EARNINGS RELEASE

1Q22

VIDEO CONFERENCE – May 5th, 2022, 11am (Brasília)

- **PORTUGUESE:**

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TOTVS

1Q22 EARNINGS RELEASE

São Paulo, May 4th, 2022 - TOTVS S.A. (B3: TOTS3), leader in the development of business solutions in Brazil, announces today its results for the First Quarter of 2022 (1Q22). The Company's consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and in line with the International Financial Reporting Standards (IFRS).

NET REVENUE[1] GREW 34% YEAR OVER YEAR

- Net Revenue reached R$946 million in the period, with 26% growth in the Management Net Revenue
- A new historical record of 26% organic growth in the Management Recurring Revenue in 1Q22 vs. 1Q21, with a record ARR Net Addition of R$247 million, driven by the addition of R$51 million of the Corporate Model
- Announcement of the Techfin Joint Venture between TOTVS and Itaú with the aim of expanding our ambition and speeding up the roadmap to expand the best Financial Services Platform for Brazilian SMB

NET REVENUE (Non-GAAP)[1]	SAAS REVENUE OF MANAGEMENT	BIZ PERFORMANCE RECURRING REVENUE	CREDIT PRODUCTION
R$946 million	**R$263 million**	**R$69 million**	**R$2.6 billion**
+34% vs 1Q21	**+35% vs 1Q21**	**+34% vs 1Q21[2]**	**+25% vs 1Q21**

MESSAGE FROM THE MANAGEMENT

A special thanks to all TOTVERs, their families and all our thousands of customers and millions of users across Latin America.

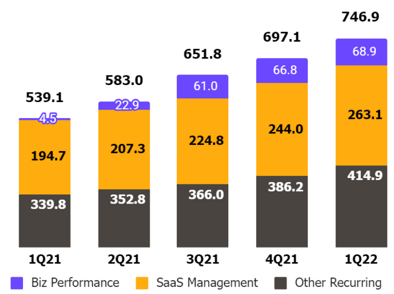
2022 started at a similar pace to the end of 2021: in Management, records in ARR net addition, in organic growth, in NPS, among others; in Business Performance, strong recurring and news in Digital Commerce; at Techfin, record at credit portfolio, creation of a JV with Itaú, which definitively addresses portfolio issues and, mainly, funding.

As always, throughout the release, our IR team detailed all the explanations of the different performances of our dimensions, as we know, they live what we call "different moments and mandates". This expression brings an important concept: that we need to be careful not to demand the same things from businesses that don't live the same reality. We can say with confidence that we are taking this care.

When most of the performance indicators are heading in the right direction, we usually start to get the question: "what is missing?". The answer is simple: "to make 3 dimensions that are solid autonomously into a true integrated, interconnected and interdependent ecosystem". Of course, the challenge is to execute this construction.

We believe that the value proposition of helping companies improve their performance is strong and solid. Technology is the way. Our journey of building this ecosystem is in full swing and we will move forward, seeking to transform TOTVS into the "trusted advisor" of most Brazilian companies.

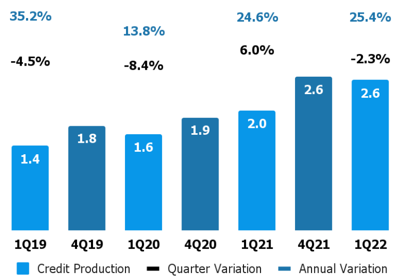
Recurring Revenue (R$ million)



Consolidated ARR
R$3.4 billion
Record of Organic Addition
+R$263 million (1Q22)

98,7%
Consolidated Renewal Rate

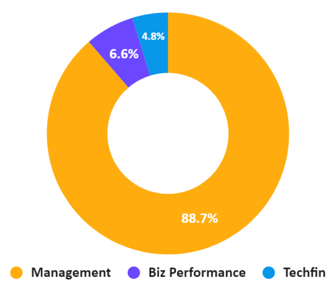
Credit Production (R$ bn)



Credit Portfolio Record
R$1.8 billion
+30% vs 1Q21

Supplier Delinquency >90 days
0.9%

Contribution Margin 1Q22



Adjusted EBITDA
R$223 million
+18% vs 1Q21

Op. Cash Generation / Adjusted EBITDA
121%

1 Net Revenue (Non-GAAP) includes the concept of Techfin Revenue net of Funding Cost in the consolidation of the Company's revenues.
2 Organic growth, considering the RD Station results (from Jan/21 toMar/21) prior to the acquisition by TOTVS.

RECENT EVENTS

3-Dimensional Ecosystem

Techfin Joint Venture between TOTVS and Itaú

A unique combination of efforts that combines TOTVS' expertise in management systems with Itaú's financial expertise, aiming to expand, simplify, and democratize access to a wide range of financial products in the B2B market, which should benefit not only small and medium-sized companies but also the entire production chain in Brazil.

For more information, click here.

Acquisition of Gesplan

With GESPLAN's expert financial planning and management solutions, TOTVS increases the coverage and functional depth of its portfolio of the Management business dimension, while adding more access and data intelligence that enable the development of new tailor-made solutions offerings to their clients.

For more information, click here.

Acquisition of Vadu by Dimensa

In order to make credit management processes more efficient, this platform operates throughout the credit journey by using Big Data integrated with Artificial Intelligence to provide customers –in real time– with essential information such as possible defaults, risk evolution, and monitoring of the credit portfolio.

For more information, click here.

ESG (Environmental, Social and Governance)

Annual and Extraordinary General Meetings 2022

Held on April 4th, 2022, they were attended by over 71% of the Company's voting capital and had all the proposed matters approved, among them: capital budget, annual global compensation of the Management, and composition of the Board of Directors for the next two years.

Click here to access the Meeting Minutes.

TOTVS rating raised by Fitch from AA to AA+

According to the risk rating agency, the increase reflects, among others: the Company's cash generation capacity, the expectation of preserving margins and the diversification of business by adding the Techfin and Business Performance dimensions, combined with a high growth potential.

For more information, click here.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	1Q22	1Q21	Δ	4Q21	Δ
Rule of 40 (a+b)	**57.4%**	**44.4%**	**1300 bp**	**56.5%**	**90 bp**
(a) Net Revenue Growth	33.8%	17.5%	1630 bp	31.8%	200 bp
(b) Adjusted EBITDA Margin	23.6%	26.9%	-330 bp	24.7%	-110 bp
Growth (in R$ millions)					
Non-GAAP Net Revenue [(1)]	**945.6**	**706.9**	**33.8%**	**893.4**	**5.8%**
Consolidated Recurring Revenue	746.9	539.1	38.6%	697.1	7.2%
% Consolidated Recurring Revenue	76.1%	74.8%	130 bp	75.7%	40 bp
% Biz Perform. + Techfin Revenue	12.4%	6.6%	580 bp	14.9%	-250 bp
Consolidated ARR	3,359.6	2,323.4	44.6%	3,074.2	9.3%
Consolidated ARR Net Addition	262.6	90.1	191.3%	255.2	2.9%
Consolidated SaaS Revenue	331.1	199.3	66.1%	309.4	7.0%
Biz Performance Recurring Revenue [(2)]	68.9	51.4	34.1%	66.8	3.2%
Credit Production	2,562.6	2,043.0	25.4%	2,624.2	(2.3%)
Profitability (in R$ millions)					
Adjusted EBITDA Margin [(3)]	**23.6%**	**26.9%**	**-330 bp**	**24.7%**	**-110 bp**
Adjusted EBITDA [(4)]	223.3	190.0	17.5%	220.5	1.3%
Cash Earnings [(5)]	116.6	96.7	20.6%	145.8	(20.0%)
Cash Earnings Margin	12.3%	13.7%	-140 bp	16.3%	-400 bp
Operating Cash Generation	270.4	182.6	48.1%	156.6	72.7%
Op. Cash Generation / Adjusted EBITDA	121.1%	96.1%	2500 bp	71.0%	5010 bp
Supplier LTM ROE	43.4%	43.1%	30 bp	51.4%	-800 bp
Stock Market					
TOTS3 (in R$)	**36.4**	**27.9**	**30.5%**	**28.6**	**27.0%**
ADTV 30 (in R$ millions)	155.8	176.4	(11.6%)	141.1	10.5%
IBOV (pts)	120.0	115.4	4.0%	104.8	14.5%
IBrX 50 (pts)	20.2	19.2	5.1%	17.5	15.5%

[(1)] Non-GAAP Revenue net of Funding, represents the Techfin Revenue net of Funding Cost consolidated in the Company's Total Revenue.

[(2)] Includes unaudited results from jan-mar/21 of RD Station, for comparative purposes only.

[(3)] Adjusted EBITDA over the Non-GAAP Revenue net of Funding.

[(4)] EBITDA adjusted by extraordinary items.

[(5)] Net Income without the effects of expenses with amortization of intangibles arising from acquisitions.

FINANCIAL AND OPERATIONAL RESULTS

In order to present the expenses by function in the Income Statement (IS), as set forth in accounting standard known as IAS-1 (CPC-26), the expenses with depreciation and amortization and with provision for expected credit losses are shown in the cost and expenses lines related to the respective assets that originated such depreciation, amortization, and provision for expected credit losses.

As reported in the 4Q21 earnings release, we are maintaining **the so-called "Non-GAAP" presentation standard** already used in previous quarters, **which states the depreciation and amortization expenses and the provision for expected credit losses in specific lines of the IS**, besides using the concept of **Revenue Net of Funding in the Techfin dimension in the consolidation of the Company's Net Revenue (Non-GAAP), base for the calculation of gross, contribution, EBITDA, and net margins.**

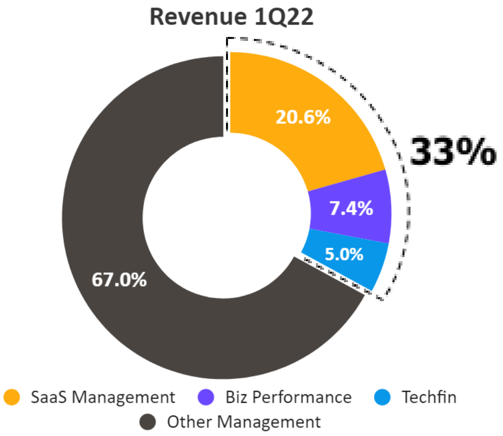
In addition, seeking to further align Techfin's performance vision with the format normally adopted by the market to assess the performance and profitability of credit businesses, **we reclassified the income resulting from the financial investment of the cash of the Supplier Administradora subsidiary from the line "Financial Revenues" to "Techfin Funding Costs" line** to better represent the effective net funding cost of Supplier operation, demonstrated in **Exhibit VIII**.

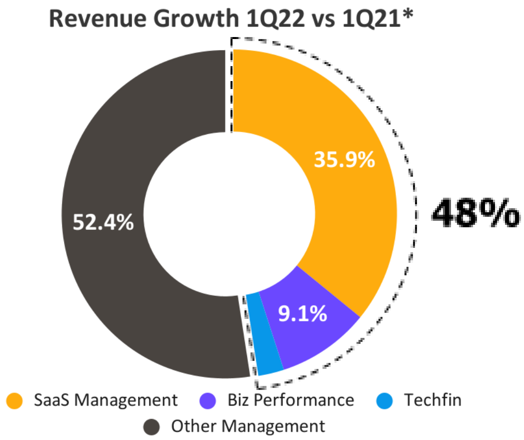
Finally, the reconciliation between the Income Statement standard presented in the quarterly financial information reviewed by the external auditors under "GAAP" in accordance with IAS-1 and the "Non-GAAP" standard is provided in **Exhibit III** to this document.

