EARNINGS RELEASE

3Q22

VIDEO CONFERENCE - November 9th, 2022 at 11am (Brasília)

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TOTVS

3Q22 EARNINGS RELEASE

São Paulo, November 8th, 2022 - TOTVS S.A. (B3: TOTS3), leader in the development of business solutions in Brazil, announces its results for the **Third Quarter of 2022 (3Q22).**

NET REVENUE[1] EXCEEDED R$1 BILLION IN 3Q22, +26% YoY

- Net Revenue reached R$1.047 billion in the period, being worth highlighting the 29% growth in Consolidated Recurring Revenue
- 51% growth in Techfin Revenue and 33% growth in Business Performance Revenue, year over year
- Net Operating Cash Generation grew 64% quarter over quarter, reaching R$303 million in the quarter
- Cash Earnings reached R$169 million in 3Q22, which means +52% year over year and +40% quarter over quarter

NET REVENUE[1]	MANAGEMENT SAAS REVENUE	BIZ PERFORMANCE REVENUE	TECHFIN REVENUE NET OF FUNDING
R$1,047 billion	**R$309 million**	**R$83 million**	**R$73 million**
+26% vs 3Q21	**+38% vs 3Q21**	**+33% vs 3Q21**	**+51% vs 3Q21**

MESSAGE FROM THE MANAGEMENT

Net revenue of over one billion reais in a quarter! And almost one billion reais of Consolidated EBITDA in the last 12 months! We opened the second half of 2022 with important milestones, which reflect the balance of TOTVS'S model.

Our history is marked by innovation and pioneering spirit. That is why we have a way of thinking that reflects directly the TOTVS way: "equal, while being always different". Since the TOTVS Franchise System, through the first technology IPO, the first acquisitions, we have never stopped leading the way and taking advantage of the fact that our "global and intergalactic" headquarters are in Brazil, giving our touch of innovation.

In recent years, we have developed a whole variety of innovations. The 3D ecosystem is a unique strategy. As well as the value proposition to help SMB improve their results through technology, thus becoming trusted advisors to our clients. TOTVS is the world's first management software company to develop it. We are very proud of this pioneering spirit. We will continue to be equal, while being always different.

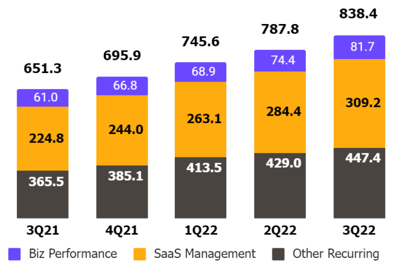
The major highlights of this quarter again showed the balance of our operating and financial model. As for revenues, the 26% growth YoY in Net Revenues was driven by the increases of 38% in SaaS Revenue Management, 51% in Techfin Revenue, and 33% in Business Performance Revenue. As for profitability, our good performance of the Contribution Margin in all 3 dimensions led to an increase of over 100 basis points of the Consolidated EBITDA Margin QoQ and YoY. This combination allows us to generate the aforementioned balance and enabled a 52% growth in Cash Earnings, with a conversion of EBITDA into Operational Cash above 160%.

Brazil continues in its process of consolidating democracy and in the healthy alternation of power. Most importantly, counting with solid institutions and an engaged civil society. If we manage to direct everyone's energy towards balanced economic development, we can become an increasingly developed and thriving country. At TOTVS, we continue to be optimistic and confident in Brazil and in Brazilian people. That is why, more than ever, TOTVS believes in a Brazil that makes it happen.

Having a loyal and satisfied customer base, an engaged and nonconformist team, an innovative strategy, and a winning culture are elements that provide us with the confidence to face and overcome any turbulences that may arise in the macro-environment. TOTVS is a distinguished company, with a solid balance sheet, cash generation, and plenty of resources available. Our balance puts us one step ahead to seize current and future market opportunities.

Dennis Herszkowicz - CEO

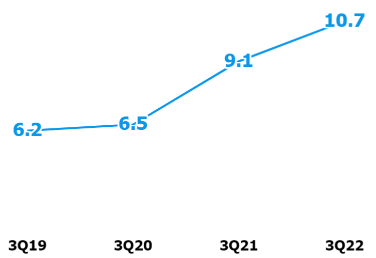
Recurring Revenue (R$ million)



Consolidated ARR
R$3.8 billion
Total Net Addition[2]
R$216 million (3Q22)

98.4%
Consolidated Renewal Rate

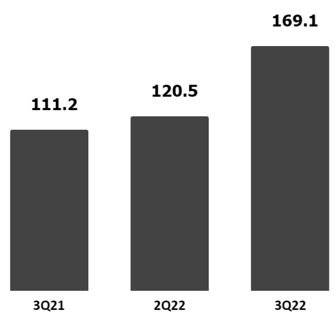
Credit Production LTM (R$ billion)



Record-breaking Credit Production
R$2.9 billion
+10% vs 2Q22

Techfin Contribution Margin
67%
+390bp vs 2Q22

Cash Earnings (R$ million)



Adjusted EBITDA Margin
24.7%
+100bp vs 2Q22

Operating Cash Generation/Adjusted EBITDA
163%

[1]Net revenue (Non-GAAP), incorporates the concept of Techfin Revenue, net of funding cost in the consolidation of the Company's revenues.
[2]Net Addition of ARR added to the Inorganic Addition of the Management and Business Performance dimensions.

RECENT EVENTS

Acquisition: RD Station purchased Tallos

Tallos was born in 2017 to offer innovative solutions and uncomplicate digital service. With over 600 B2B customers and 12,000 users connected daily, it has been consolidated as one of the leading conversational commerce developers in Brazil.

By purchasing Tallos, RD Station takes an important step in conversational commerce and takes the lead in CX (Customer Experience), which, besides Marketing and Sales, is one of the 3 sub-segments of the dimension, expanding the Business Performance portfolio with solutions for customer relations, real time, in an automated and/or human way.

For further information, please click here

Acquisition of RBM by Dimensa

Founded in 2006, RBM has over 150 clients, offering 100% SaaS solutions in easy deployment core banking focused on the Fintech market, financial institutions, and receivables managers. The purchase of RBM reinforces Dimensa's autonomy and independence in strategic decision-making and in the allocation of its own resources.

