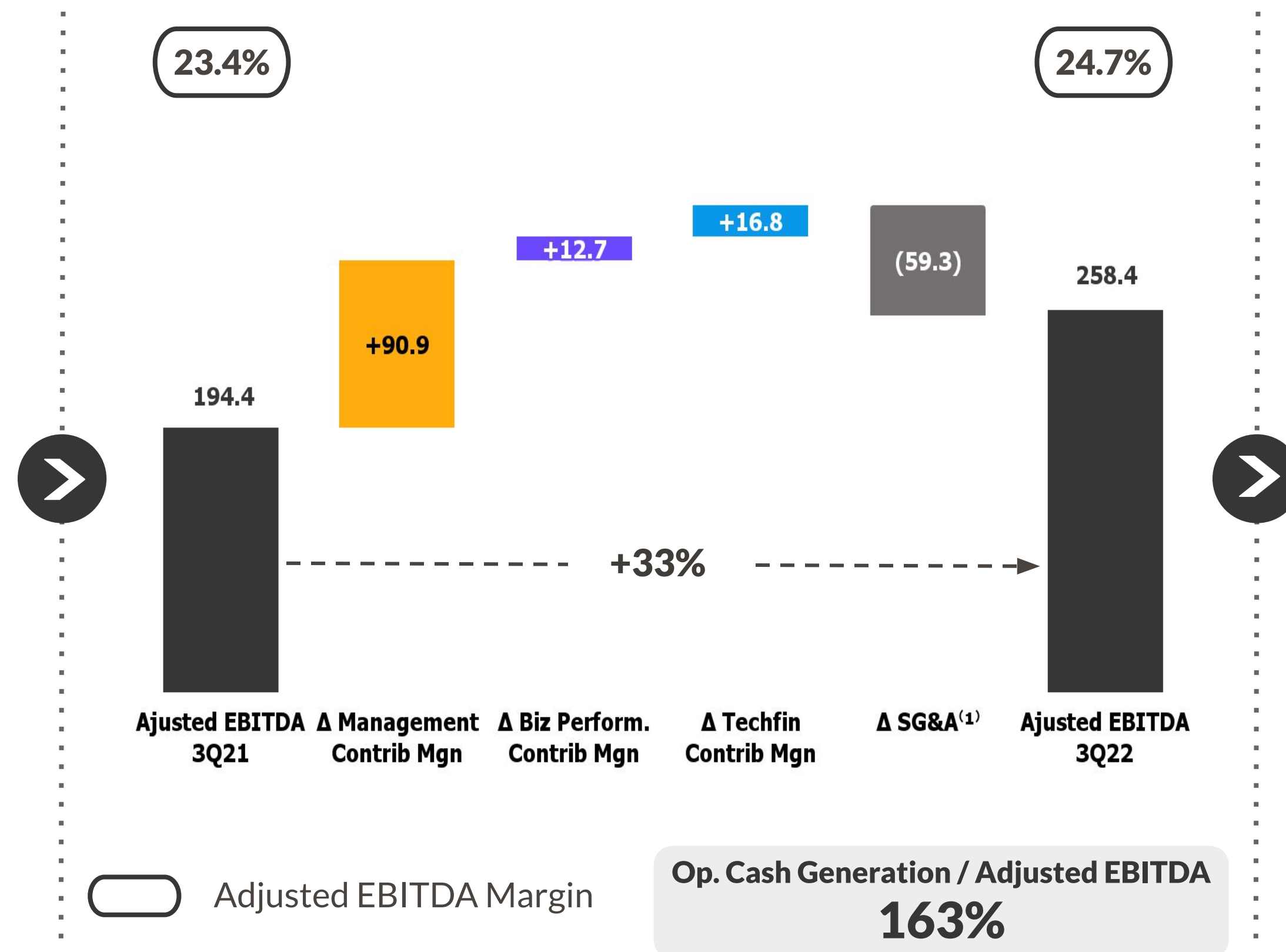
33% growth in YoY Adjusted EBITDA (**EBITDA Techfin** +115% YoY, Contribution Margin from **Business Performance** +43% YoY, and **Adjusted EBITDA from Management & Business Performance** +29% YoY).
Cash Earnings +52% YoY and +40% QoQ

CONTRIBUTION MARGIN 3Q22 vs. 3Q21

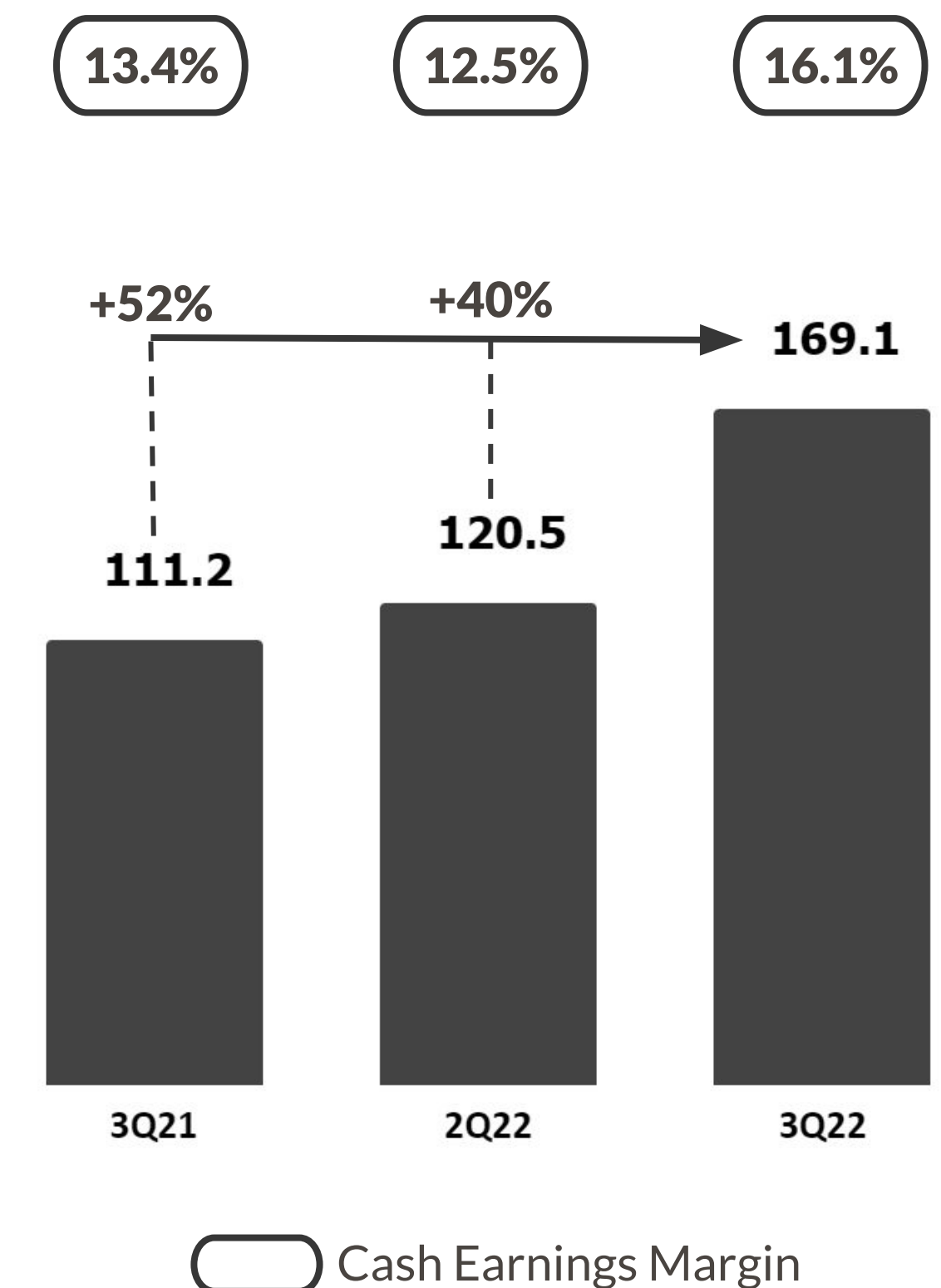


**Consolidated
Contribution Margin
+27% vs 3Q21**
+9.4% vs 2Q22

ADJUSTED EBITDA 3Q22 vs. 3Q21 (R\$ million)



CASH EARNINGS ⁽²⁾

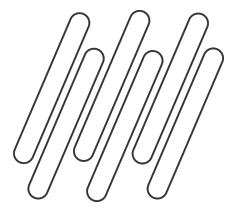


Notes: (1) Sum of Sales, Marketing, General and Administrative and Other Expenses and Equity Pick-up; and (2) Net Income without the effects of expenses with amortization of intangibles arising from acquisitions.