Consolidated Results

Consolidated Result (in R$ millions)	1Q22	1Q21	Δ	4Q21	Δ
GAAP Net Revenue	**981.1**	**720.3**	**36.2%**	**920.7**	**6.6%**
Techfin Funding Cost	(35.5)	(13.4)	165.9%	(27.3)	30.1%
Non-GAAP Net Revenue	**945.6**	**706.9**	**33.8%**	**893.4**	**5.8%**
Management Revenue	828.7	660.3	25.5%	760.2	9.0%
Business Performance Revenue	69.8	4.4	>999%	68.6	1.7%
Techfin Revenue - Net of funding	47.1	42.3	11.5%	64.5	(27.0%)
Consolidated Contribution Margin	**508.2**	**392.0**	**29.6%**	**483.2**	**5.2%**
Management Contribution Margin	450.6	359.5	25.4%	403.7	11.6%
Biz Performance Contribution Margin	33.3	1.5	>999%	35.7	(6.7%)
Techfin Contribution Margin	24.3	31.1	(21.9%)	43.8	(44.6%)
% Consolidated Contribution Margin	***53.7%***	***55.5%***	***-180 bp***	***54.1%***	***-40 bp***
% Management Contribution Margin	*54.4%*	*54.4%*	*0 bp*	*53.1%*	*130 bp*
% Biz Performance Contribution Margin	*47.7%*	*34.2%*	*1350 bp*	*52.0%*	*-430 bp*
% Techfin Contribution Margin	*51.5%*	*73.5%*	*-2200 bp*	*67.9%*	*-1640 bp*
Sales and Marketing Expenses	**(184.3)**	**(129.2)**	**42.7%**	**(170.1)**	**8.4%**
Adjusted G&A Expenses and Others	**(100.6)**	**(72.9)**	**38.0%**	**(92.7)**	**8.5%**
Adjusted EBITDA	**223.3**	**190.0**	**17.5%**	**220.5**	**1.3%**
Adjusted EBITDA Margin	*23.6%*	*26.9%*	*-330 bp*	*24.7%*	*-110 bp*

Net Revenue (Non-GAAP)





* Management Revenue, added to Techfin Revenue and Business Performance Revenue, considering the unconsolidated results of RD Station from Jan/2021 to Mar/2021.

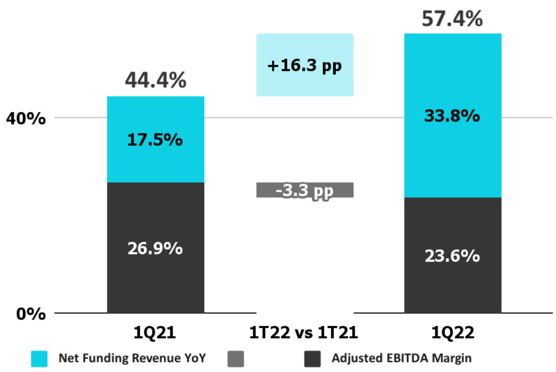
The consolidated Net Revenue grew 34% year-over-year and 5.8% quarter-over-quarter, reaching a level of R$946 million in 1Q22, and the following facts are worth highlighting: (i) 25% year-over-year growth in the Management Net Revenue, driven by the organic growth of 26% of Recurring Revenue and the historical performance of the Corporate Model; (ii) consolidation of RD Station as of June 2021 in the Business Performance dimension, which on the same comparative basis (including RD in 1Q21) results in organic growth year-over-year of 33% of the dimension; and (iii) Techfin Revenue net of Funding, which grew 11% year-over-year. It is worth mentioning that, in addition to the important result of the Management License Revenue in the quarter, the new locomotives continue to drive the Company's growth (SaaS Management added to Business Performance and Techfin), representing 33% of the Net Revenue for the quarter and 48% of its growth year over year.

Adjusted EBITDA

Adjusted EBITDA ended the quarter at R$223 million and the EBITDA Margin was 23.6%, 110 basis points lower than in 4Q21, and 330 basis points lower than in 1Q21. This reduction in the EBITDA Margin, particularly in comparison with 1Q21, is mainly explained by the effect on the Management Contribution Margin of the behavior of the inflationary effects between revenue and expenses. In this case, 1Q21 benefited from the inflationary pricing effect on revenue, which was significantly higher than the collective bargain agreement. In 1Q22, collective bargaining agreement took place at a level almost 2.3 times higher than in 1Q21, while price adjustments in revenue remained relatively stable compared to the level applied in 1Q21. With the natural increase in recurring revenue throughout 2022, especially in the second half of the year, the impacts of these cost adjustments should be diluted. On a smaller scale, we also had seasonal reductions in Business Performance and Techfin Contribution Margins, which will be discussed in the respective sections.

Rule of 40

The rule of 40 metric (a combination of growth and profitability that results in a sum of more than 40 percentage points) ended 1Q22 at 57.4%, 13 percentage points higher than the same period last year, aided by the 16.3 percentage points increase in the Net Revenue growth, which this quarter had the punctual aid of the growth in Management License Revenue, driven by the Corporate Increment, besides the acceleration of recurring and transactional revenues.



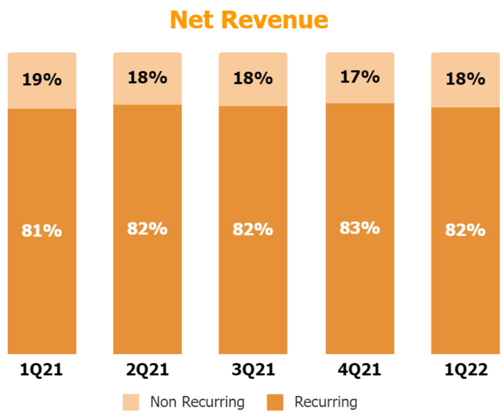
Management dimension results

The Management dimension is largely composed of the vision called until 1Q21 as "Technology Result", excluding the solutions that have become part of the Business Performance dimension and the new Techfin products. The Management results for the quarter have also been including Inovamind since January and Mobile2You since February, both of them are companies acquired by Dimensa in the quarter.

Management Result (in R$ millions)	1Q22	1Q21	Δ	4Q21	Δ
Net Revenue	**828.7**	**660.3**	**25.5%**	**760.2**	**9.0%**
Recurring	676.6	534.4	26.6%	629.1	7.6%
Non Recurring	152.0	125.8	20.8%	131.1	16.0%
License	80.8	59.1	36.6%	54.2	49.0%
Services	71.3	66.7	6.9%	76.9	(7.3%)
Costs	(231.3)	(182.9)	26.5%	(219.4)	5.4%
Gross Profit	**597.4**	**477.4**	**25.1%**	**540.8**	**10.5%**
Gross Margin	*72.1%*	*72.3%*	*-20 bp*	*71.1%*	*100 bp*
Research and Development	(140.1)	(113.1)	23.9%	(134.7)	4.0%
Provision for Expected Credit Losses	(6.7)	(4.9)	37.2%	(2.4)	179.8%
Management Contribution Margin	**450.6**	**359.5**	**25.4%**	**403.7**	**11.6%**
% Management Contribution Margin	*54.4%*	*54.4%*	*0 bp*	*53.1%*	*130 bp*

Net Revenue

The Management Net Revenue had two important milestones in 1Q22: (i) record of organic growth of the Recurring Revenue year over year; and (ii) the highest quarterly level of License Revenue in the last 9 years, especially driven by the record performance of R$36.6 million increase in Licenses of the Corporate Model. The year-over-year performance of this line is especially related to the industry-sectors of Distribution, with a growth above 40%, Educational and Construction & Projects, with a growth above 30%. Franchises also continue to perform very positively, reinforced by the consolidation movement carried out in 2021.

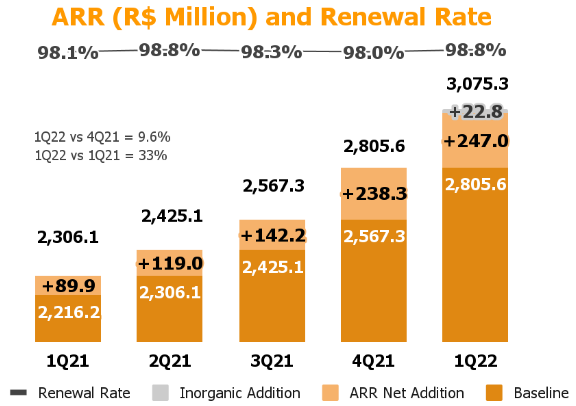


In 1Q22, the Recurring Revenue grew 27% year-over-year and represented 82% of total Net Revenue. The slight increase in the representativeness of non-Recurring Revenues in the quarter is especially related to the record-breaking history of increase in Licenses of the Corporate Model mentioned above.

We also highlight Dimensa's performance, which continues to move faster than planned at its launch, and ended the quarter with R$43.2 million in revenue, a 30% growth year-over-year. Dimensa's Recurring Revenue grew 45% year-over-year, of which 30% was organic growth, and reached 89% of the total revenue of this operation.

Recurring Revenue

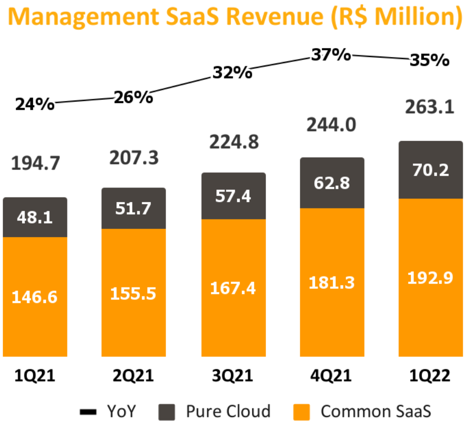
The Management ARR (Annual Recurring Revenue) grew 33% over 1Q21 and 9.6% over 4Q21, surpassing the R$3 billion mark. This performance resulted from a new record-breaking ARR net addition of R$247 million (2.7 times higher than the Net Addition in 1Q21), added to the inorganic addition of R$22.8 million, referring to the recent acquisitions of Dimensa, as shown in the following chart on the left.



This significant increase in the ARR net addition was mainly possible because of the evolution of the Sales Volume, responsible for approximately 69% of the year-over-year addition, mainly reflecting: (i) the new SaaS signings, which continued to grow, reaching the highest historical level in 1Q22 and surpassing by 14% in 1Q21; and (ii) the increase in the Recurring Revenue of the Corporate Model, responsible for approximately R$51 million of ARR Net Addition and 91% above the value achieved in 1Q21, reflecting the strong Increment in Licenses. The Pricing effect, responsible for the remaining 31%, resulting from contractual inflation adjustments and the maintenance of churn at low levels, as shown by the renewal rate of almost 99% in the quarter, also contributed to the performance of the ARR net addition in the period.