For further information, please click here

Acquisition of Feedz

Founded in 2018, Feedz is a Brazilian HR Tech that has over 1,000 clients and approximately 140 employees and provides solutions of Engagement, Development and Organizational Climate, SaaS, with emphasis on OKR tools (Objectives and Key Results) tools, performance assessment, feedback, climate surveys, and engagement in pulses.

With Feedz, TOTVS Management Dimension expands its solutions focused on HXM and consolidates itself as a platform capable of meeting, in a digital and integrated way, the needs of its clients to manage the entire employee journey since onboarding.

For further information, please click here

Issue of Debentures

TOTVS carried out its 4th issue of simple and non-convertible debentures in the total amount of R$1.5 billion. The issuance aimed at optimizing the financial cost and lengthening the gross indebtedness profile, considering that the net resources raised were fully used for the early redemption of the Company's 3rd issue of debentures.

For further information, please click here

TOTVS Techfin - Approval by CADE

On October 14th, 2022, the General Superintendence of CADE (Brazilian Antitrust Agency) approved, with no restrictions, the JV in Techfin between TOTVS and Itaú bank, which became final on November 1st, 2022. It is worth emphasizing that the completion of this Transaction is subject to approval by the Central Bank and compliance with other precedent conditions.

For further information, please, click here

RD Summit

Held on October 26th, 27th and 28th, the RD Summit, the largest Marketing and Sales event in Latin America according to Forbes, had over 130 speakers in content trails on marketing, sales, management, strategy, innovation, customer experience, customer success and much more. In a format of multiple stages and trails, the three days of this event provided amazing experiences to over 11 thousand participants, who could interact with art, music, technology and companies that are world references in their segments.

For further information, please, click here (portuguese only)

IOS is recognized as one of the best NGOs in the world

The "World 200 Top SGOs" ranking, prepared by the Swiss media organization thedotgood, brought the Institute of Social Opportunity (IOS), an organization founded by TOTVS, among the 200 best social organizations in the world, being also ranked as the 14th in Brazil for innovation, social impact, and governance practices.

For further information, please, click here

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Rule of 40 (a+b)	**51.0%**	**48.0%**	**300 bp**	**53.2%**	**-220 bp**	**53.7%**	**45.8%**	**790 bp**
(a) Net Revenue Growth	26.3%	24.6%	170 bp	29.5%	-320 bp	29.7%	20.9%	*880 bp*
(b) Adjusted EBITDA Margin	24.7%	23.4%	130 bp	23.7%	100 bp	24.0%	24.9%	-90 bp
Growth (in R$ millions)								
Non-GAAP Net Revenue [1]	**1,047.5**	**829.4**	**26.3%**	**966.4**	**8.4%**	**2,959.5**	**2,282.4**	**29.7%**
Consolidated Recurring Revenue	841.2	651.8	29.0%	789.0	6.6%	2,377.1	1,773.9	34.0%
% Consolidated Recurring Revenue	80.3%	78.6%	170 bp	81.6%	-130 bp	80.3%	77.7%	260 bp
% Biz Perform. + Techfin Revenue	14.9%	13.3%	160 bp	13.2%	170 bp	13.5%	9.8%	370 bp
Consolidated ARR	3,802.8	2,819.0	34.9%	3,586.7	6.0%	n/a	n/a	-
Consolidated ARR Net Addition [2]	188.5	162.0	16.4%	207.1	(9.0%)	658.2	373.8	76.1%
Consolidated SaaS Revenue	389.9	284.7	36.9%	358.1	8.9%	1,079.0	713.3	51.3%
Biz Performance Recurring Revenue [3]	81.7	61.0	33.9%	74.4	9.9%	225.0	169.0	33.1%
Credit Production	2,908.7	2,665.9	9.1%	2,646.5	9.9%	8,117.8	7,147.2	13.6%
Profitability (in R$ millions)								
Adjusted EBITDA Margin [4]	**24.7%**	**23.4%**	**130 bp**	**23.7%**	**100 bp**	**24.0%**	**24.9%**	**-90 bp**
Adjusted EBITDA [5]	258.4	194.4	33.0%	229.4	12.7%	711.1	568.6	25.1%
Cash Earnings [6]	169.1	111.2	52.0%	120.5	40.3%	406.2	299.1	35.8%
Cash Earnings Margin	16.1%	13.4%	270 bp	12.5%	360 bp	13.7%	13.1%	60 bp
Operating Cash Generation	421.0	272.9	54.3%	293.7	43.3%	985.1	557.8	76.6%
Op. Cash Generation / Adjusted EBITDA	162.9%	140.4%	2250 bp	128.0%	3490 bp	138.5%	98.1%	4040 bp
Stock Market								
TOTS3 (in R$)	**29.35**	**36.10**	**(18.7%)**	**23.26**	**26.2%**	**n/a**	**n/a**	**-**
ADTV 30 (in R$ millions)	113.0	159.7	(29.3%)	132.9	(15.0%)	n/a	n/a	-
IBOV (thousands pts)	110.0	111.0	(0.8%)	98.5	11.7%	n/a	n/a	-
IBrX 50 (thousands pts)	18.4	18.3	0.6%	16.5	11.7%	n/a	n/a	-

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

(2) Organic ARR Net Addition from Management + Business Performance.

(3) Includes unaudited results from jan-may/21 of RD Station, for comparative purposes only.

(4) Adjusted EBITDA over the Non GAAP Revenue net of Funding.

(5) EBITDA adjusted by extraordinary items.

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

FINANCIAL AND OPERATIONAL RESULTS

As mentioned in the last earnings release, the binding commitment to create a Joint Venture (JV) with Itaú Unibanco S.A., called TOTVS Techfin, under the CPC-31/IFRS-5 standards, meets the criteria for assets held for sale and, therefore, the quarterly financial information reviewed by the external auditors ("GAAP") will state the result of the consolidated Techfin operation on the line "Techfin Dimension Net Income (Loss)".