02

3-Dimensional Ecosystem



3-DIMENSIONAL ECOSYSTEM - MANAGEMENT

39



24% growth in Net Revenue, with emphasis on
growth in Recurring Revenue and **Renewal Rate above 98%.**

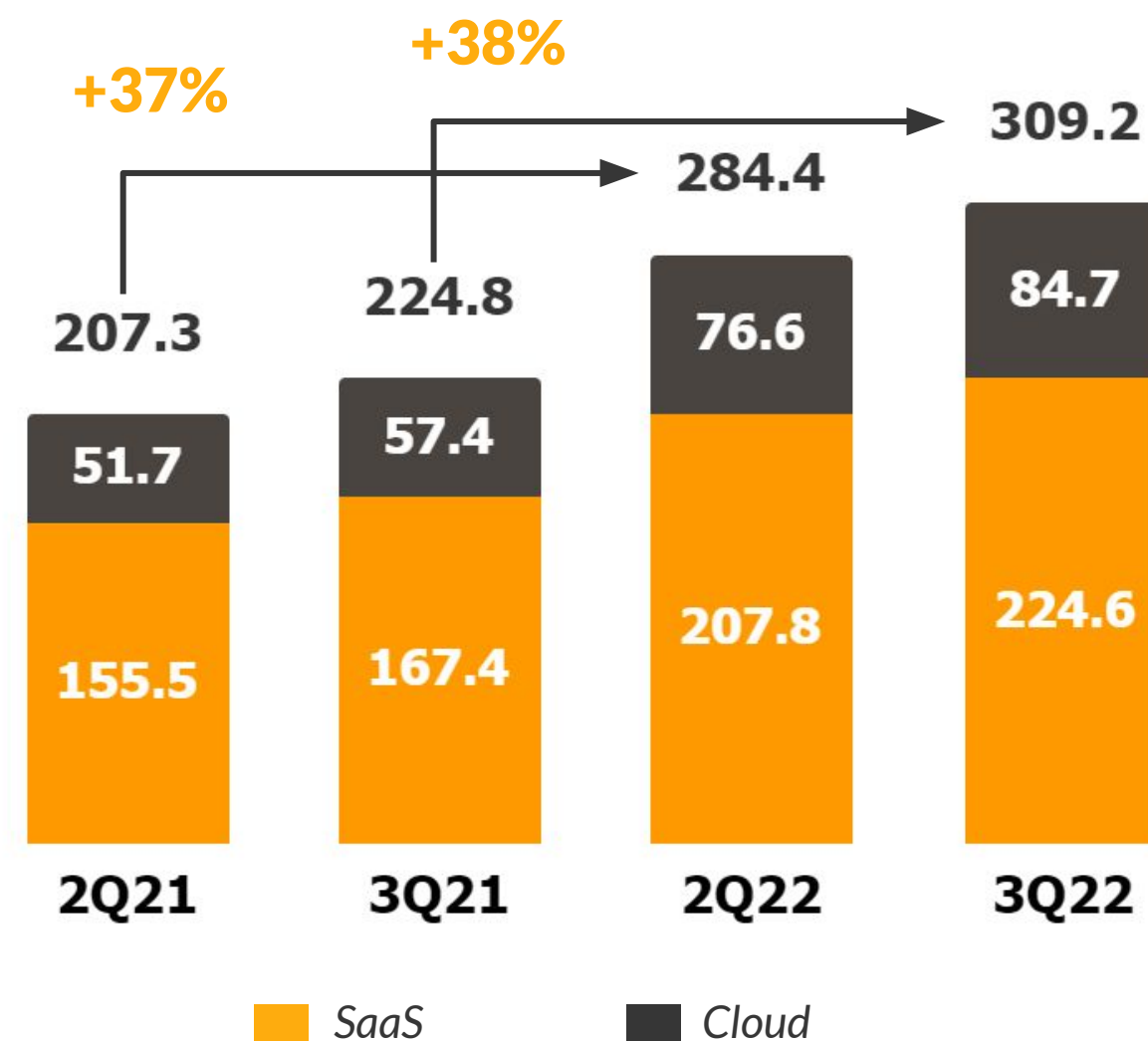
RECURRING REVENUE
R\$757 million (+28% vs 3Q21)

SaaS Signings: 80% of new signings in 3Q22
New clients: 27% of SaaS signings in 3Q22
% Management Recurring Revenue: 85%

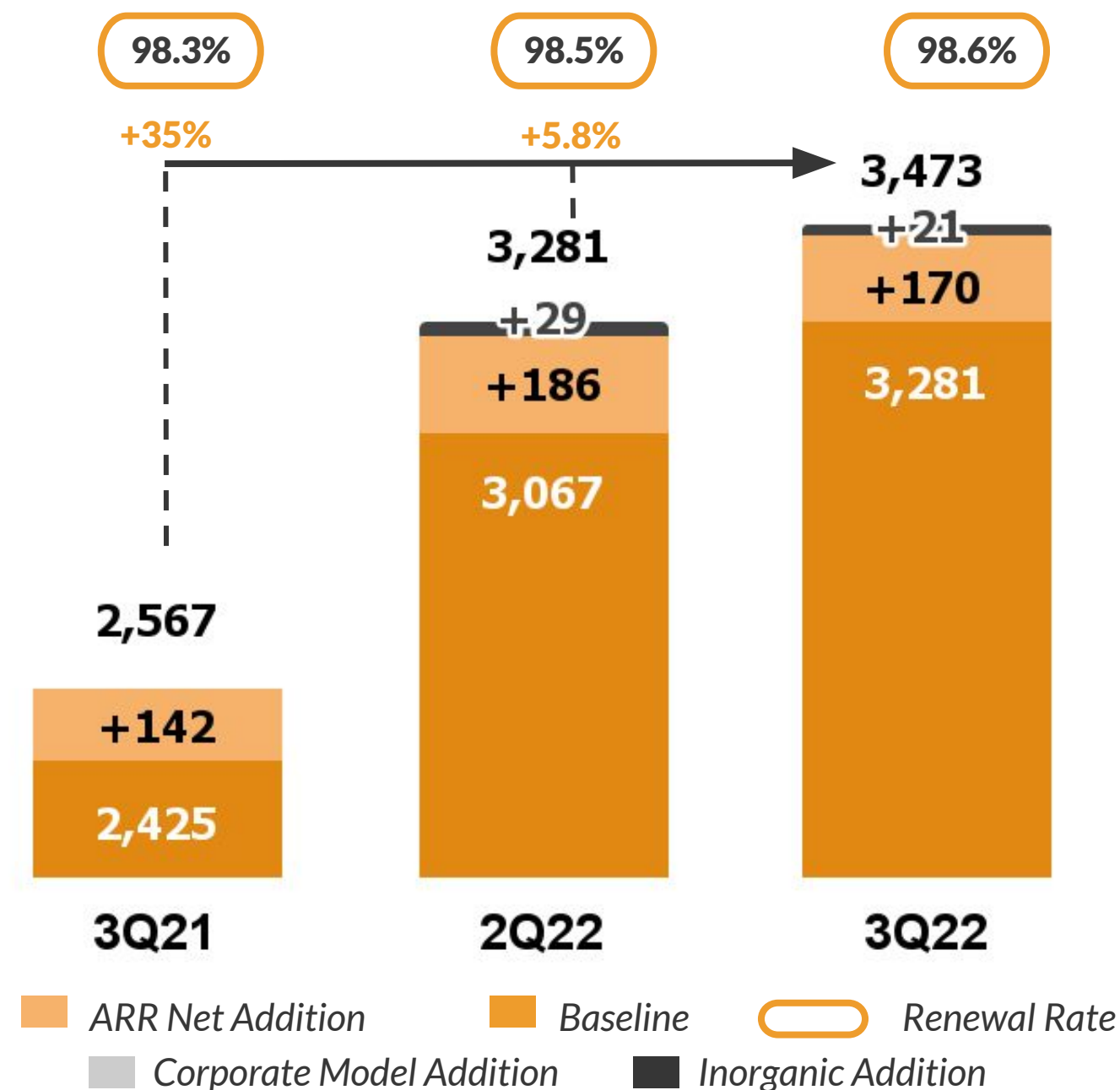
TOTAL ARR NET ADDITION ⁽¹⁾
R\$191 million (+34% vs 3Q21)