The combination of these elements: (i) new SaaS signings, both in 1Q22 and in previous quarters; (ii) Pricing Power (inflation pass-through capacity); and (iii) maintenance of low churn levels, led the Management Saas Revenue to grow 35% year-over-year in 1Q22, highlighting Cloud, that grew 46% in the same period, as seen in the chart on the right.

This result, combined with the aforementioned performance of the Increase in Recurring Revenue of the Corporate Model resulted in a 27% year-over-year growth in Management Recurring Revenue in 1Q22, of which 26% are organic, exceeding the level of 24% achieved in 4Q21.



Non-Recurring Revenue

The Non-Recurring Revenue in 1Q22 grew 21% year-over-year, explained mainly by the increment in licenses of the Corporate Model, which reached a record-breaking amount of R$36.6 million, with emphasis on the Franchises performance. This evolution results from the sped-up growth of customers under this modality, especially in SMB, reflecting the economic recovery of the market in 2021 after the peak of the pandemic and reinforcing the perception that our customers–on average–are more resilient than Brazilian companies.

Gross Margin

The Management Gross Margin reached 72.1% in the quarter, 100 basis points above 4Q21, mainly because of the increase in Licenses Revenue, commented in the topic "Non-Recurring Revenues". Year-over-year, this line had a reduction of 20 basis points, especially due to the wage increase on account of the collective bargaining agreement, which went from a base close to 4.5% in 1Q21 to 10.2% in 1Q22. We also keep investing in the Cloud structure, in line with the increase in the revenue from this operation, partially offset by: (i) the growth in License Revenue; (ii) expansion of SaaS model; and (iii) maintenance of remote implementation projects level above 90%, optimizing the service margin.

It is worth mentioning that, year on year, the inflation rates that impact costs increased approximately 2.3 times higher, while the average inflation rates that impact revenue remained at stable levels. Thus, the 20 basis points reduction in gross margin demonstrates the solidity and scalability of the business model.

Research & Development

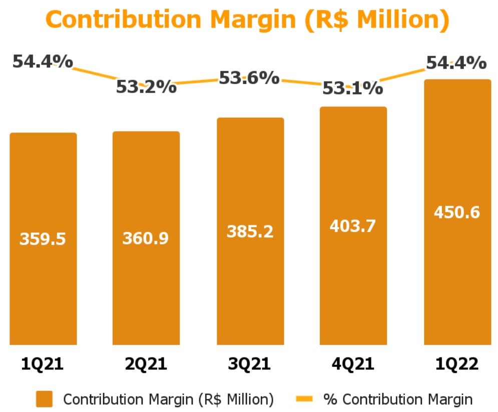
The Research and Development (R&D) expenses, as a percentage of the Management Recurring Revenue, reached 20.7% in 1Q22, 50 basis points below 1Q21, mainly explained by the increase in the level of efficiency in the allocation of resources. When compared to 4Q21, the reduction of 70 basis points is explained by the 8% growth in the recurring revenue, as well as the high volume of vacation at the beginning of the year, which partially offset the wage increase on account of the collective bargaining agreement in the period.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses (formerly allowance for doubtful accounts) reached 0.8% of the Management Net Revenue in 1Q22, which is 50 basis points above 4Q21, with the latter presenting a more relevant volume of reversals of provisions recorded in previous quarters, as commented in the last quarter.

Management Contribution Margin

Management's Contribution Margin exceeded R$450 million in 1Q22 and its percentage on Management Net Revenue reached 54.4%, 130 basis points above the level of 4Q21 and the same level of 1Q21. This expansion is the result of the 49% growth in License Revenue and 7.6% growth in Recurring Revenue, combined with discipline in managing costs and expenses. Considering the already mentioned percentage increase of almost 2.3 times the inflation adjustment applied to the cost structure in 2022 versus 2021, this is a result that proves the Company's ability to transform and adapt to market opportunities.



Business Performance dimension results

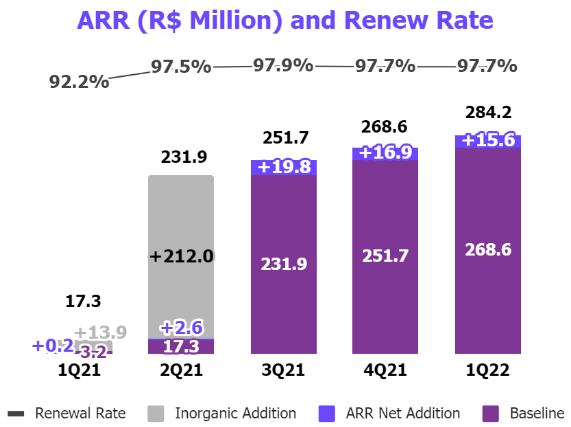
The Business Performance dimension represents the portfolio of solutions focused on increasing sales, competitiveness, and customer performance through digital marketing, sales/digital commerce, and CS – customer success – solutions.

For comparison purposes, please see below the result of this dimension considering RD Station figures from January to March 2021.

Biz Performance Result (in R$ millions)	1Q22	1Q21*	Δ	4Q21	Δ
Net Revenue	**69.8**	**52.4**	**33.3%**	**68.6**	**1.7%**
Recurring	68.9	51.4	34.1%	66.8	3.2%
Non Recurring	0.9	1.0	(7.5%)	1.8	(50.6%)
Costs	(18.5)	(14.9)	24.2%	(17.9)	3.7%
Gross Profit	**51.3**	**37.5**	**36.9%**	**50.8**	**1.1%**
Gross Margin	*73.5%*	*71.5%*	*200 bp*	*73.9%*	*-40 bp*
Research and Development	(17.3)	(10.0)	73.9%	(15.1)	15.0%
Provision for Expected Credit Losses	(0.7)	(1.3)	(47.8%)	0.0	<(999%)
Biz Performance Contribution Margin	**33.3**	**26.2**	**27.0%**	**35.7**	**(6.7%)**
% Biz Performance Contribution Margin	*47.7%*	*50.1%*	*-240 bp*	*52.0%*	*-430 bp*

* Includes the months of jan-mar/21 of RD Station, for comparison purposes only, which were not consolidated in the Company's results for that quarter.

Net Revenue



The Business Performance ARR (Annual Recurring Revenue) grew 34% over 1Q21 on the same comparison basis and 6% over 4Q21, with ARR Net Addition of R$15.6 million in the period, as shown in the chart on the right. The lower ARR net addition in 1Q22 compared with 4Q21 reflects mainly the seasonal performance of the new signings in January and February, both from RD Station and Tail, when customers usually reduce marketing investments.

The Business Performance Net Revenue, on the same comparison basis, grew 33% in 1Q22 versus 1Q21, driven by the 34% growth in Recurring Revenue, making this line to reach 99% of the total revenue of this dimension. This Recurring Revenue performance reflects the progress of RD Station's cross-sell strategy through the CRM product, which continues to gain traction and representativeness, combined with the up-sell strategy, driven by the PQL (Product Qualified Lead) process, where the leads are rated according to the use of the Entry-Level product by customers themselves, generating upsell for the Premium product. It is worth mentioning that as of 1Q22 we started planning the first pilot of portfolio and revenue synergy between RD Station and TOTVS.

Digital Commerce continues to grow, closing the quarter with more than 200 customers in production (which are already generating GMV - Gross Merchandise Volume), 2.5 times higher than 1Q21 and the annualized GMV reaching approximately R$300 million, a 150% increase over 1Q21. We are investing strongly in a strategy to expand digital commerce, with an asset-light model that aims the growth of GMV and take rate. In this regard, we took another step by bringing a new head for this operation from the market, who is extensively experienced and has worked for companies such as Linx and, more recently, VTEX.

Gross Margin

The Business Performance Gross Margin ended the quarter at 72.5%, 200 basis points above 1Q21 and 140 basis points above the Management Gross Margin, demonstrating again the scalability of the SaaS model of this business.

Research & Development

Research and Development (R&D) expenses, as a percentage of this dimension's Net Revenue, came from 19% in 1Q21 to 25% in 1Q22. This growth, as commented in previous quarters, results from investments in expanding the portfolio's scope and functional depth, such as the digital marketing platform and CRM of RD Station and other Business Performance products, aiming to increase the competitive advantage and benefit from the opportunity of a market with low penetration. In addition, it is important to remember that RD Station is a company focused on growth via PLG (Product Led Growth), which makes investments in R&D even more critical.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses (formerly known as allowance for doubtful accounts) of Business Performance reached 1% on the Net Revenue of this dimension, 40 basis points below the representativeness of this line in 2021, and as mentioned in 4Q21, RD Station continues to improve its internal processes, aiming to increase the assertiveness of this provision.

Business Performance Contribution Margin

The Business Performance Contribution Margin was 47.7% in the quarter, which is 240 basis points below 1Q21, mainly due to higher investments in R&D. As part of the strategic plan, this behavior reflects the timing and mandate of the operation focused on revenue growth, preparing the foundations to seek leadership in this market with low penetration and great growth potential. It is worth mentioning that this is already a profitable operation despite the current mandate, with very positive unit economics, which reinforces the high potential for value generation of this dimension. An example of this is RD Station's premium digital marketing product, which ended 1Q22 with an LTV/CAC (Lifetime Value / Customer Acquisition Cost) ratio of approximately 5x.

Techfin dimension results

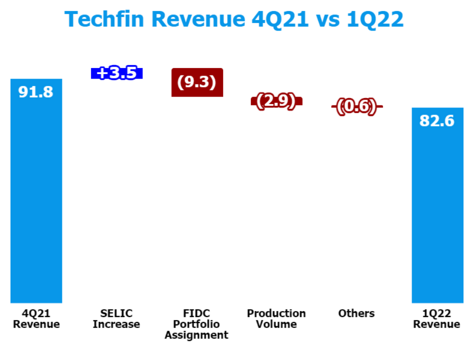
The Techfin dimension aims to simplify, expand, and democratize the access of TOTVS SMB customers to B2B financial services, including Supplier's business and new products (Antecipa, Consignado, Painel Financeiro, EduConnectPAY, Mais Negócios, Mais Prazo and Pagamento Instantâneo). This means that we have two operations at different stages of development: Supplier, with almost two decades of life, solid growth, and profitability; and the New Techfin Products that are fully focused on investments to build a complete portfolio and a customer base for a subsequent search for revenue and profitability.