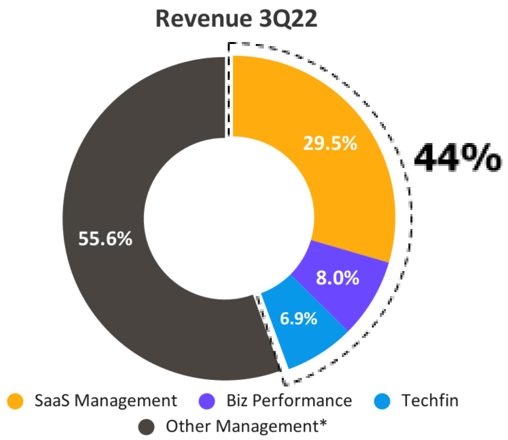
In order to preserve the analysis of the contribution margins of the 3 business dimensions and consolidated EBITDA, we will maintain in this release **the presentation standard** already used in previous quarters**, which we call the “Non-GAAP” standard**, that is, **without reclassifying TOTVS Techfin's revenue, costs, and expenses lines** to the Techfin Dimension Net Income (Loss) line. Moreover, **we will keep depreciation and amortization expenses and provision for expected credit loss on specific lines of the Income Statement ,** besides using the concept of **Revenue Net of Funding in the Techfin dimension, including the consolidation of the Company's Net Revenue (Non-GAAP), which is the basis for the calculation of gross, contribution, EBITDA, and net margins**.

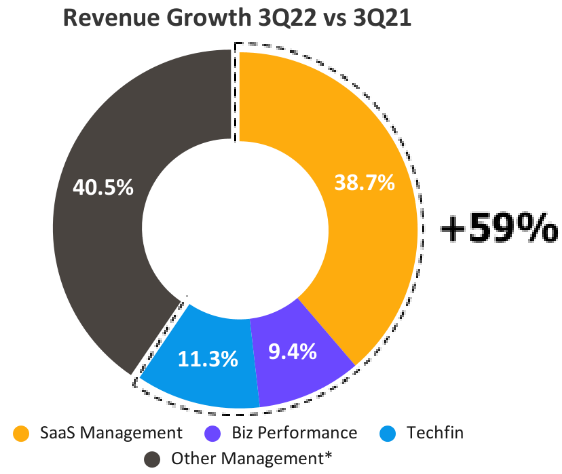
Finally, the reconciliation between the “GAAP” standard for the Income Statement of the quarterly financial information and the “Non-GAAP” standard is provided in **Appendix II** of this document.

Consolidated Results (Non-GAAP)

Consolidated Result (in R$ millions)	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Consolidated Net Revenue	**1,047.5**	**829.4**	**26.3%**	**966.4**	**8.4%**	**2,959.5**	**2,282.4**	**29.7%**
GAAP Net Revenue	**974.8**	**781.4**	**24.8%**	**914.6**	**6.6%**	**2,787.9**	**2,148.5**	**29.8%**
Management Revenue	891.5	718.7	24.0%	839.0	6.3%	2,559.1	2,057.8	24.4%
Business Performance Revenue	83.3	62.7	32.9%	75.6	10.2%	228.7	90.7	152.3%
Techfin Revenue - Net of funding	**72.7**	**48.0**	**51.4%**	**51.9**	**40.1%**	**171.7**	**133.9**	**28.2%**
Consolidated Contribution Margin	**567.2**	**446.7**	**27.0%**	**518.6**	**9.4%**	**1,594.0**	**1,240.0**	**28.6%**
GAAP Contribution Margin	**518.5**	**414.8**	**25.0%**	**485.9**	**6.7%**	**1,488.3**	**1,148.7**	**29.6%**
Management Contribution Margin	476.2	385.2	23.6%	449.3	6.0%	1,376.1	1,105.6	24.5%
Biz Performance Contribution Margin	42.3	29.6	43.1%	36.5	15.8%	112.2	43.1	160.2%
Techfin Contribution Margin	**48.7**	**31.9**	**52.8%**	**32.7**	**48.7%**	**105.7**	**91.3**	**15.8%**
% Consolidated Contribution Margin	***54.1%***	***53.9%***	***20 bp***	***53.7%***	***40 bp***	***53.9%***	***54.3%***	***-40 bp***
GAAP % Contribution Margin	***53.2%***	***53.1%***	***10 bp***	***53.1%***	***10 bp***	***53.4%***	***53.5%***	***-10 bp***
% Management Contribution Margin	*53.4%*	*53.6%*	*-20 bp*	*53.6%*	*-20 bp*	*53.8%*	*53.7%*	*10 bp*
% Biz Performance Contribution Margin	*50.8%*	*47.2%*	*360 bp*	*48.4%*	*240 bp*	*49.0%*	*47.5%*	*150 bp*
% Techfin Contribution Margin	***67.0%***	***66.4%***	***60 bp***	***63.1%***	***390 bp***	***61.6%***	***68.2%***	***-660 bp***
Adjusted EBITDA	**258.4**	**194.4**	**33.0%**	**229.4**	**12.7%**	**711.1**	**568.6**	**25.1%**
Adjusted Mgmt. + Biz Perform. EBITDA	240.0	185.8	29.2%	220.7	8.7%	679.2	538.5	26.1%
Techfin EBITDA	18.4	8.6	115.0%	8.6	113.5%	31.9	30.0	6.3%
Adjusted EBITDA Margin	***24.7%***	***23.4%***	***130 bp***	***23.7%***	***100 bp***	***24.0%***	***24.9%***	***-90 bp***
% Adjusted Mgmt. + Biz Perf. EBITDA	*24.6%*	*23.8%*	*80 bp*	*24.1%*	*50 bp*	*24.4%*	*25.1%*	*-70 bp*
% Techfin EBITDA	*25.4%*	*17.9%*	*750 bp*	*16.7%*	*870 bp*	*18.6%*	*22.4%*	*-380 bp*

Net Revenue





*Sum of other Recurring Revenues + Non-Recurring Management Revenues

For the first time, consolidated Net Revenue exceeded R$1 billion in 3Q22, growing 26% when compared with the same period of last year, being worth highlighting: (i) a 28% growth in Management Recurring Revenue, driven by a 38% growth in SaaS revenue; (ii) a 33% year-over-year growth in Business Performance Net Revenue; and (iii) a 51% growth in Techfin Revenue Net of Funding.