Gross ARR Addition LTM (excl. Corporate Model)
~75% Volume - new signings
~25% Price - Inflation pass-through (Pricing Power)

SaaS - Management
(R\$ million)

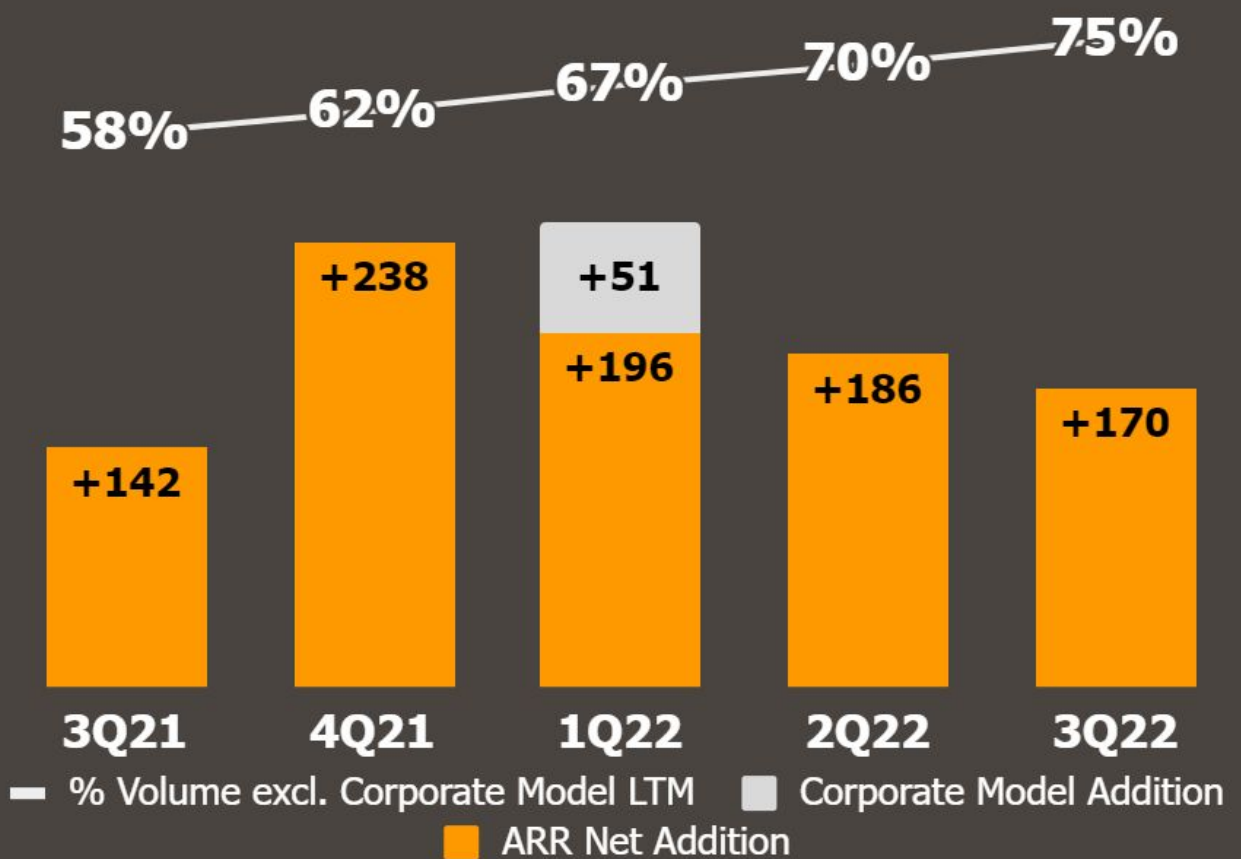


ARR (R\$ million) and RENEWAL RATE



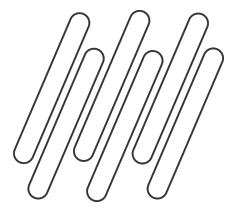
Quarter Highlights

ARR Net Addition (R\$ million)
LTM Volume (excl. Corporate Model)



- 13 p.p. growth in Volume year over year, increasing representativeness vs. Price
- Volume growth allowed TOTVS to deliver more Net Addition year-over-year

(1) Organic + Inorganic ARR net Addition



Volume / **+102% of Volume** vs 3Q21 in ARR gross addition

Software Potential Market

Increase on take rate and strengthen the cross sell

- Expanding the portfolio (ex. Feedz, Gesplan, PIX)
- Record-breaking NPS level

Distribution Platform

Evolution of productivity and efficiency of commercial distribution

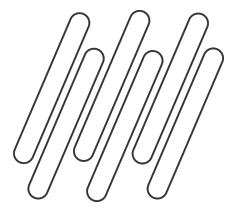
- Presence in the most economically relevant cities
- Commercial incentives for Recurrence and Net Stacking index
- *New Names* and *Inside Sales teams*