Techfin Result (in R$ millions)	1Q22	1Q21	Δ	4Q21	Δ
Techfin Revenue	**82.6**	**55.6**	**48.6%**	**91.8**	**(10.0%)**
Funding Cost	(35.5)	(13.4)	165.9%	(27.3)	30.1%
Net Funding Cost Revenue	**47.1**	**42.3**	**11.5%**	**64.5**	**(27.0%)**
Operational Costs	(5.9)	(4.9)	21.1%	(7.3)	(19.6%)
Gross Profit	**41.2**	**37.4**	**10.2%**	**57.2**	**(27.9%)**
Research and Development	(6.7)	(4.5)	49.4%	(8.0)	(15.7%)
Provision for Expected Credit Losses	(10.2)	(1.8)	462.5%	(5.4)	89.4%
Techfin Contribution Margin	**24.3**	**31.1**	**(21.9%)**	**43.8**	**(44.6%)**
% Net Funding Revenue Contrib. Margin	*51.5%*	*73.5%*	*-2200 bp*	*67.9%*	*-1640 bp*

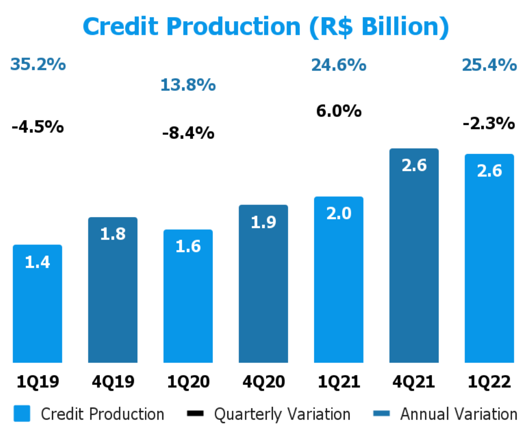
Techfin Revenue

The Techfin revenue grew 49% when compared to 1Q21, mainly due to the increase in the Selic rate and the 25% growth in Credit Production in the period.

When compared to 4Q21, the 10% reduction in the Techfin Revenue is explained mainly by the following effects, as shown in the chart on the right: (i) a positive impact of R$3.5 million from the increase in the Selic rate; (ii) a negative impact of R$9.3 million related to the portfolio assignment to the FIDC (Investment Fund for Credit Rights); and (iii) a negative impact of R$2.9 million due to the reduction in the volume of Credit Production for the quarter.



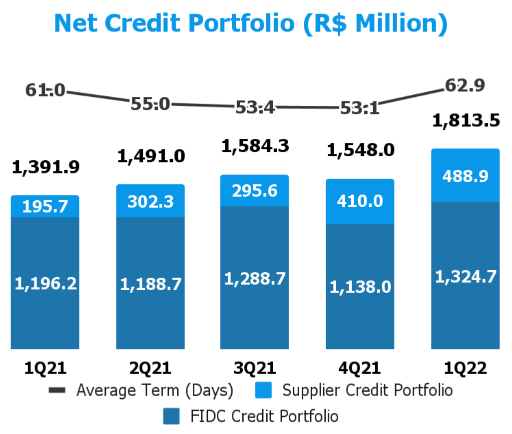
Regarding the portfolio assignment to the FIDC, the negative variation is explained by: (i) the increase in the assignment rate, mainly affected by the Selic rate increase in the period; (ii) the increase in the assignment volume, aiming to optimize the use of cash and efficiency of the credit operation; and (iii) and the increase in the average term of the portfolio, which increases the revenue to be appropriated from the FIDC. The recognition of this revenue is pro rata and therefore deferred. This deferred revenue reached the level of R$26.3 million in the quarter, 22% above 4Q21.



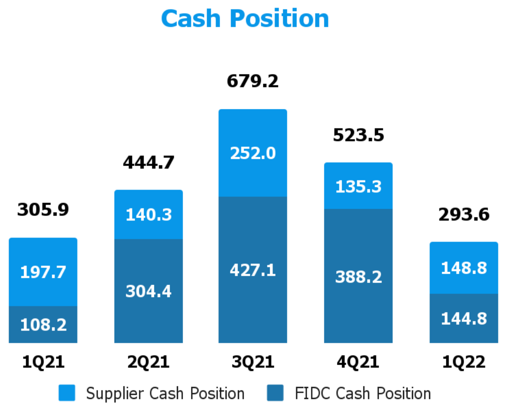
The slight reduction in Techfin's Credit Production between 1Q22 and 4Q21 followed the historical behavior of 1Q19 and 1Q20, as seen in the chart on the left. There was a different behavior in 2021 due to the atypical strong recovery from pandemic effects in 2Q20. Such seasonality between 4Q21 and 1Q22 is mainly associated with the reduction in the production of industries, because of the collective vacation period and the agribusiness off-season.

The Credit Portfolio net of Provision for Expected Credit Losses reached, as shown in the chart on the right, the historical level of R$1.8 billion in 1Q22, 30% above 1Q21 and 17% above 4Q21, mainly due to the increase in the average term from 53.1 to 62.9 days, especially in the agribusiness contracts.

The representativeness of the Supplier portfolio–compared to the FIDC portfolio–was maintained at a level similar to the one of 4Q21, aiming to optimize the use of both FIDC Cash and Supplier floating. It is worth mentioning that the portfolio held at Supplier has the same profile as the credits assigned to the FIDC and, consequently, does not represent an additional risk to the subordinate shares of the FIDC held by Supplier, given its level of credit insurance coverage.



Techfin Revenue - Net of Funding



The Revenue Net of Funding was 27% lower than in 4Q21. In addition to the 10% reduction in Techfin Revenue, as mentioned above, this reduction in Revenue Net of Funding resulted from a 30% increase in Funding Cost, mainly due to the mismatch between the effect on the Selic rate increase on the remuneration of the FIDC quotas, versus its effect on the Credit Portfolio, which resulted in a negative impact of R$6.4 million in the quarter. This mismatch, already explained in previous quarters, occurs when there is a change in the Selic rate, resulting in a negative impact in rising cycles, as at this moment, and in a positive impact in lowering cycles. Therefore, over a longer period of time, the effects can be neutralized.

The creation of the Techfin JV with Itaú Unibanco will bring significant benefits to the funding topic, not only in terms of availability, but also in terms of costs, flexibility, and therefore efficiency, reducing considerably seasonality and mismatches, allowing Techfin and Supplier to be more profitable and competitive.

Operating Costs

The 21% growth in Operating Costs in 1Q22, when compared with 1Q21, is explained mainly by: (i) the increase in costs related to credit insurance premiums; and (ii) the increase in cost with the support team, which was reinforced throughout the year to meet the growing number of customers of new products and collective wage adjustments, as well as their retroactive effects on vacation balances.

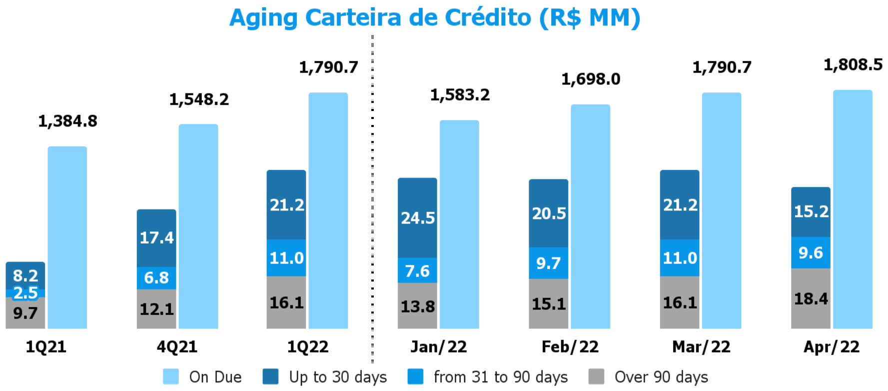
These same effects explain the 20% reduction in this line, when compared with 4Q21, and why this line was below the 27% reduction of the Techfin Revenue Net of Funding.

Research & Development

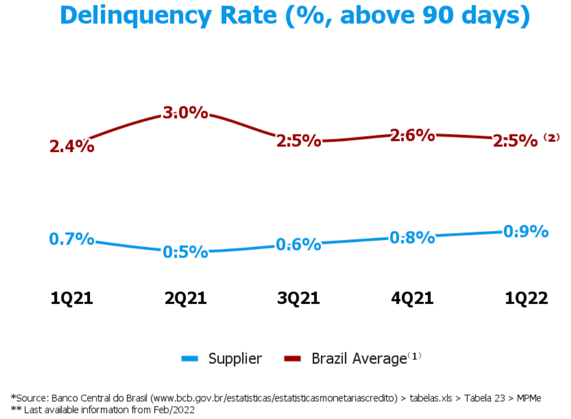
Research and Development (R&D) expenses decreased quarter-over-quarter mainly because of the higher volume of employees on vacation in the quarter.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses increased from 0.21% of the 4Q21 Credit Production to 0.40% in 1Q22. This higher level of provision in the quarter mainly reflects the 33% increase in the overdue portfolio versus a 16% increase in the maturing portfolio.



This provision increase mentioned above was not accompanied by a significant increase in the percentage of Delinquency above 90 days over the total Portfolio, as seen in the chart below.

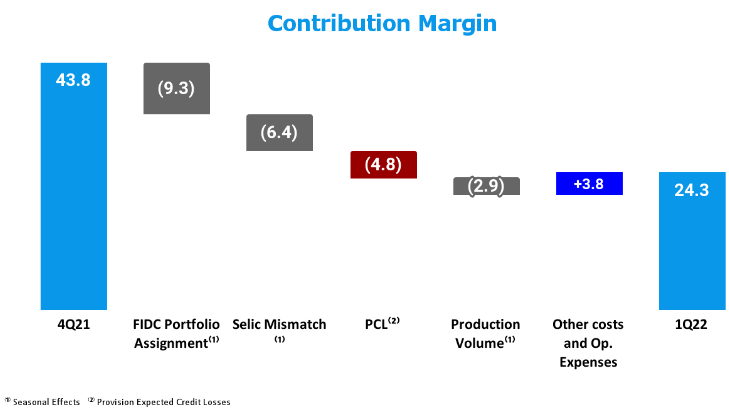


Additionally, as shown on the right of the chart above, the Company has already observed a reduction in the overdue portfolio, mainly in the initial aging ranges, with a 23% decrease in the portfolio overdue up to 90 days in April versus March. This behavior is a result of the constant adjustments in the credit limits, despite the growth in the on due credit portfolio.

Finally, it is important to point out that until this moment, the volumes of effective loss have not increased. Thus, if in the coming quarters there is a reduction in the overdue portfolio and the effective loss is maintained at current levels, there will possibly be a significant reduction in this provision.

Techfin Contribution Margin on Techfin Revenue - Net of Funding

The Contribution Margin was negatively affected by several ad hoc effects, represented in the chart on the right, referring to: (i) the assignment of the portfolio to FIDC; (ii) the mismatch between the effect of Selic rising in the cost of credit versus the effect on the credit portfolio; and (iii) the reduction in the volume of Credit Production in the quarter, combined with the higher level of Provision for Losses in 1Q22. They were the main factors that led Techfin's Contribution Margin to be 45% lower than in 4Q21. In the course of 2022, part of these factors may be reversed and allow a Contribution Margin recovery.