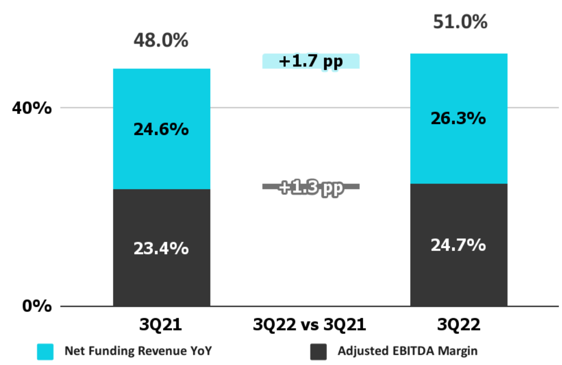
It is also worth mentioning that the Total Addition of ARR (Annualized Recurring Revenue) closed the quarter at R$216 million.

Adjusted EBITDA

Adjusted EBITDA closed the quarter at R$258 million. Adjusted EBITDA Margin was 24.7%, which means 100 basis points above 2Q22. This Margin performance was mainly due to: (i) the increase of 870 basis point in Techfin EBITDA; (ii) the increase of 240 basis points in Business Performance Contribution Margin; and (iii) 50 basis point dilution of Sales and Marketing expenses in the Management + Business Performance dimensions.

Rule of 40

The rule of 40 metric reached 51% in the quarter, which means 3 percentage points higher than the same period of the previous year. This results from a 1.7 percentage point increase in the growth rate of Net Revenue, and a 1.3 percentage point increase in the Adjusted EBITDA Margin. The Company has been able to grow in a balanced manner, with an increase in the relevance of recurring and transactional revenues, maintaining a healthy profitability even in times of market volatility.



Management dimension results

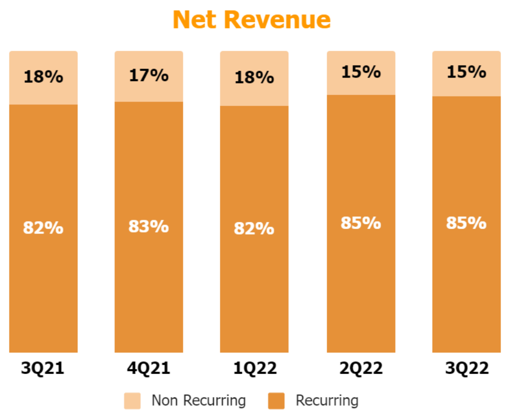
The results from the Management Dimension for this quarter reflect the incorporation of Feedz figures, as of September.

Management Result (in R$ millions)	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Net Revenue	**891.5**	**718.7**	**24.0%**	**839.0**	**6.3%**	**2,559.1**	**2,057.8**	**24.4%**
Recurring	756.6	590.3	28.2%	713.4	6.1%	2,146.7	1,684.5	27.4%
Non Recurring	134.8	128.4	5.0%	125.6	7.4%	412.5	373.2	10.5%
License	51.8	51.1	1.3%	44.5	16.3%	177.0	156.6	13.0%
Services	83.1	77.3	7.5%	81.1	2.5%	235.4	216.6	8.7%
Costs	(256.2)	(203.9)	25.6%	(239.6)	6.9%	(727.0)	(580.7)	25.2%
Gross Profit	**635.3**	**514.7**	**23.4%**	**599.4**	**6.0%**	**1,832.2**	**1,477.1**	**24.0%**
Gross Margin	*71.3%*	*71.6%*	*-30 bp*	*71.4%*	*-10 bp*	*71.6%*	*71.8%*	*-20 bp*
Research and Development	(152.1)	(123.0)	23.7%	(145.4)	4.6%	(437.7)	(355.5)	23.1%
Provision for Expected Credit Losses	(7.0)	(6.5)	7.4%	(4.7)	49.7%	(18.3)	(16.0)	14.3%
Management Contribution Margin	**476.2**	**385.2**	**23.6%**	**449.3**	**6.0%**	**1,376.1**	**1,105.6**	**24.5%**
% Management Contribution Margin	*53.4%*	*53.6%*	*-20 bp*	*53.6%*	*-20 bp*	*53.8%*	*53.7%*	*10 bp*

Net Revenue

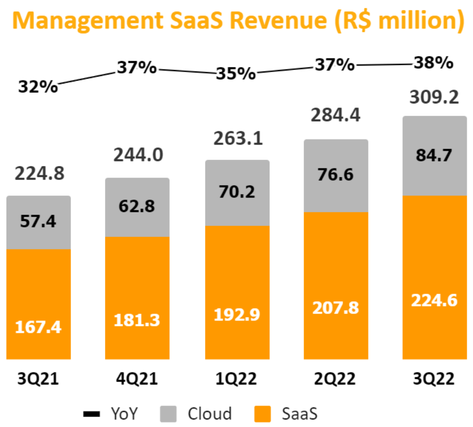
Management Net Revenue grew 24% year-over-year in 3Q22, driven by the 28% growth in Recurring Revenue, especially in the Distribution, Construction, Services and Healthcare industry sectors, which grew above 30%. Recurring Revenue maintained the level of 85% of the Management Net Revenue.

In the 9-month period, Management Net Revenue grew 24%, driven by the 27% increase in Recurring Revenue and the record-breaking performance of R$36.6 million increase in Corporate Model Licenses in 1Q22.



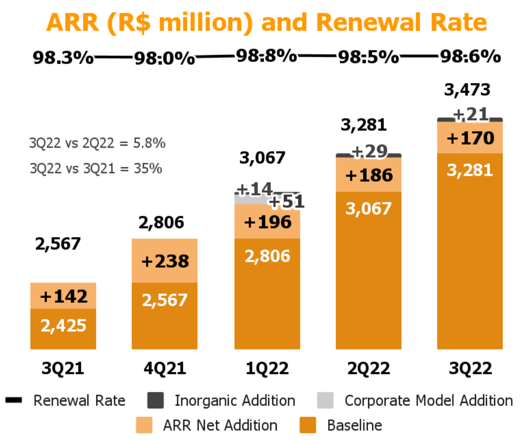
Recurring Revenue

Recurring Revenue grew 28%, when compared with the same quarter of the previous year, and 6.1% in the quarter-over-quarter comparison. This performance is mainly a reflection of the growth in SaaS Revenue, meaning the main growth locomotive of the Management dimension, which, as shown in the chart on the right, accelerated 38% year-over-year, being worth highlighting: (i) the 47% growth in Cloud revenue; (ii) the increase of new SaaS signings, which grew 34% compared with 3Q21; (iii) the inflation pass-through in the period; and (iv) the maintenance of the low churn level.