Reduction of TCO

Constant evolution of products for increasingly simple deliveries

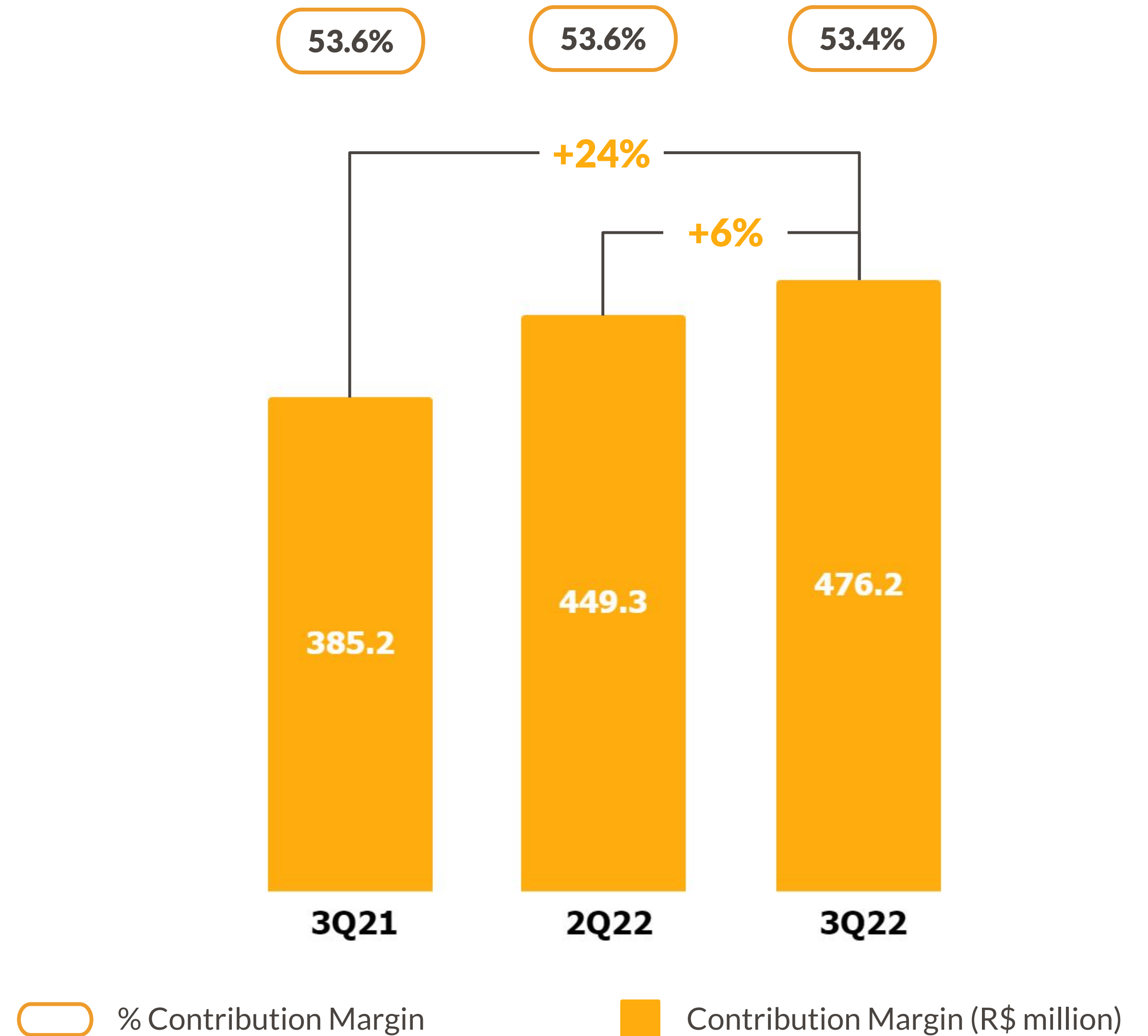
- Remote implementation above 90%
- Delivery Centers of Excellence in strategic regions

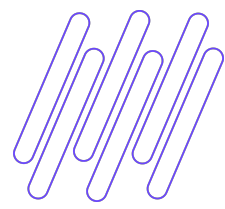




CONTRIBUTION MARGIN

The Management Contribution Margin reached the historic level of R\$476 million in 3Q22, associated mainly with the continuous growth in Recurring Revenue.