Other Operating Expenses

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Sales and Marketing Expenses	**(184.3)**	**(129.2)**	**42.7%**	**(170.1)**	**8.4%**
% Net Revenue	*19.5%*	*18.3%*	*120 bp*	*19.0%*	*50 bp*

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Adjusted G&A Expenses and Others	**(100.6)**	**(72.9)**	**38.0%**	**(92.7)**	**8.5%**
% Net Revenue	*10.6%*	*10.3%*	*30 bp*	*10.4%*	*20 bp*
G&A Expenses and Others	**(128.7)**	**(74.8)**	**72.0%**	**(101.3)**	**27.1%**
General and Administrative Expenses	(93.7)	(67.8)	38.3%	(87.3)	7.3%
Provision for Contingencies	(11.4)	(9.1)	25.0%	(7.3)	55.3%
Other Net Revenues (Expenses)	(23.6)	2.1	<(999%)	(6.7)	254.2%
Extraordinary Items	**28.2**	**2.0**	**>999%**	**8.6**	**226.0%**
Earn-out Adjustment at Fair Value	24.9	-	-	18.9	31.5%
Expenses with M&A Transactions	3.3	2.0	65.6%	0.2	>999%
Tax Credit	-	-	-	(10.5)	(100.0%)

Sales and Marketing Expenses

The Sales and Marketing Expenses on the Net Revenue ended the quarter at 19.5%, which is 50 basis points higher than 4Q21 due mainly to the growth in expenses with franchise commissions, driven by a significant increase in Licenses of the Corporate Model and franchise sales production in the quarter.

General and Administrative Expenses and Others

The General and Administrative Expenses ("G&A") net of the extraordinary impacts of expenses with M&A transactions ended the quarter at 9.6% on Net Revenue, which is similar to the one achieved in 4Q21, even with the collective bargaining agreement adjustments and their retroactive effects on vacation and 13th salary allowances. When compared with 1Q21, the growth of 30 basis points is mainly due to the consolidation of RD Station's results.

Expenses with Provision for Contingencies ended the quarter at R$11.4 million, reflecting mainly the revision of loss forecasts due to the progress of labor and civil lawsuits already existing from previous periods.

The line of Other Net Operating Revenues was impacted in 1Q22 by the earn-out adjustment because of the exercise of a call-option to purchase interests from Mauro Vulcan and Eduardo Wagner, the founders of Supplier, who simultaneously expanded their horizons of incentives and permanence in the operation, as a result of the creation of the Techfin Joint Venture with Itaú Unibanco.

Below EBITDA Results

Depreciation and Amortization Expenses

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Depreciation	(31.0)	(26.1)	18.8%	(30.2)	2.9%
Amortization	(40.8)	(33.2)	22.8%	(40.6)	0.5%
Depreciation and Amortization	**(71.8)**	**(59.3)**	**21.1%**	**(70.7)**	**1.5%**

The Depreciation and Amortization lines kept the same level achieved in 4Q21. When compared with 1Q21, the 21% growth is explained mainly by the amortization of intangible assets and depreciation of fixed assets resulting from the acquisition of RD Station.

Financial Result

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Financial Revenues	77.8	7.6	922.0%	57.5	35.4%
Financial Expenses	(78.6)	(16.3)	383.8%	(56.5)	39.1%
Financial Result	**(0.8)**	**(8.6)**	**(90.8%)**	**1.0**	**(181.9%)**

In the year-over-year comparison, there was a change in the position from Net Debt, in 1Q21, to Net Cash in 1Q22, especially as a result of the Follow-on carried out in 3Q21 and the primary contribution of Cash received by Dimensa when B3 became its shareholder. On the other hand, we also had the following effects that reduced the financial result: (i) interest on the debentures issued on May 2021; and (ii) effects arising from the present value adjustment (PVA) of obligations for the acquisition of investments totaling R$11.0 million in RD Station, Dimensa and Supplier. When compared to 4Q21, the growth in financial expenses is also explained by the PVA of obligations for the acquisition of investments in RD Station and Dimensa in the total amount of R$5.5 million.

Income Tax and Social Contribution

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
EBT	**122.5**	**120.1**	**2.0%**	**142.0**	**(13.7%)**
Taxes at combined rate (34%)	(41.7)	(40.8)	2.1%	(48.3)	(13.7%)
Law 11,196/05 - R&D Incentive	5.1	4.4	14.7%	5.1	0.5%
Interest on Equity	0.0	-	-	26.9	(99.9%)
Effect of Different Taxation in Subsidiaries	(3.7)	(3.6)	4.8%	(2.1)	81.4%
Management Bonus	(1.0)	(0.5)	118.2%	(0.6)	77.8%
Government Subsidies	0.8	0.8	1.3%	0.6	38.0%
Share Issue Expenses	0.0	-	-	1.5	(98.2%)
Other	2.9	0.2	>999%	0.7	326.5%
Income Tax and Social Contribution	**(37.6)**	**(39.4)**	**(4.7%)**	**(16.2)**	**131.7%**
Current Income Tax and Social Contribution	(46.1)	(52.7)	(12.6%)	(31.1)	48.1%
Deferred Income Tax and Social Contribution	8.6	13.3	(35.7%)	14.9	(42.7%)
% Current Effective Tax Rate	*37.6%*	*43.9%*	*-630 bp*	*21.9%*	*1570 bp*
% Total Effective Tax Rate	*30.7%*	*32.8%*	*-210 bp*	*11.4%*	*1930 bp*

The Income Tax and Social Contribution Effective Rate ended the quarter at 30.7%, 210 basis points below 1Q21, mainly explained by the growth of 15% of R&D projects, within the tax incentive rules. When compared to 4Q21, the increase in the Income Tax effective rate is related mainly to the statement of Interest on Stockholders' Equity that took place in 4Q21.

Net Income and Cash Earnings

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Adjusted EBITDA	**223.3**	**190.0**	**17.5%**	**220.5**	**1.3%**
Adjusted EBITDA Margin	*23.6%*	*26.9%*	-330 bp	*24.7%*	-110 bp
Depreciation and Amortization	(71.8)	(59.3)	21.1%	(70.7)	1.5%
Financial Result	(0.8)	(8.6)	(90.8%)	1.0	(181.9%)
Income Tax and Social Contribution	(37.6)	(39.4)	(4.7%)	(16.2)	131.7%
Taxes on Extraordinary Items	(9.6)	(0.7)	>999%	(2.9)	226.0%
Non-Controlling Net Income	(5.5)	-	-	(5.5)	(0.4%)
Adjusted Controller's Net Income	**98.1**	**81.9**	**19.7%**	**126.0**	**(22.2%)**
*Adjusted Net Margin**	*10.4%*	*11.6%*	*-120 bp*	*14.1%*	*-370 bp*
Net Effect of Amortization	18.6	14.7	26.0%	19.8	(6.1%)
Cash Earnings**	**116.6**	**96.7**	**20.6%**	**145.8**	**(20.0%)**
Cash Earnings Margin	*12.3%*	*13.7%*	*-140 bp*	*16.3%*	*-400 bp*

* Adjusted Controller's Net Income as % of the Revenue net of Funding Cost

**Net Income without the effects of expenses with amortization of intangibles arising from acquisitions

The Cash Earnings grew 21% when compared with 1Q21, due mainly to the 18% growth in the Adjusted EBITDA and the 91% reduction in the negative Financial Result as a consequence of the Net Cash position. When compared with 4Q21, the 20% reduction in Cash Earnings is related mainly to the growth of Income Tax and Social Contribution, as commented in the topic "Income Tax and Social Contribution".

Cash Flow

Despite the accounting treatment of consolidating FIDC when preparing the Consolidated Financial Statements, we believe that excluding the effects of FIDC is better to reflect the progress of the Company's financial position, especially for the following reasons: (i) FIDC is an independent entity, with independent management, in which the subordinate shares held by Supplier represent only about 4.5% of such fund's capital; and (ii) the credit risk is transferred to the fund when the credits are assigned by Supplier, whose risk is limited to the capital used in its subordinate shares. Accordingly, FIDC's Cash (presented under the balance of “Financial investments”) was removed from TOTVS' Cash and Cash Equivalents consolidated balance in the tables below. **Exhibit VII** of this document shows a reconciliation between the (Non-GAAP) Cash Flow, without the effects of the FIDC consolidation, and the Cash Flow Statement (GAAP), as part of the Consolidated Quarterly Financial Information.

	Without the effects of FIDC consolidation				
In R$ millions	**1Q22**	1Q21	Δ	4Q21	Δ
EBT	**122.5**	**120.1**	**2.0%**	**142.0**	**(13.7%)**
Non-Cash Items	193.7	85.1	127.7%	155.5	24.6%
Change in Working Capital	(45.8)	(22.6)	102.9%	(140.9)	(67.5%)
Operating Cash Generation	**270.4**	**182.6**	**48.1%**	**156.6**	**72.7%**
Interest paid	(9.6)	(3.7)	160.9%	(54.1)	(82.3%)
Income Tax and Social Cont. paid	(50.1)	(48.3)	3.6%	(33.9)	47.8%
Net Cash from Operating Activities	**210.8**	**130.6**	**61.4%**	**68.6**	**207.2%**
Acquisition of Subsidiaries	(180.6)	(19.0)	849.5%	(0.8)	>999%
Fixed Assets	(14.5)	(10.1)	42.9%	(34.5)	(58.2%)
Intangibles	(9.8)	(10.4)	(6.0%)	(17.8)	(45.0%)
Financial Investments	(4.2)	-	-	-	-
Franchises Loan	4.5	(3.0)	(249.2%)	(16.6)	(126.9%)
Net Cash used in Investing Act.	**(204.6)**	**(42.6)**	**380.7%**	**(69.8)**	**193.2%**
Increase (Decrease) Gross Debt	(114.2)	(9.3)	>999%	(13.4)	751.7%
Shareholders Remuneration	90.7	(6.4)	<(999%)	(36.0)	(351.9%)
Capital Contribution	-	-	-	(4.3)	(100.0%)
Investments form Non-controlling Interest	(0.1)	-	-	600.1	(100.0%)
Net Cash gen. by (used in) Financ. Act.	**(23.5)**	**(15.8)**	**49.1%**	**546.4**	**(104.3%)**
Incr. (Dec.) in Cash and Cash Eq.	(17.4)	72.2	(124.1%)	545.2	(103.2%)
Cash and Equiv. Beginning of the Period	2,871.1	1,011.6	183.8%	2,325.9	23.4%
Cash and Equiv. End of the Period	**2,853.7**	**1,083.9**	**163.3%**	**2,871.1**	**(0.6%)**
Free Cash Flow*	**193.1**	**109.4**	**76.4%**	**35.3**	**446.9%**

* Net cash from operating activities (+) Net cash from investing activities (-) Interest paid net of income tax (-) Amounts paid in the acquisition of equity interests

The Free Cash Flow ended 1Q22 at R$193.1 million, which is 447% higher than 4Q21 due to: (i) the increase of R$94.9 million in Transfer to Supplier's partners (Affiliates); (ii) the seasonal increase of R$46.9 million in Recoverable Taxes because of the offsets starting in 2Q after meeting ancillary obligations; and (iii) the reduction of R$44.5 million in paid interest associated with the payment to debentures in the previous quarter.