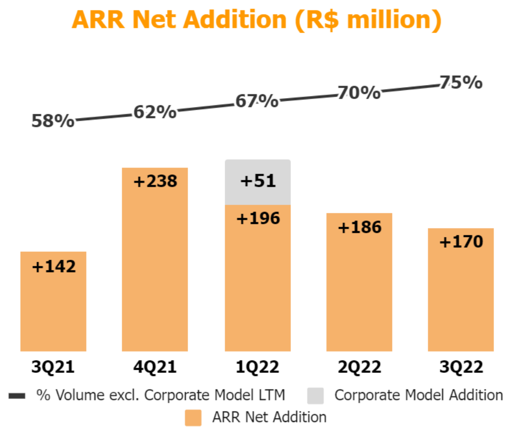
As already commented in previous quarters, the growth in the performance of signings has been mainly due to: (i) the evolution of the Software market, which is still far from being mature; (ii) the growth in productivity and efficiency of commercial distribution; (iii) product quality, reflected in the record NPS levels; (iv) expansion of product portfolio, fostering cross-selling; and (v) reduction in Total Cost of Ownership (TCO) for clients.

As provided in the chart on the side, the Annualized Recurring Revenue (ARR) of Management reached R$3.5 billion, which translates into a net addition of R$191 million in the quarter, of which R$21 million refers to the consolidation of Feedz.



As shown in the chart below, the organic net addition of ARR in 3Q22 increased 20% year-over-year, even with a 30% reduction in the value added because of the Price factor, reflecting the sharp reduction in inflation (IGP-M and IPCA) rates in a row in the period, including a deflation in the last 2 months of the quarter.

The reduction in inflation rates, combined with the maintenance of sales volume level, led to a further increase in the relevance of the Volume component in the gross addition of ARR in the last 12 months, from 70% in the previous quarter to 75% in 3Q22, as shown in the chart to the side. It is worth reiterating that if inflation continues to drop, the natural and expected behavior is an eventual nominal reduction in the net addition of ARR, with the consequent additional increase in the relevance of the Volume versus Price component.



In absolute terms, when compared with 3Q21, the Volume component practically doubled; in the quarter-over-quarter comparison, it remained relatively stable, being worth reminding that the first round of the elections took place exactly at the end of the quarter.

Non-Recurring Revenue

Non-Recurring Revenues grew 5% in 3Q22 compared with 3Q21, mainly because of the 7.5% increase in Service revenue. In the quarter-over-quarter comparison, the 7.4% increase results from the 16% increase in License revenue, essentially driven by the accelerated performance in this quarter in Manufacturing and Distribution, industry sectors in which sales of license model are proportionally higher than other models. The 2.5% growth in the Services line was due, mainly, to the greater number of business days in the quarter-over-quarter comparison.

This stronger performance in Licenses in the quarter-over-quarter comparison also influences the addition of ARR itself, since the License + Maintenance model results in a recurring revenue component proportionally lower than the Subscription model. Therefore, when the sales mix for the quarter has a greater share of the License + Maintenance model, the addition of ARR may be slightly lower, being offset by the immediate growth in license revenue.

Gross Margin

The Gross Margin of Management was stable and reached 71.3% in the quarter, even in the face of: (i) the initial effects of the collective bargaining agreements on the bases of Belo Horizonte, Rio de Janeiro, and Recife capital cities at the end of the quarter; and (ii) the investments made in Cloud operations. As mentioned in the Recurring Revenue section, this front has presented one of the highest growth levels in the Management dimension, increasing the relevance of new investments but without losing the balance between growth and profitability.

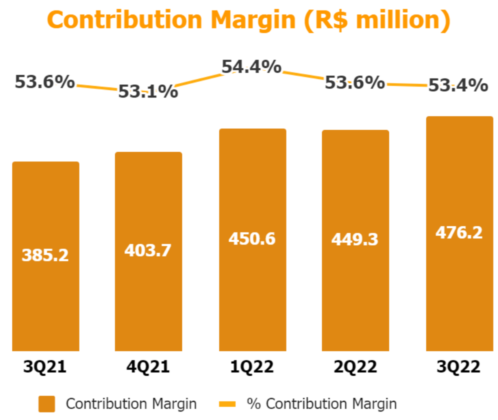
Research & Development

Research and Development (R&D) expenses represented 20.1% of Recurring Revenue for the quarter, which means 70 basis points lower than 3Q21, 30 basis points below the 9-month accumulated of 2022 and 100 basis points below the 9-month accumulated of 2021. This lower share of R&D, which has been growing at levels lower than Recurring Revenue, reflects the greater efficiency in the continuous organic investments made, aiming at the development and expansion of the product portfolio to take more and more advantage of the opportunities of a market still far from being mature.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses represented 0.8% of Management Revenue in the quarter, compared with 0.9% in 3Q21 and 0.7% in the nine-month period of 2022 and 0.8% in the nine-month period of 2021, which reiterates the consistency of a business model based on Recurring Revenue, combined with a pulverized, diversified, and more resilient client base than the average of companies in the market, as already mentioned in previous quarters.

Management Contribution Margin



The Management Contribution Margin reached the level of R$476 million in 3Q22, associated mainly with the continuous growth in Recurring Revenue. In addition, the Contribution Margin on Management Net Revenue decreased slightly by 20 basis points when compared with 2Q22 and 3Q21. In the annual comparison, this behavior is explained mainly by the impacts of collective bargaining agreements in 4Q21 and 1Q22 and investments in Cloud, as previously mentioned. The quarterly variation, besides the factors mentioned, also results from the initial impact of collective bargaining agreements, at levels above the historical, which took place in the operations of Belo Horizonte, Rio de Janeiro, and Recife capital cities, which together represent approximately 20% of the total cost with personnel. Comparing the 9-month accumulated number, the Contribution Margin increased by 10 basis points compared with the same period in the previous year, due to: (i) a 27.4% growth in Recurring Revenue; and (ii) a 13% increase in License Revenue, driven mainly by the record-breaking increase in the Corporate Model in 1Q22.