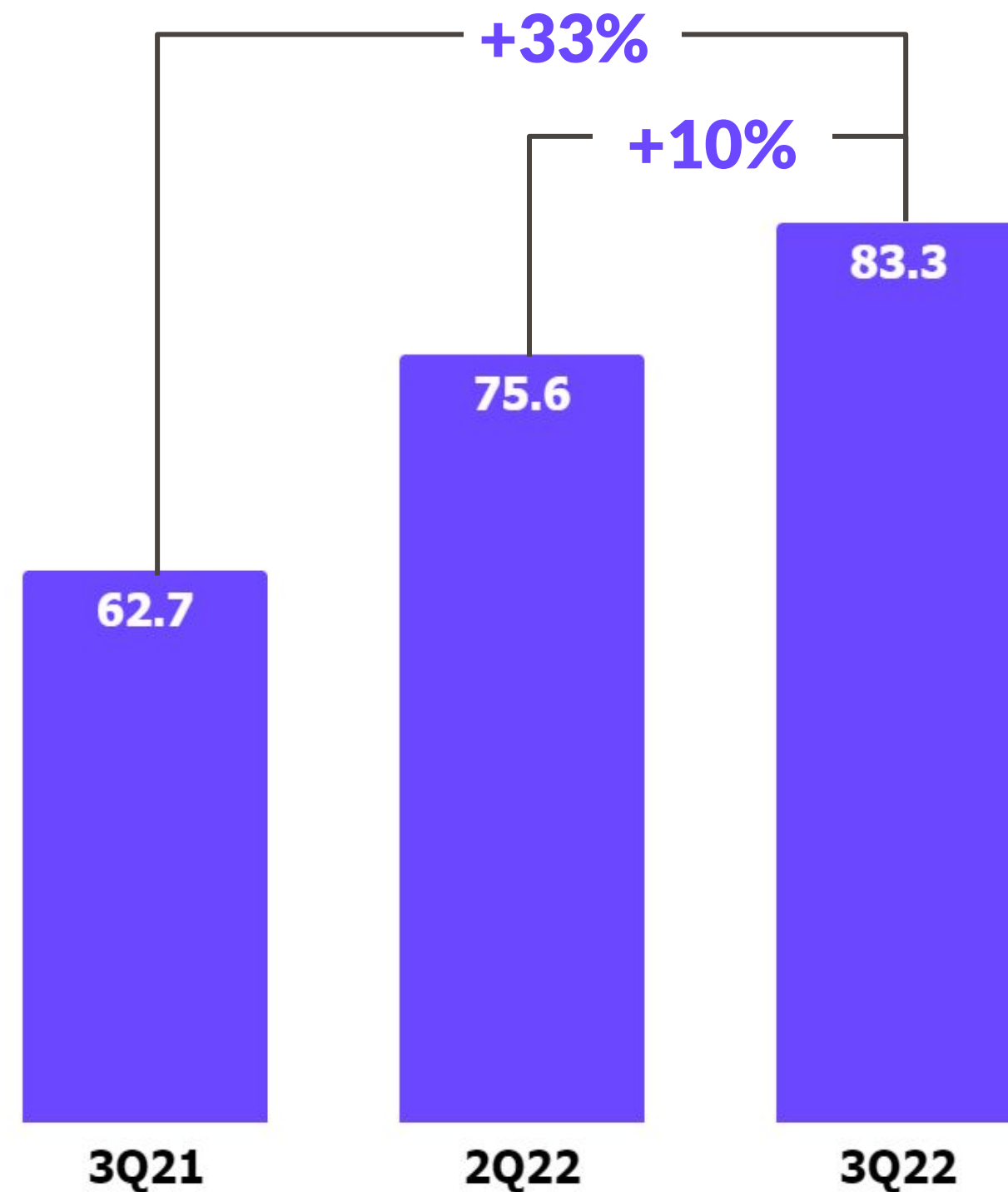




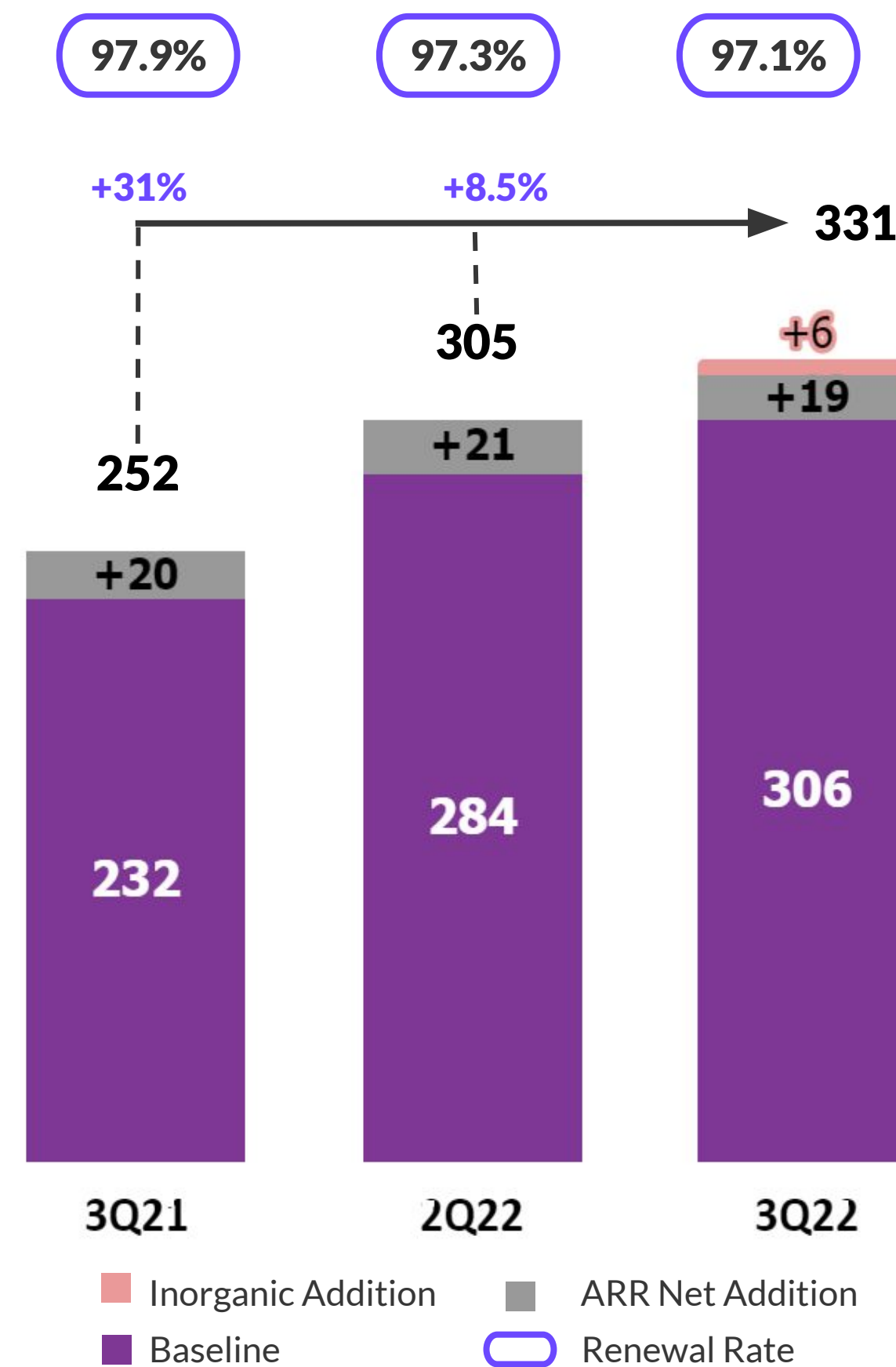
3-DIMENSIONAL ECOSYSTEM - BUSINESS PERFORMANCE

Net Revenue for the quarter grew 33% versus 3Q21, driven by the 34% increase in Recurring Revenue.

REVENUE (R\$ million)