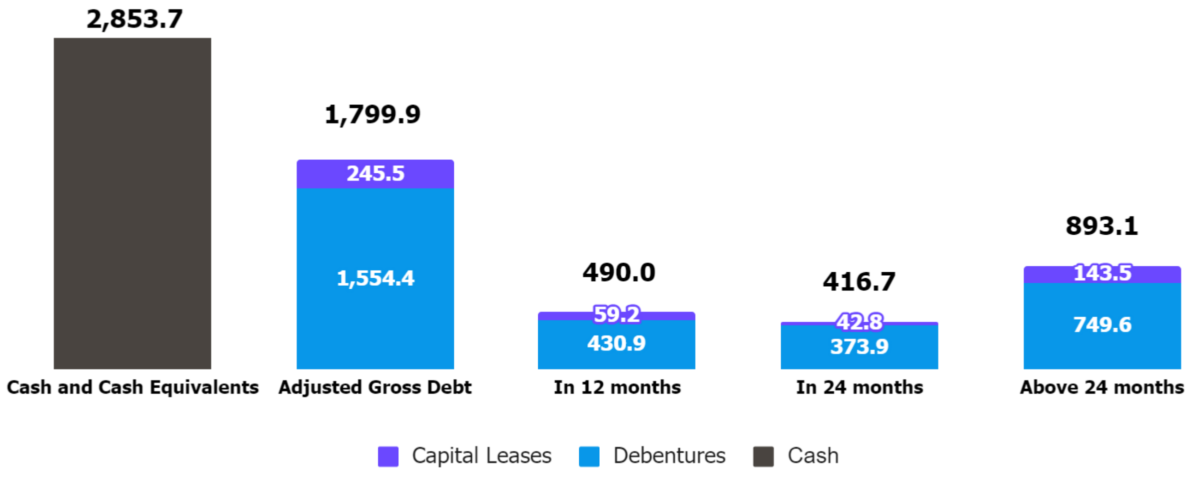
The conversion of the Adjusted EBITDA into operating Cash generation in the quarter was 121%. It is also worth mentioning that Supplier redeemed R$100 million of the investment in FIDC's senior and mezzanine quotas and thus settled the loans made in 2Q21. It is important to emphasize and clarify that Supplier's credit operation only uses its own working capital, such as its Cash and Floating, and does not access working capital from the Company's other operations. That is, there is a complete separation between the flows.

Gross and Net Debt

In addition to the assumptions already described in the "Cash Flow" section, we understand that the FIDC consolidation also compromises the monitoring of the actual level of the Company's debt, since the senior and mezzanine quotas are part of FIDC's equity and, therefore, they are not effectively payable by TOTVS. Accordingly, the balances of the senior and mezzanine shares were removed for the purpose of calculating Adjusted Gross and Net Debts, as shown below:

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Loans and Financing	-	101.7	(100.0%)	103.7	(100.0%)
Capital Leases	245.5	259.9	(5.6%)	231.9	5.9%
Debentures	1,554.4	-	-	1,509.1	3.0%
Senior and Mezzanine Quota	1,386.8	1,135.2	22.2%	1,372.7	1.0%
Gross Debt	**3,186.7**	**1,496.8**	**112.9%**	**3,217.5**	**(1.0%)**
(-) Senior and Mezzanine Quota	(1,386.8)	(1,135.2)	22.2%	(1,372.7)	1.0%
Adjusted Gross Debt	**1,799.9**	**361.6**	**397.7%**	**1,844.7**	**(2.4%)**
(-) Cash and Cash Equivalents	(2,853.7)	(1,083.9)	163.3%	(2,871.1)	(0.6%)
Adjusted Net Debt (Cash)	**(1,053.8)**	**(722.2)**	**45.9%**	**(1,026.3)**	**2.7%**

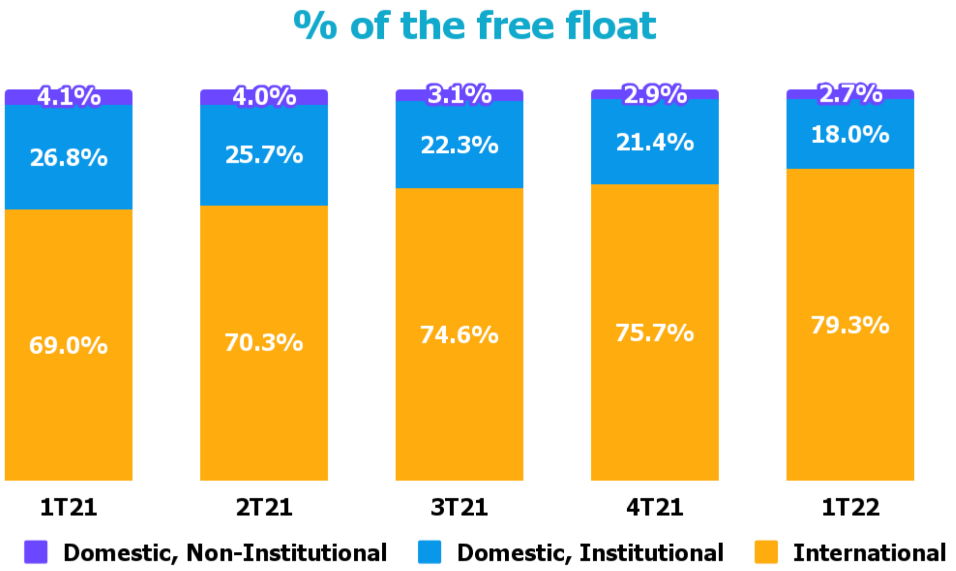
The Adjusted Gross Debt ended the quarter at R$1.8 billion, 2.4% lower when compared with the previous quarter. In the year-over-year comparison, the 397% growth resulted from the issuance of debentures and Follow-on carried out throughout 2021.



The Cash and Equivalents balance ended the quarter at R$2.9 billion, corresponding to approximately 1.3x the balance of the Total Adjusted Gross Debt and 4.9x the balance of the Adjusted Gross Debt maturing in the next 12 months, showing the solid financial position of the Company to carry out its strategy of building a 3-dimensional business ecosystem (Management, Techfin, and Business Performance).

SHAREHOLDING COMPOSITION

TOTVS ended 1Q22 with a Capital Stock of R$2.9 billion, comprised of 617,183,181 common shares, of which 84% are in free-float with the following composition:



About TOTVS

An absolute leader in systems and platforms for business management, TOTVS delivers productivity to more than 70 thousand clients by the digitization of businesses. Going far beyond ERP, it offers financial services and business performance solutions, investing approximately R$2 billion in research and development in the last five years to meet the requirements of 12 sectors of the economy. As a Brazilian Company, TOTVS believes in a "Brazil that makes it happen" and supports the growth and sustainability of thousands of businesses and entrepreneurs, across the whole country, through its technology. For further information, please visit: www.totvs.com.br

THE COSTUMER'S SUCCESS
IS OUR SUCCESS

TECHNOLOGY + KNOWLEDGE
ARE OUR DNA

WE VALUE GOOD PROFESSIONALS
WHO ARE GOOD PEOPLE

This report contains forward-looking statements. Such information does not refer to historical facts only but reflects the wishes and expectations of TOTVS' management. Words such as "anticipates", "wants", "expects", "foresees", "intends", "plans", "predicts", "projects", "aims" and the like are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, the acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency, currency fluctuations, supply and production hurdles, and changes in product sales, among other risks. This report also contains certain pro forma statements prepared by the Company only for information and reference purposes and are therefore unaudited. This report is up to date, and TOTVS has no obligation to update it with new information and/or future events.

APPENDIX I

Consolidated Income Statement (Non-GAAP)

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
GAAP Net Revenue	**981.1**	**720.3**	**36.2%**	**920.7**	**6.6%**
Techfin Funding Cost	(35.5)	(13.4)	165.9%	(27.3)	30.1%
Non-GAAP Net Revenue	**945.6**	**706.9**	**33.8%**	**893.4**	**5.8%**
Management Revenue	828.7	660.3	25.5%	760.2	9.0%
Business Performance Revenue	69.8	4.4	>999%	68.6	1.7%
Techfin Revenue - Net of funding	47.1	42.3	11.5%	64.5	(27.0%)
Operating Costs	**(255.7)**	**(190.4)**	**34.3%**	**(244.6)**	**4.5%**
Management Operating Costs	(231.3)	(182.9)	26.5%	(219.4)	5.4%
Business Performance Operating Costs	(18.5)	(2.7)	590.8%	(17.9)	3.7%
Techfin Costs	(5.9)	(4.9)	21.1%	(7.3)	(19.6%)
Gross Profit	**689.9**	**516.5**	**33.6%**	**648.8**	**6.3%**
Operating Expenses	**(566.6)**	**(387.7)**	**46.1%**	**(507.7)**	**11.6%**
Research and Development	(164.2)	(117.6)	39.7%	(157.8)	4.1%
Sales and Marketing Expenses	(184.3)	(129.2)	42.7%	(170.1)	8.4%
Provision for Expected Credit Losses	(17.6)	(6.9)	155.6%	(7.8)	126.2%
General and Administrative Expenses	(93.7)	(67.8)	38.3%	(87.3)	7.3%
Provision for Contingencies	(11.4)	(9.1)	25.0%	(7.3)	55.3%
Depreciation and Amortization	(71.8)	(59.3)	21.1%	(70.7)	1.5%
Other Net Revenues (Expenses)	(23.6)	2.1	<(999%)	(6.7)	254.2%
Equity Pickup	0.0	-	-	-	-
EBIT	**123.3**	**128.7**	**(4.2%)**	**141.1**	**(12.6%)**
Financial Result	(0.8)	(8.6)	(90.8%)	1.0	(181.9%)
Earnings Before Taxes (EBT)	**122.5**	**120.1**	**2.0%**	**142.0**	**(13.7%)**
Income Tax and Social Contribution	(37.6)	(39.4)	(4.7%)	(16.2)	131.7%
Net Income from Continuing Operation	**85.0**	**80.6**	**5.4%**	**125.8**	**(32.5%)**
Net Margin Continued Operation	*9.0%*	*11.4%*	*(21.2%)*	*14.1%*	*-510 bp*
Consolidated Net Income	**85.0**	**80.6**	**5.4%**	**125.8**	**(32.5%)**
Non-Controlling Net Income	(5.5)	-	-	(5.5)	(0.4%)
Controller's Net Income	**79.5**	**80.6**	**(1.5%)**	**120.3**	**(33.9%)**
*Non-GAAP Controller's Net Margin**	*8.4%*	*11.4%*	*-300 bp*	*13.5%*	*-510 bp*

APPENDIX II

EBITDA and Net Income Reconciliation

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
Consolidated Net Income	**85.0**	**80.6**	**5.4%**	**125.8**	**(32.5%)**
Non-GAAP Net Margin	*8.4%*	*11.4%*	*-300 bp*	*13.5%*	*-510 bp*
Depreciation and Amortization	71.8	59.3	21.1%	70.7	1.5%
Financial Result	0.8	8.6	(90.8%)	(1.0)	(181.9%)
Income Tax and Social Contribution	37.6	39.4	(4.7%)	16.2	131.7%
EBITDA	**195.1**	**188.0**	**3.8%**	**211.8**	**(7.9%)**
Non-GAAP EBITDA Margin	*20.6%*	*26.6%*	*-600 bp*	*23.7%*	*-310 bp*
Extraordinary Items	**28.2**	**2.0**	**>999%**	**8.6**	**226.0%**
Earn-out Adjustment at Fair Value	24.9	-	-	18.9	31.5%
Expenses with M&A Transactions	3.3	2.0	65.6%	0.2	>999%
Tax Credit	-	-	-	(10.5)	(100.0%)
Adjusted EBITDA	**223.3**	**190.0**	**17.5%**	**220.5**	**1.3%**
Non-GAAP Adjusted EBITDA Margin	*23.6%*	*26.9%*	-330 bp	*24.7%*	-110 bp