Business Performance dimension results

The Business Performance dimension represents the portfolio of solutions focused on increasing clients' sales, competitiveness, and performance through Digital Marketing, Sales/Digital Commerce, and CX - Customer Experience solutions.

Quarterly results of this Dimension reflect the addition of Tallos' figures as of August. For comparison purposes, we provide below this dimension earnings, including RD Station's numbers from January to May 2021.

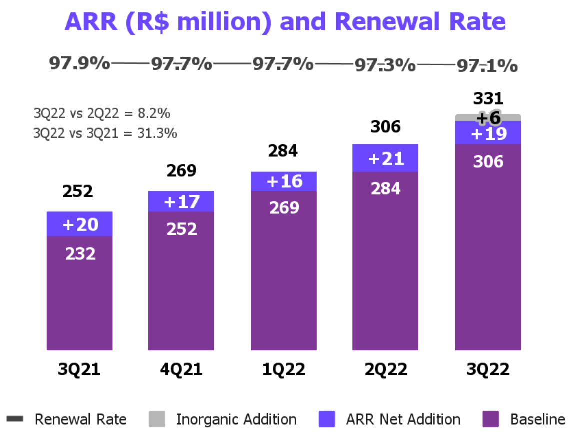
Biz Performance Result (in R$ millions)	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21*	Δ
Net Revenue	**83.3**	**62.7**	**32.9%**	**75.6**	**10.2%**	**228.7**	**173.0**	**32.2%**
Recurring	81.7	61.0	33.9%	74.4	9.9%	225.0	169.0	33.1%
Non Recurring	1.6	1.7	(5.3%)	1.2	31.7%	3.7	4.0	(7.7%)
Costs	(19.6)	(16.4)	19.6%	(18.7)	5.0%	(56.9)	(47.3)	20.3%
Gross Profit	**63.7**	**46.3**	**37.6%**	**56.9**	**12.0%**	**171.9**	**125.8**	**36.6%**
Gross Margin	*76.4%*	*73.8%*	*260 bp*	*75.3%*	*110 bp*	*75.1%*	*72.7%*	*240 bp*
Research and Development	(19.8)	(14.8)	33.1%	(19.1)	3.2%	(56.2)	(36.1)	55.8%
Provision for Expected Credit Losses	(1.6)	(1.9)	(14.5%)	(1.2)	33.5%	(3.4)	(3.0)	13.2%
Biz Performance Contribution Margin	**42.3**	**29.6**	**43.1%**	**36.5**	**15.8%**	**112.2**	**86.6**	**29.5%**
% Biz Performance Contribution Margin	*50.8%*	*47.2%*	*360 bp*	*48.4%*	*240 bp*	*49.0%*	*50.1%*	*-110 bp*

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

Net Revenue

Business Performance Net Revenue grew 33% in 3Q22 versus 3Q21, driven by the 34% growth in Recurring Revenue, which is related essentially to the progress in sales Volume that have been observed at RD Station over the last few quarters. In the quarter-over-quarter comparison, the 10% growth in Revenue reflects the acceleration in the addition of ARR in 2Q22, as well as the new increase in sales volume at RD Station in the quarter.

ARR from Business Performance reached R$331 million in the quarter, which means an increase of 31% over 3Q21 and 8.2% over 2Q22, with an organic ARR Net Addition of R$19 million besides an inorganic R$6 million addition from the purchase of Tallos, as shown in the chart on the right.



The lower organic ARR net addition in 3Q22 compared with 2Q22 reflects mainly the performance in the quarter of the new signings from Tail, which besides having a significantly lower ARR, is focused on large accounts, and such combined characteristics generate greater fluctuation in the quarterly results of the ARR Net Addition. In the specific case of RD Station, ARR net addition continued to grow, keeping the same trend as in previous quarters. The highlights of this growth continue to be the up-selling expansion of the Entry-Level to Premium product and the cross-selling of CRM in RD Station's client base.

In addition, it is worth highlighting the growth in the annualized GMV (Gross Merchandise Volume) of the Digital Commerce offer, which has already reached R$400 million, or 103% above 3Q21.

Gross Margin

The Gross Margin of Business Performance ended the quarter at the historical level of 76.4%, which means 260 basis points above 3Q21 and 110 basis points above 2Q22, due mainly to: (i) the 10% growth of Net Revenue quarter over quarter; (ii) efficiency gains of investments to optimize Cloud structure, as mentioned in previous quarters, combined with the optimization of the Customer Success team.

Research & Development

Research and Development (R&D) expenses represented 24.2% of the Recurring Revenue of this dimension in 3Q22, a level similar to that stated in the same quarter of the previous year and 150 basis points lower than in 2Q22, even with the impact of collective bargaining agreements above 10% for RD Station in August. As explained in previous quarters, the current level of investments in R&D versus Recurring Revenue reflects the current moment of this dimension and the profile of RD Station's products, which, because they focus on PLG (Product-Led Growth), makes investments in R&D even more important.

Provision for Expected Credit Losses

The Provision for Expected Credit Losses (formerly allowance for doubtful accounts or bad debt) for Business Performance reached 1.9% of Net Revenue in 3Q22 and 1.5% of Net Revenue in the accumulated nine-month period of 2022, compared with 1.8% in the accumulated nine-month period of 2021, which reflects a primarily recurring business model and a pulverized client base.

Business Performance Contribution Margin

The Business Performance Contribution Margin exceeded the level of 50% in the quarter, which means 240 basis points above 2Q22, driven mainly by the acceleration of Recurring Revenue and the consequent growth in Gross Margin, as well as, the maintenance of R&D investments as a percentage of Recurring Revenue. Considering the current scenario of the economy, this performance reinforces that even in a young business dimension and currently directed to speed up revenues, for TOTVS, the growth and profitability relationship do not represent a dilemma.

Other Operating Expenses and post-EBITDA Result (Management and Business Performance Dimensions)

As previously mentioned, the binding commitment to create a JV with Itaú, which is still in the process of final approval by BACEN (Central Bank of Brazil), meets the accounting standard for classification under "assets held for sale". This reclassification makes the results of Techfin operation to be presented in the GAAP quarterly financial information, exclusively in the line "Net Income (Loss) from Techfin Dimension" line.