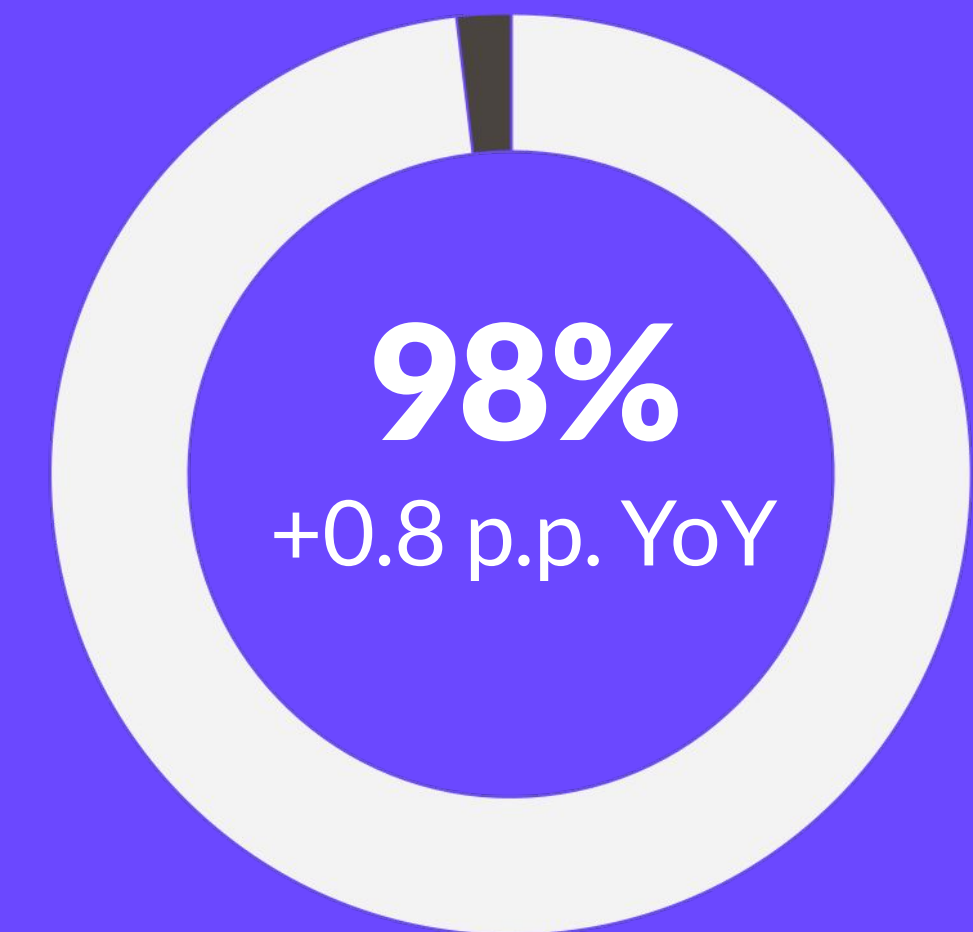


ARR (R\$ million) and Renewal Rate



Quarter Highlights

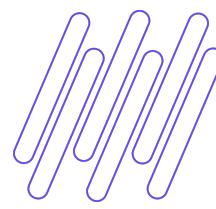
% Recurring Revenue vs Revenue



Recurring Revenue
Non Recurring Revenue

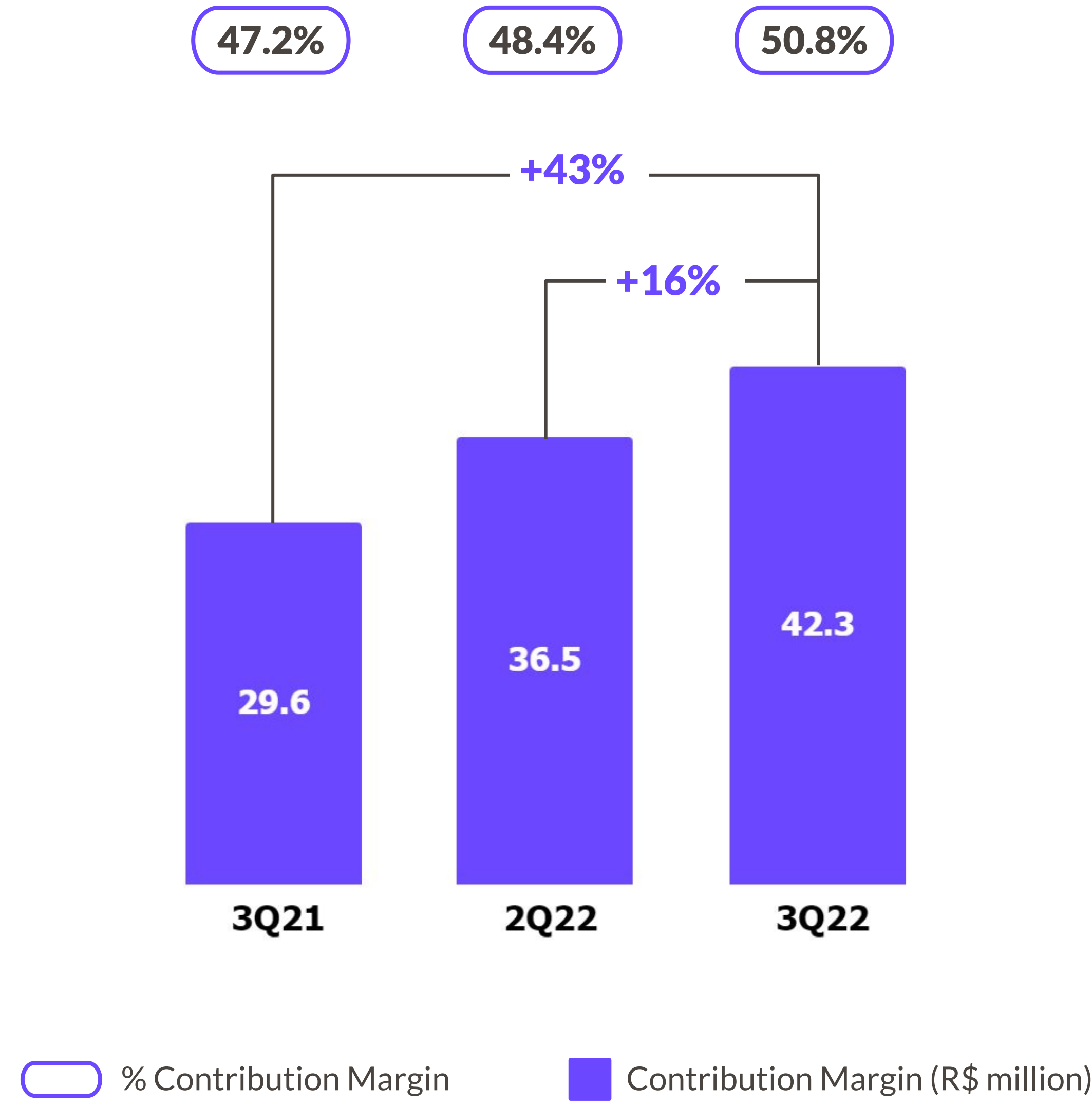
Digital Commerce

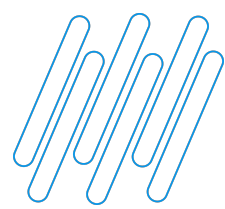
- Digital Commerce annualized GMV (Gross Merchandise Volume) reached R\$400 million (+103% vs 3Q21)



CONTRIBUTION MARGIN

*The increase of 360 basis points over 3Q21, reaching 50.8%, is explained mainly by the 34% growth in **Recurring Revenue** and increased efficiency and cost optimization.*





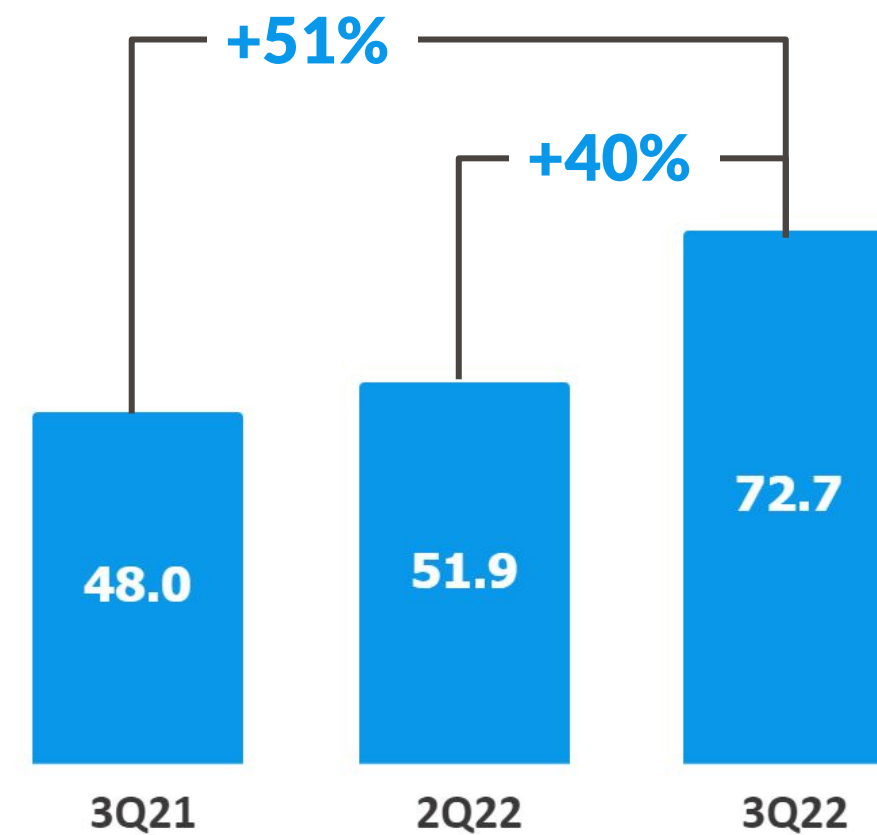
3-DIMENSIONAL ECOSYSTEM - TECHFIN

44

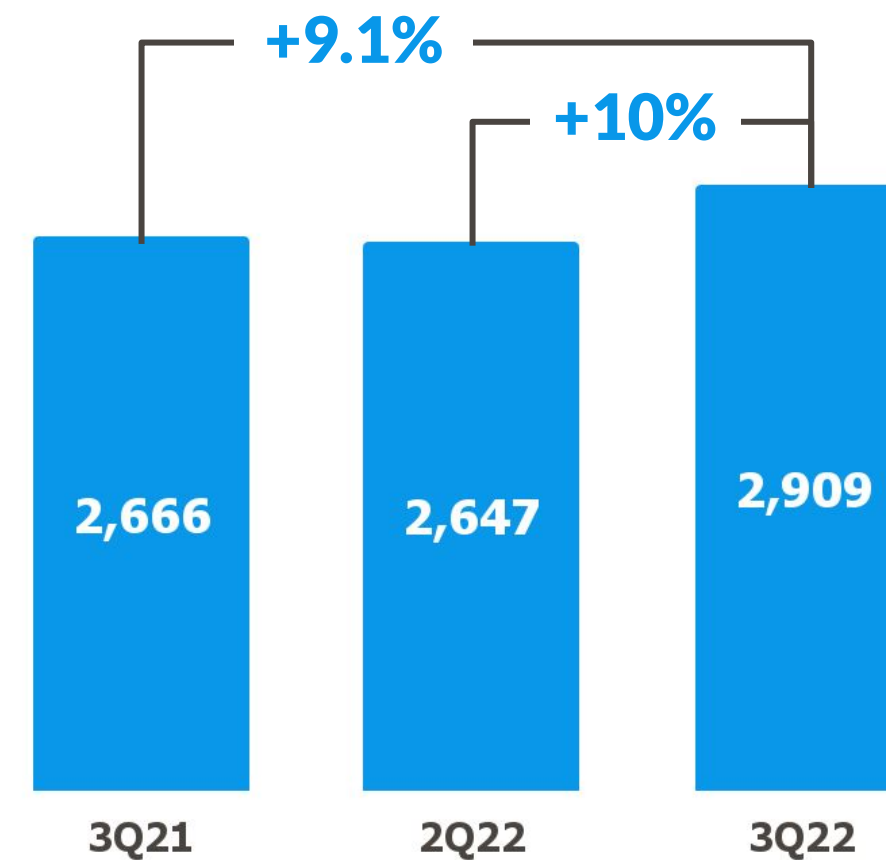


Revenue Net of Funding grew 51% year over year and 40% quarter over quarter, with a 390 b.p. increase in the Contribution Margin