APPENDIX III

Income Statement Reconciliation

In R$ millions	1Q22 GAAP Income Statement	IAS-1*	Funding Cost	Non-GAAP Income Statement
Net Revenue	**981.1**	**-**	**(35.5)**	**945.6**
Management Revenue	828.7	-	-	828.7
Business Performance Revenue	69.8	-	-	69.8
Techfin Revenue	82.6	-	(35.5)	47.1
Costs	**(310.8)**	**19.6**	**35.5**	**(255.7)**
Gross Profit	**670.3**	**19.6**	**-**	**689.9**
Gross Margin	*68.3%*			*73.0%*
Operating Expenses (Revenues)	**(547.0)**	**(19.6)**	**-**	**(566.6)**
Research and Development	(176.6)	12.4	-	(164.2)
Sales and Marketing Expenses	(209.3)	25.0	-	(184.3)
General and Administrative Expenses	(137.5)	32.4	-	(105.1)
Depreciation and Amortization	-	(71.8)	-	(71.8)
Provision for Expected Credit Losses	-	(17.6)	-	(17.6)
Other Net Revenues (Expenses)	(23.6)	-	-	(23.6)
EBIT	**123.3**	**(0.0)**	**-**	**123.3**
Financial Revenues	77.8	-	-	77.8
Financial Expenses	(78.6)	-	-	(78.6)
Earnings Before Taxes (EBT)	**122.5**	**(0.0)**	**-**	**122.5**
Income Tax and Social Contribution	(37.6)	-	-	(37.6)
Current	(46.1)	-	-	(46.1)
Deferred	8.6	-	-	8.6
Consolidated Net Income	**85.0**	**(0.0)**	**-**	**85.0**
Non-Controlling Net Income	(5.5)	-	-	(5.5)
Controlling Net Income	**79.5**	**(0.0)**	**-**	**79.5**
Controlling Net Margin	*8.1%*			*8.4%*

* As established in IAS-1, expenses with depreciation and amortization and provision for expected credit losses were reclassified to cost and expense lines associated with the respective assets that originated them.

** Income Statement and reconciliation as reported in note 26 of the Income Statements in International Standards

APPENDIX IV

Balance Sheet (Non-GAAP)

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
		Without the effects of FIDC consolidation			
ASSETS					
Current Assets	**4,118.2**	**1,955.4**	**110.6%**	**4,113.4**	**0.1%**
Cash and Cash Equivalents	2,853.7	1,083.9	163.3%	2,871.1	(0.6%)
Financial Investments	91.5	169.6	(46.0%)	186.1	(50.8%)
Trade Receivables	1,041.9	672.4	55.0%	931.7	11.8%
Provision for Expected Credit Losses	(71.1)	(80.4)	(11.5%)	(86.0)	(17.3%)
Recoverable Taxes	85.1	37.0	130.1%	90.5	(5.9%)
Other Assets	107.5	63.2	70.1%	110.8	(3.0%)
Escrow Account	9.6	9.7	(1.3%)	9.3	2.7%
Non-current Assets	**4,577.3**	**2,344.5**	**95.2%**	**4,458.8**	**2.7%**
Long-term assets	**445.2**	**383.1**	**16.2%**	**464.6**	**(4.2%)**
Trade Receivables	56.4	56.0	0.8%	64.9	(13.1%)
Deferred Tax Assets	153.5	115.6	32.8%	144.6	6.1%
Judicial Deposits	29.3	44.7	(34.6%)	29.7	(1.3%)
Investiments at Fair Value	84.6	101.7	(16.8%)	99.6	(15.1%)
Escrow Account	36.4	-	-	35.4	2.7%
Other Assets	85.1	65.1	30.7%	90.3	(5.8%)
Investments	2.7	3.7	(27.3%)	3.1	(12.4%)
Property, Plant and Equipment	413.4	394.9	4.7%	404.9	2.1%
Intangible	3,716.0	1,562.8	137.8%	3,586.2	3.6%
TOTAL ASSETS	**8,695.5**	**4,299.9**	**102.2%**	**8,572.2**	**1.4%**
LIABILITIES					
Current Liabilities	**1,908.5**	**1,062.5**	**79.6%**	**1,946.7**	**(2.0%)**
Labor Liabilities	284.3	223.0	27.5%	289.2	(1.7%)
Trade and Other Payables	108.4	77.0	40.7%	112.6	(3.7%)
Taxes and Contributions Liabilities	78.8	70.6	11.6%	96.8	(18.6%)
Loans and Financing	-	101.7	(100.0%)	103.7	(100.0%)
Debentures	430.9	-	-	386.0	11.6%
Lease Liabilities	59.2	54.4	8.7%	52.6	12.6%
Dividends Payable	70.9	51.3	38.3%	80.2	(11.6%)
Accounts Payable from Acq. of Subsid.	95.9	29.4	226.0%	153.8	(37.7%)
Commissions Payable	69.3	61.7	12.3%	59.6	16.2%
Other Liabilities	102.3	11.8	769.9%	92.1	11.0%
Business Partners Payable	608.7	381.6	59.5%	520.1	17.0%
Non-current Liabilities	**2,220.3**	**534.7**	**315.2%**	**2,139.5**	**3.8%**
Lease Liabilities	186.3	205.5	(9.3%)	179.3	3.9%
Debentures	1,123.6	-	-	1,123.1	0.0%
Accounts Payable from Acq. of Subsid.	365.3	157.7	131.7%	311.6	17.3%
Tax Obligations	2.4	3.7	(35.0%)	2.7	(10.9%)
Deferred Income Taxes	1.3	2.0	(34.3%)	-	-
Provision for Contingencies	114.8	135.8	(15.5%)	107.6	6.6%
Call Option of Non-controlling Interests	373.5	-	-	366.2	2.0%
Other Liabilities	53.1	30.1	76.3%	48.9	8.5%
Shareholders' Equity	**4,566.6**	**2,702.7**	**69.0%**	**4,486.0**	**1.8%**
Share Capital	2,962.6	1,382.5	114.3%	2,962.6	0.0%
Treasury Shares	(133.1)	(148.5)	(10.3%)	(133.2)	(0.0%)
Capital Reserves	878.5	901.9	(2.6%)	864.9	1.6%
Profit Reserve	562.7	462.5	21.7%	483.2	16.4%
Proposed Dividends	-	51.0	(100.0%)	-	-
Carrying Value Adjustments	37.4	53.3	(29.8%)	55.5	(32.5%)
Non-controlling Interest	258.6	-	-	253.1	2.2%
TOTAL LIABILITIES AND EQUITY	**8,695.5**	**4,299.9**	**102.2%**	**8,572.2**	**1.4%**

APPENDIX V

Balance Sheet Reconciliation

	1Q22		
ASSETS	**GAAP - Consolidated**	**Effects from FIDC Consolidation**	**Non-GAAP Consolidated without FIDC**
Current Assets	**5,506.0**	**(1,387.8)**	**4,118.2**
Cash and Cash Equivalents	2,853.7	(0.0)	2,853.7
Financial Investments	149.0	(57.5)	91.5
Trade and other Receivables	2,295.4	(1,324.7)	970.8
Other Current Assets	207.9	(5.6)	202.2
Non-Current Assets	**4,577.3**	**-**	**4,577.3**
Other Non-Current Assets	447.9	-	447.9
Property, Plant and Equipment	413.4	-	413.4
Intangible Assets and Goodwill	3,716.0	-	3,716.0
TOTAL ASSETS	**10,083.3**	**(1,387.8)**	**8,695.5**

LIABILITIES			
Current Liabilities	**3,296.3**	**(1,387.8)**	**1,908.5**
Loans, Financing and Lease Liabilities	59.2	-	59.2
Business Partners Payable	608.7	-	608.7
Debentures	430.9	-	430.9
Senior Shares and Mezzanine Obligations	1,386.8	(1,386.8)	-
Other Current Liabilities	810.8	(1.1)	809.7
Non-Current Liabilities	**2,220.3**	**-**	**2,220.3**
Loans, Financing and Lease Liabilities	186.3	-	186.3
Debentures	1,123.6	-	1,123.6
Provision for Contingencies	114.8	-	114.8
Other Non-Current Liabilities	795.7	-	795.7
Shareholders' Equity	4,566.6	-	4,566.6
TOTAL LIABILITIES AND EQUITY	**10,083.3**	**(1,387.8)**	**8,695.5**

APPENDIX VI

Cash Flow (Non-GAAP)

In R$ millions	1Q22	1Q21	Δ	4Q21	Δ
	Without the effects of FIDC consolidation				
EBT	**122.5**	**120.1**	**2.0%**	**142.0**	**(13.7%)**
Adjustments:	**193.7**	**85.1**	**127.7%**	**155.5**	**24.6%**
Depreciation and Amortization	71.8	59.3	21.1%	70.7	1.5%
Share-based Payments Expense	13.7	7.1	93.1%	5.5	150.8%
Losses on Disposal of Fixed Assets and Inv.	0.2	(0.3)	(171.1%)	(0.8)	(125.3%)
Provision for Expected Credit Losses	8.0	5.6	43.5%	2.7	192.5%
Equity Pickup	(0.0)	-	-	-	-
Prov. for Contingencies, Net of Reversals	11.4	9.1	25.0%	7.3	55.3%
Provision (Reversal) for Other Obligations	24.9	-	-	18.9	31.5%
Net Inter. Monet. and Exchange Var.	63.6	4.2	>999%	51.0	24.6%
Changes in Op. Assets and Liabilities:	**(45.8)**	**(22.6)**	**102.9%**	**(140.9)**	**(67.5%)**
Trade Receivables	(123.1)	(35.8)	243.9%	(108.5)	13.5%
Recoverable Taxes	6.5	1.1	497.1%	(40.4)	(116.1%)
Judicial Deposits	0.7	(0.3)	(336.4%)	10.7	(93.4%)
Other Assets	(6.2)	(25.6)	(75.7%)	23.3	(126.7%)
Labor Liabilities	(5.1)	11.4	(144.8%)	(12.4)	(58.9%)
Trade and Other Payables	(4.7)	(22.1)	(78.7%)	3.4	(237.6%)
Commissions Payable	9.7	7.9	22.0%	(3.4)	(383.3%)
Taxes and Contributions Payable	(15.4)	(8.7)	76.8%	2.9	(634.8%)
Other Accounts Payable	3.3	(3.3)	(199.6%)	(10.2)	(132.1%)
Business Partners Payable	88.6	52.8	67.8%	(6.3)	<(999%)
Operating Cash Generation	**270.4**	**182.6**	**48.1%**	**156.6**	**72.7%**
Interest paid	(9.6)	(3.7)	160.9%	(54.1)	(82.3%)
Tax Paid	(50.1)	(48.3)	3.6%	(33.9)	47.8%
Net Cash from Operating Activities	**210.8**	**130.6**	**61.4%**	**68.6**	**207.2%**
Acquisition of Subsidiaries, Net of Cash	(67.6)	-	-	-	-
Acquisition of Intangible Assets	(9.8)	(10.4)	(6.0%)	(17.8)	(45.0%)
Proceeds from Sale of Subsid., Net of Cash	6.4	5.0	26.9%	0.0	>999%
Financial Investments	(4.2)	-	-	-	-
Franchises Loan	4.5	(3.0)	(249.2%)	(16.6)	(126.9%)
Proceeds from Sale of Prop. Plant and Equip.	0.2	0.5	(60.8%)	1.1	(82.1%)
Payments from Acquisitions of Subsidiaries	(119.5)	(24.1)	396.4%	(0.8)	>999%
Acquisitions of Prop. Plant and Equip.	(14.6)	(10.6)	38.0%	(35.6)	(58.9%)
Net Cash used in Investing Act.	**(204.6)**	**(42.6)**	**380.7%**	**(69.8)**	**193.2%**
Payment of Princ. of Loans and Financing	(105.2)	(0.8)	>999%	-	-
Payment of Principal of Lease Liabilities	(9.0)	(8.5)	5.8%	(13.4)	(32.8%)
Capital Increase, Net of Expenses	-	-	-	(4.3)	(100.0%)
Investments form Non-controlling Interest	(0.1)	-	-	600.1	(100.0%)
Dividends and Interest on Equity Paid	(9.3)	(6.4)	43.8%	(36.0)	(74.3%)
Aplic. (Red.) of Senior and Mezanine Quotas	100.0	-	-	-	-
Net Cash gen. by (used in) Financ. Act.	**(23.5)**	**(15.8)**	**49.1%**	**546.4**	**(104.3%)**
Incr. (Dec.) in Cash and Cash Eq.	**(17.4)**	**72.2**	**(124.1%)**	**545.2**	**(103.2%)**
Cash and Equiv. Beginning of the Period	2,871.1	1,011.6	183.8%	2,325.9	23.4%
Cash and Equiv. End of the Period	2,853.7	1,083.9	163.3%	2,871.1	(0.6%)