In view of this, and with the aim of, at the same time, maintaining the maximum comparability and also the ability to monitor the consolidated results and each dimension, we approximated the GAAP to Non-GAAP statements, presenting below the "Other Operating Expenses" and the "Post EBITDA Result" from the consolidation of the Management and Business Performance Dimensions separately, and these lines referring to the Techfin Dimension are presented in the "Techfin dimension results" section.

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Sales and Marketing Expenses	**(187.7)**	**(155.7)**	**20.6%**	**(180.7)**	**3.9%**	**(545.1)**	**(409.7)**	**33.0%**
% GAAP Net Revenue	*19.3%*	*19.9%*	*-60 bp*	*19.8%*	*-50 bp*	*19.6%*	*19.1%*	*50 bp*

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Adjusted G&A Expenses and Others	**(90.8)**	**(73.4)**	**23.7%**	**(84.4)**	**7.5%**	**(264.1)**	**(199.9)**	**32.1%**
% GAAP Net Revenue	*9.3%*	*9.4%*	*-10 bp*	*9.2%*	*10 bp*	*9.5%*	*9.3%*	*20 bp*
G&A Expenses and Others	**(96.1)**	**(74.9)**	**28.3%**	**(70.7)**	**36.0%**	**(283.7)**	**(199.6)**	**42.2%**
General and Administrative Expenses	(90.0)	(68.3)	31.8%	(84.9)	6.1%	(255.7)	(192.4)	32.9%
Provision for Contingencies	(6.6)	(10.6)	(37.4%)	(3.3)	100.0%	(20.9)	(24.5)	(14.7%)
Other Net Revenues (Expenses)	0.6	4.0	(85.8%)	17.5	(96.7%)	(7.1)	17.3	(141.4%)
Extraordinary Items	**5.3**	**1.4**	**264.8%**	**(13.8)**	**(138.3%)**	**19.7**	**(0.3)**	**<(999%)**
Earn-out Adjustment at Fair Value	-	-	-	1.2	(100.0%)	26.1	(0.8)	<(999%)
Earns in Investment Sale	-	(1.2)	(100.0%)	-	-	-	(1.2)	(100.0%)
Expenses with M&A Transactions	5.3	2.6	102.8%	2.7	98.6%	11.2	10.4	7.8%
Tax Credit	-	-	-	(17.6)	(100.0%)	(17.6)	(8.7)	101.9%
Equity Pickup	**-**	**0.0**	**(100.0%)**	**-**	**-**	**0.0**	**(0.5)**	**(101.3%)**

Sales and Marketing Expenses

Sales and Marketing Expenses on GAAP Net Revenue ended the quarter at 19.3%, which means a reduction of 60 basis points year over year and 50 basis points compared with 2Q22, when the TOTVS Universe, the largest annual event aimed at clients and prospects that was resumed, after two years of pandemic.

General and Administrative Expenses and Others

General and Administrative Expenses ("G&A"), net of the extraordinary impacts of expenses with M&A transactions, closed the quarter at 8.7% of GAAP Net Revenue, 30 basis points lower than in 2Q22. When added to the expenses of Provision for Contingencies and Other Net Operating Income and Expenses, these lines represented 9.3% of the GAAP Net Revenue, which means a reduction of 10 basis points when compared with 3Q21 and an increase of 10 basis points when compared with 2Q22, which is explained mainly by the fluctuation on the Provision for Contingencies line.

Depreciation and Amortization Expenses

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Depreciation	(30.5)	(28.7)	6.1%	(30.2)	1.1%	(91.2)	(80.7)	13.0%
Amortization	(29.1)	(26.9)	8.5%	(27.9)	4.3%	(83.7)	(63.6)	31.6%
Depreciation and Amortization	**(59.6)**	**(55.6)**	**7.2%**	**(58.1)**	**2.6%**	**(174.9)**	**(144.3)**	**21.2%**

The 2.6% increase on the Depreciation and Amortization lines over 2Q22 is associated mainly with the increase in amortization expenses because of the allocation of the purchase price of Gesplan. It is worth highlighting that depreciation and amortization expenses from the acquisitions of Feedz and RBM have not yet impacted the result for the quarter.

Financial Result

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Financial Revenues	92.8	13.3	598.1%	98.7	(5.9%)	269.4	33.3	709.9%
Financial Expenses	(90.0)	(47.3)	90.1%	(85.2)	5.6%	(253.8)	(89.0)	185.2%
Financial Result	**2.8**	**(34.0)**	**(108.3%)**	**13.5**	**(79.2%)**	**15.6**	**(55.7)**	**(128.0%)**

The negative variation in the Financial Result, when compared with 2Q22, is explained mainly by the extraordinary effect of R$14.7 million from tax credits that took place on the 2Q22 Financial Income line.

Income Tax and Social Contribution

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
EBT	**177.9**	**94.7**	**87.8%**	**189.9**	**(6.3%)**	**500.2**	**338.9**	**47.6%**
Taxes at nominal rate (34%)	(61.5)	(32.3)	90.5%	(64.1)	(4.0%)	(170.1)	(115.2)	47.6%
Law 11,196/05 - R&D Incentive	7.0	5.1	39.0%	6.0	17.4%	18.1	14.9	21.3%
Interest on Equity	21.8	17.2	27.0%	(1.2)	<(999%)	20.6	16.7	23.8%
Effect of Different Taxation in Subsidiaries	(1.9)	(1.3)	40.6%	(4.1)	(53.6%)	(9.1)	(7.7)	17.0%
Management Bonus	(0.9)	(0.5)	83.3%	(1.5)	(41.8%)	(3.4)	(1.4)	146.9%
Workers' Meal Program	0.4	0.0	>999%	0.5	(14.4%)	1.7	1.1	46.6%
Share Issue Expenses	-	12.3	(100.0%)	-	-	0.0	12.3	(99.8%)
Other	(0.4)	1.3	(134.5%)	7.3	(106.0%)	12.8	5.8	120.2%
Income Tax and Social Contribution	**(35.5)**	**1.7**	**<(999%)**	**(57.1)**	**(37.8%)**	**(129.4)**	**(73.5)**	**75.9%**
Current Income Tax and Social Contribution	(28.0)	(6.9)	305.5%	(43.1)	(35.0%)	(113.2)	(81.0)	39.7%
Deferred Income Tax and Social Contribution	(7.5)	8.6	(187.9%)	(14.0)	(46.4%)	(16.2)	7.5	(316.0%)
% Current Effective Tax Rate	*15.7%*	*7.3%*	*840 bp*	*22.7%*	*-700 bp*	*22.6%*	*23.9%*	*-130 bp*
% Total Effective Tax Rate	*20.0%*	*-1.7%*	*2170 bp*	*30.1%*	*-1010 bp*	*25.9%*	*21.7%*	*420 bp*

The Effective Rate of Income Tax and Social Contribution ended the quarter at 20%, which means 10.1 percentage points below 2Q22, explained mainly by the payment of Interest on Equity announced on August 1st. When compared with the same period of the previous year, the 21.7 percentage points increase in the Effective Rate is related mainly to the effect of deducting, for taxation purposes, the associated costs of the follow-on in 3Q21.