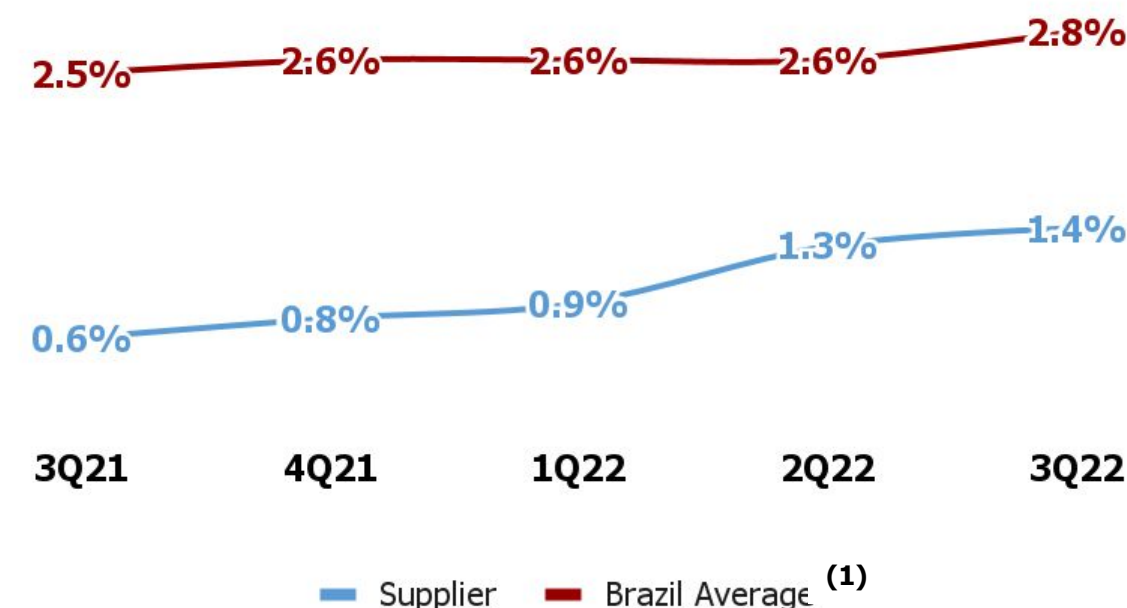
Techfin Revenue - Net of Funding (R\$ mn)



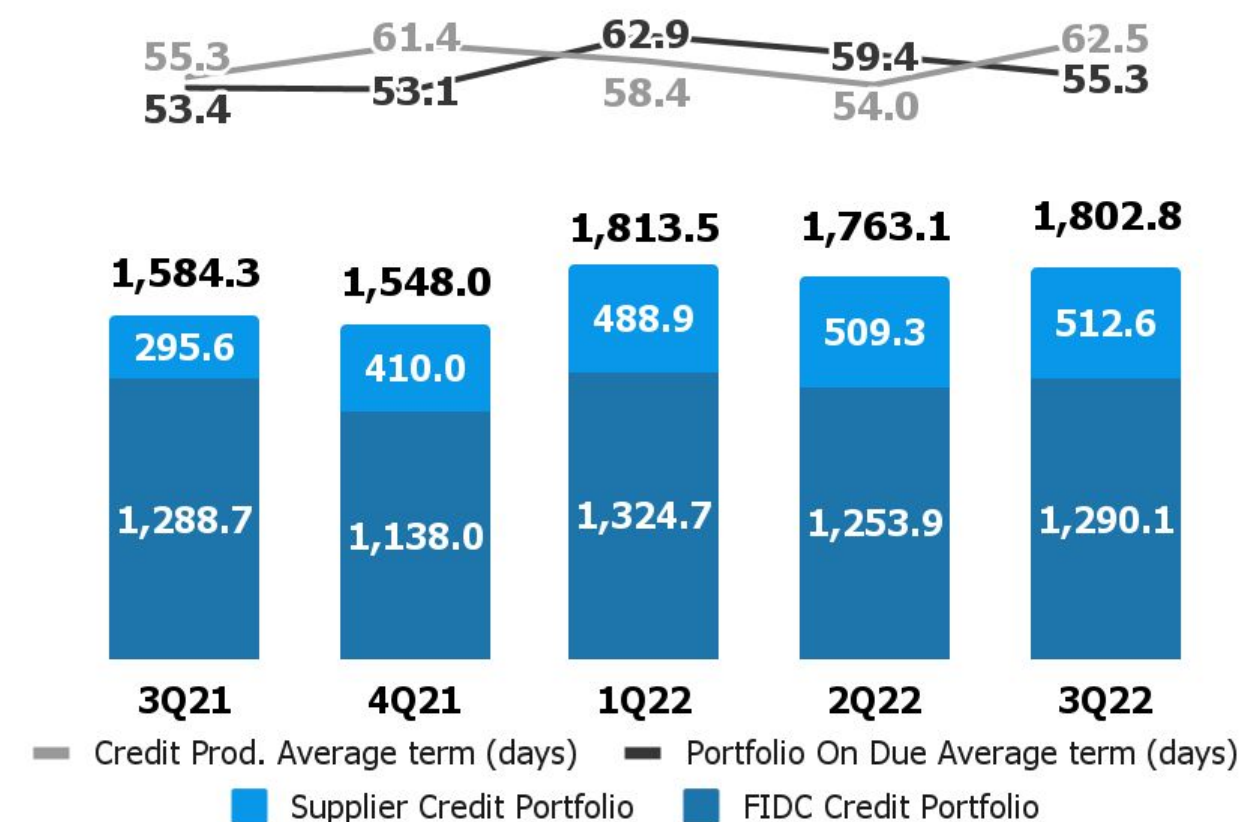
Credit Production (R\$ mn)



Delinquency (% Credit Portfolio)