APPENDIX VII

Cash Flow Reconciliation

In R$ millions	1Q22 GAAP Consolidated Cash Flow	1Q22 Effects from FIDC Consolidation	1Q22 Non-GAAP Cash Flow
EBT	**122.5**	**-**	**122.5**
Non-Cash Items	238.5	(44.8)	193.7
Change in Working Capital	(214.0)	168.2	(45.8)
Interest Paid	(9.6)	-	(9.6)
Income Tax and Social Cont. Paid	(50.1)	-	(50.1)
Net Operating Cash Flow	**87.4**	**123.4**	**210.8**
Subsidiaries	(180.6)	-	(180.6)
Fixed Assets	(14.5)	-	(14.5)
Intangibles	(9.8)	-	(9.8)
Franchises Loans	4.5	-	4.5
Financial Investments	247.3	(251.5)	(4.2)
Net Cash used in Investing Act.	**46.9**	**(251.5)**	**(204.6)**
Grow (Reduction) Gross Debt	(114.2)	-	(114.2)
Shareholders Payment	(37.4)	128.1	90.7
Non-Subsidiary's Investments	(0.1)	-	(0.1)
Net Cash used in Financing Act.	**(151.6)**	**128.1**	**(23.5)**
Incr. (Dec.) in Cash and Cash Eq.	(17.4)	0.0	(17.4)
Cash and Equiv. Beginning of the Period	2,871.1	(0.0)	2,871.1
Cash and Equiv. End of the Period	**2,853.7**	**(0.0)**	**2,853.7**
Free Cash Flow*	**321.2**	**(128.1)**	**193.1**

* Net cash from operating activities (+) Net cash from investing activities (-) Interest paid net of income tax (-) Amounts paid in the acquisition of equity interests

APPENDIX VIII

Reclassification of Income from Financial Cash Investments of Supplier Adm

In R$ millions	1Q21 IS	1Q21 Financial Income Reclassification Supplier Adm.	1Q21 IS Reclassified	4Q22 IS	4Q22 Financial Income Reclassification Supplier Adm.	4Q22 IS Reclassified
Net Revenue	**720.3**	**-**	**720.3**	**920.7**	**-**	**920.7**
Funding Cost	(14.2)	0.8	(13.4)	(30.2)	2.9	(27.3)
Management Revenue	**706.1**	**0.8**	**706.9**	**890.5**	**2.9**	**893.4**
Operating Costs	(190.4)	-	(190.4)	(244.6)	-	(244.6)
Gross Profit	**515.7**	**0.8**	**516.5**	**645.8**	**(2.9)**	**648.8**
Operating Expenses	**(387.7)**	**-**	**(387.7)**	**(507.7)**	**-**	**(507.7)**
Research and Development	(117.6)	-	(117.6)	(157.8)	-	(157.8)
Sales and Marketing Expenses	(129.2)	-	(129.2)	(170.1)	-	(170.1)
Provision for Expected Credit Losses	(6.9)	-	(6.9)	(7.8)	-	(7.8)
General and Administrative Expenses	(67.8)	-	(67.8)	(87.3)	-	(87.3)
Provision for Contingencies	(9.1)	-	(9.1)	(7.3)	-	(7.3)
Depreciation and Amortization	(59.3)	-	(59.3)	(70.7)	-	(70.7)
Other Net Revenues (Expenses)	2.1	-	2.1	(6.7)	-	(6.7)
EBIT	**127.9**	**(0.8)**	**128.7**	**138.1**	**(2.9)**	**141.1**
Financial Revenues	8.4	(0.8)	7.6	60.4	(2.9)	57.5
Financial Expenses	(16.3)	-	(16.3)	(56.5)	-	(56.5)
Earnings Before Taxes (EBT)	**120.1**	**-**	**120.1**	**142.0**	**-**	**142.0**
Income Tax and Social Contribution	(39.4)	-	(39.4)	(16.2)	-	(16.2)
Consolidated Net Income	**80.6**	**-**	**80.6**	**125.8**	**-**	**125.8**
Non-Controlling Net Income	-	-	-	(5.5)	-	(5.5)
Controller's Net Income	**80.6**	**-**	**80.6**	**120.3**	**-**	**120.3**
EBITDA	**187.2**	**0.8**	**188.0**	**208.9**	**2.9**	**211.8**
Extraordinary Items	2.0	-	2.0	8.6	-	8.6
Adjusted EBITDA	**189.2**	**0.8**	**190.0**	**217.5**	**2.9**	**220.5**

GLOSSARY

A

ADTV (Average Daily Trading Volume)

ARR (Annual Recurring Revenue)

C

CADE (*Conselho Administrativo de Defesa Econômica*): Brazilian Antitrust Agency.

CAC Customer Acquisition Cost

Carve-out: the process by which a company sells a generally smaller and autonomous portion of its business (a division, a product line, a group of contracts, a subsidiary, etc.) to an interested party.

Cash Earnings: is a non-accounting metrics that represents Net Profit without the effects of amortization expenses of intangible assets arising from company acquisitions and the corresponding impacts of income tax and social contribution on such amortization. This measurement is important to monitor the progress of net income without the effects of acquisitions, considering the relevance of the Company's acquisition strategy.

Contribution Margin: It represents how much the sale of a product or service contributes to covering costs and expenses, and generating profit.

Cross-selling: marketing strategy to leverage sales with the sale of other portfolio offerings, in addition to the customer's existing solution.

E

Earn-out: a portion corresponding to the payment of the part of the acquisition price of a company and linked to compensation to the selling partners in relation to the company's future profits.

EBITDA (Earning Before Interest, Tax, Depreciation and Amortization): is a non-accounting measure prepared by the Company and consists of net income for the year or period, plus financial income and expenses, income tax and social contribution, and depreciation and amortization costs and expenses

ESG (Environmental, Social and Governance)

F

FIDC (*Fundo de Investimento em Direitos Creditórios*): securitization fund.

G

Global Report Initiative (GRI): a multi-stakeholder organization that defines global Sustainability Reporting Standards developed with contributions from different stakeholders and focused on the public interest.

GMV (Gross Merchandise Volume): It represents the total sales value of products/services through the marketplace in a given period. It is a metric to estimate the size of the platform, but not its health.

H

Headcount: count of the total employees of an organization.

I

IBOV (*Índice Bovespa*): Bovespa Index. It is the most important indicator of the average performance of the prices of shares traded on the B3 stock exchange - Brazil, Bolsa, Balcão. It is formed by the shares with the highest volume traded in recent months.

IBrX-50 (*índice Brasil 50*): Brazil 50 Index. The average performance indicator for the prices of the 50 most actively traded and best representative stocks of the Brazilian stock market.

IIRC (International Integrated Reporting Council)

J

JV (joint venture): it comprises the economic association between two companies, whether in the same field or not, during a specific and limited period, for a specific purpose.

L

LGPD (*Lei Geral de Proteção de Dados*): the Brazilian General Data Protection Law.

LTV (LifeTime Value): It is a metric that defines the average customer lifecycle value. How much money it generates for the company from purchases and services for as long as he maintains a relationship with.

M

Midcap: is defined as companies between \$2 billion and \$10 billion in market capitalization.

N

NPS (Net Promoter Score): an indicator measured through a survey with the customer, in order to measure the probability of the customer recommending the company, product or service received.

O

OMS (Order Management System): Distribution Management System, designed for the management of distribution and logistical planning through the automation of sales orders to be distributed by a company and the automation of commercial, inventory and credit analysis processes, in addition to sorting the approved orders for delivery sequencing in cargo loading, considering any restrictions of each customer.

P

PLG (Product Led Growth): It is defined as "instances in which the use of the product is the main driver for user acquisition, retention and expansion", therefore, PLG is both a growth strategy and an innovative business model. It is an end-user focused growth model, based entirely on the product.

Pricing Power: is the ability to readjust prices at times of cost and expense inflation. It is a characteristic of differentiated companies and those with Pricing Power can seek a better balance between impact on costs, price and sales production and, consequently, have greater potential to maintain a healthy relationship between growth and profitability, without damaging the relationship with customers.

Pro forma: pro forma financial information provides information about the impact of a particular transaction, on a recurring basis, showing how an entity's historical financial statements could have been affected if such transaction had been completed at an earlier date.

R

Revenue net of Funding: format usually adopted by the financial market, which comprises the revenue net of the cost consisting of the remuneration of the senior and mezzanine quotas of FIDC.

Renewal Rate: shows the percentage of clients that remained on the recurrence base at the end of the period, compared to the base in the beginning of the period, taking as reference the recurring revenue.

Rule of 40: balanced combination of growth and profitability (resulting in a sum of more than 40 percentage points).

ROE (Return on equity)

S

SaaS (software as a service)

SDG (Sustainable Development Goals)

Selic (*Sistema Especial de Liquidação e Custódia*): in English 'Special System for Settlement and Custody', the basic interest rate of the Brazilian economy. It is the main instrument of the monetary policy used by the Central Bank (BC) to control inflation.

Signings: sales production.

T

Take rate: expression that indicates the percentage of gain on each transaction.

TCO (Total Cost of Ownership): it is the sum of all possible costs related to purchasing and owning a product or service.

U

UN (United Nations)

Up-selling: marketing strategy to leverage sales by selling more units to an existing client.

Y

YoY: year over year.