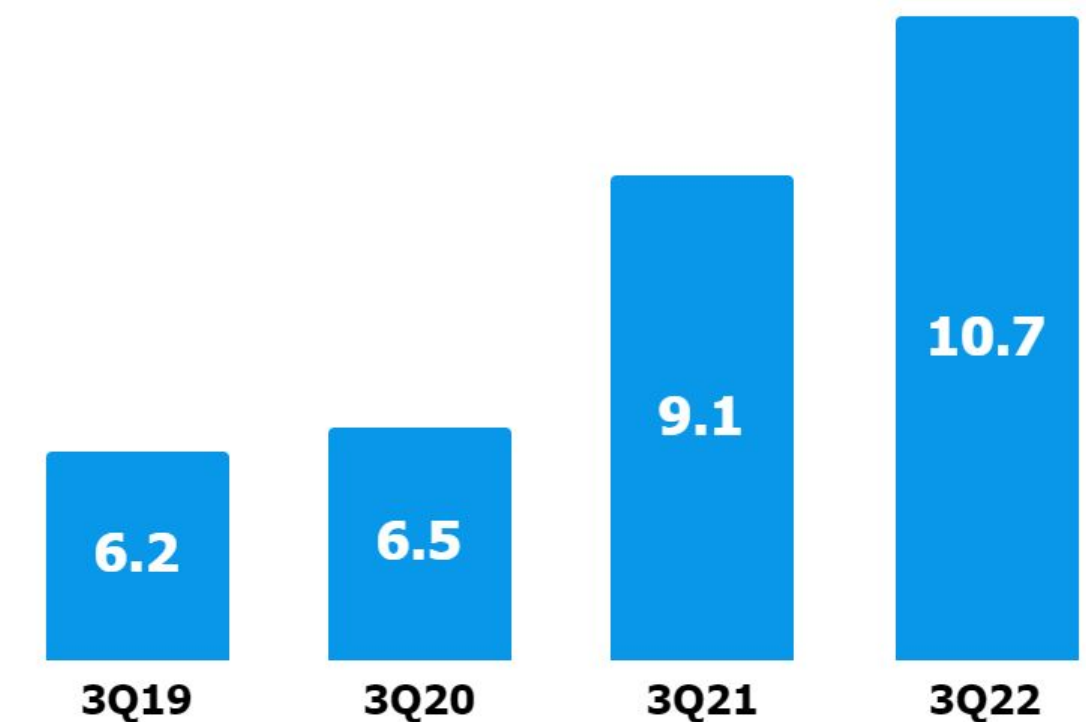


Credit Portfolio (R\$ mn)



Quarter Highlights

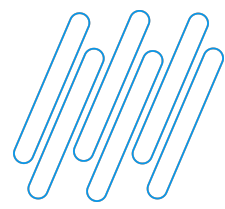
Credit Production LTM (R\$ bn)



Supplier's Pipeline "Mais Negócios" Product (%)

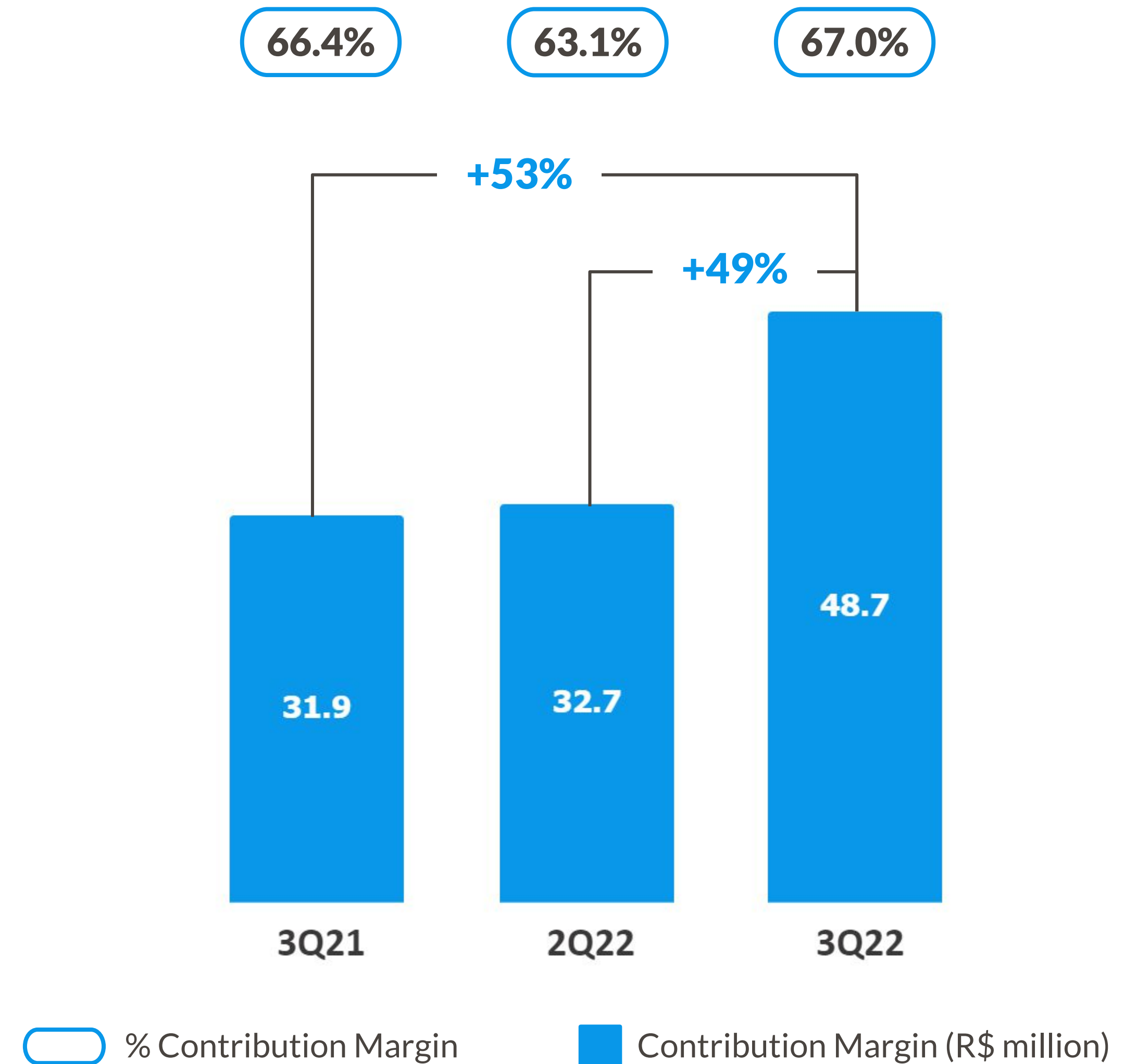
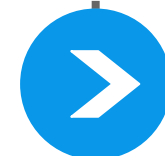
59%
Prospecting
Affiliates

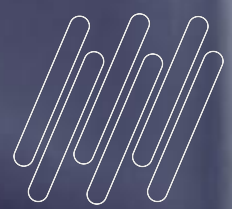
57%
Affiliates in
Implementation



CONTRIBUTION MARGIN

The Contribution Margin closed the quarter at 67%, which means a 390 basis points increase over 2Q22, driven by the 40% increase in Revenue Net of Funding and by the dilution of Operating Costs provided by the business model.





03

ESG



Environment Social Governance

47



S

The **Instituto da Oportunidade Social** (Social Opportunity Institute or IOS), an organization established and maintained by TOTVS, was recognized among the **world's 200 best social organizations** and the 14th in Brazil in innovation, social impact, and governance practices.

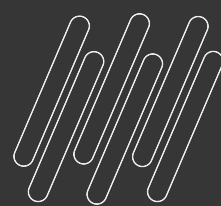


G

TOTVS was one of the winners of the **ANEFAC Transparency Trophy**, an award given to companies that disclosed the best financial statements.

3Q22

EARNINGS PRESENTATION



FINAL REMARKS

TOTVS is a distinguished company! We have a robust balance sheet, cash generation, market leadership and a DNA of innovation and pioneering spirit.

The TOTVS way of thinking: “equal, while being always different” is not just a phrase, it is a representation of a culture that runs our actions with our ecosystem. This is what moves us and what motivates us to continue evolving.

We remain optimistic and confident in Brazil and in Brazilians. That's why, more than ever, TOTVS believes in a Brazil that makes it happen.



MANAGEMENT

Actual **continuous growth** of Recurring Revenue, driven by the powerful combination of New *Signings* of SaaS + Cloud + low Churn.



BUSINESS PERFORMANCE

Dimension mandate continues to advance with a **focus on growth**, without losing a good balance with profitability.



TECHFIN

Positive seasonality in credit production associated with the lower growth of the SELIC rate in the period = 40% growth QoQ of Net Revenue from *Funding* + Contribution Margin of 67%.

THANK YOU



Investors Relations

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- Technology + Knowledge are our DNA.
- The Customers' success is our success.
- We value good professionals who are good people.



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