Techfin dimension results

The Techfin dimension aims to simplify, expand, and democratize TOTVS' SMB clients' access to B2B financial services, comprising Supplier's business and other Techfin products.

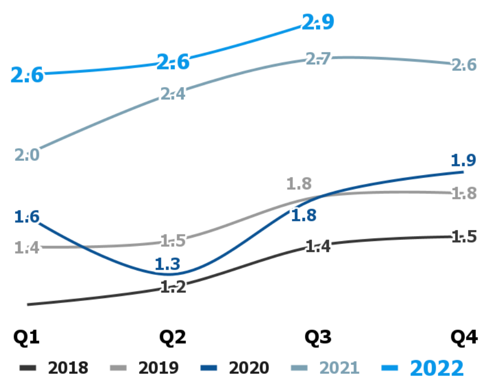
As mentioned above, the binding commitment to create a JV with Itaú, which is still in the process of approval by BACEN (Central Bank of Brazil), meets the accounting standard of assets held for sale, in accordance with CPC-31 / IFRS-5, making the result of Techfin an operation being reclassified exclusively to the line "Net Income (Loss) from Techfin Dimension". In order to preserve the analysis of margins and EBITDA for the consolidated dimensions, we present in this section the Net Income (Loss) from Techfin Dimension, opened in the lines of Revenues, Costs and Expenses.

Techfin Results (in R$ millions)	**3Q22**	3Q21	Δ	2Q22	Δ	**9M22**	9M21	Δ
Techfin Net Revenue	**117.4**	**73.2**	**60.5%**	**93.9**	**25.1%**	**294.0**	**189.7**	**54.9%**
Funding Cost	(44.8)	(25.2)	77.9%	(42.0)	6.5%	(122.3)	(55.8)	119.2%
Techfin Revenue - Net of funding	**72.7**	**48.0**	**51.4%**	**51.9**	**40.1%**	**171.7**	**133.9**	**28.2%**
Operational Costs	(6.9)	(5.9)	16.7%	(5.7)	22.3%	(18.5)	(16.2)	14.3%
Gross Profit	**65.7**	**42.1**	**56.3%**	**46.2**	**42.3%**	**153.1**	**117.7**	**30.1%**
Research and Development	(10.0)	(5.9)	71.2%	(6.2)	62.4%	(22.9)	(16.2)	41.7%
Provision for Expected Credit Losses	(7.0)	(4.3)	61.8%	(7.3)	(3.5%)	(24.5)	(10.2)	139.3%
Techfin Contribution Margin	**48.7**	**31.9**	**52.8%**	**32.7**	**48.7%**	**105.7**	**91.3**	**15.8%**
% Techfin Contribution Margin	*67.0%*	*66.4%*	*60 bp*	*63.1%*	*390 bp*	*61.6%*	*68.2%*	*-660 bp*
Sales and Marketing Expenses	(11.8)	(7.9)	50.0%	(7.6)	54.9%	(27.1)	(21.3)	27.2%
G&A Expenses and Others	(18.4)	(15.4)	19.6%	(16.5)	11.8%	(46.6)	(39.9)	16.8%
Techfin EBITDA	**18.4**	**8.6**	**115.0%**	**8.6**	**113.5%**	**31.9**	**30.0**	**6.3%**
% Techfin EBITDA	*25.4%*	*17.9%*	*750 bp*	*16.7%*	*870 bp*	*18.6%*	*22.4%*	*-380 bp*
Depreciation and Amortization	(10.1)	(15.7)	(35.6%)	(11.3)	(10.3%)	(36.1)	(46.1)	(21.8%)
Financial Result	0.4	(0.6)	(174.2%)	(0.2)	(371.2%)	0.2	(1.1)	(115.4%)
Income Tax and Social Contribution	4.6	0.3	>999%	(0.9)	(637.9%)	3.0	0.1	>999%
Net Income (Loss) from Techfin Dimension	**13.4**	**(7.4)**	**(280.2%)**	**(3.7)**	**(466.6%)**	**(1.0)**	**(17.1)**	**(94.3%)**
% Net Income (Loss) from Techfin Dimension	*18.4%*	*-15.5%*	*3390 bp*	*-7.0%*	*2540 bp*	*-0.6%*	*-12.8%*	*1220 bp*

Techfin Revenue

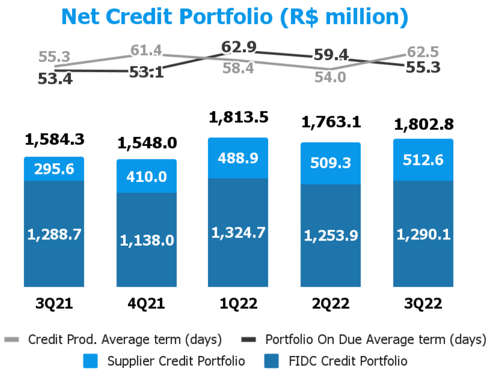
Revenue from Techfin grew 61% year-over-year in 3Q22, especially because of the 9.1% growth in Credit Production compared with 3Q21, reaching a quarterly record of R$2.9 billion, and the Selic Rate growth in the period.

Supplier Credit Production (R$ bn)



When compared with 2Q22, the 25% growth in Techfin Revenue is related mainly to: (i) the 10% growth in Credit Production quarter-over-quarter; and (ii) the increase of 8.5 days in the average term of Credit Production, driven by the greater seasonal relevance of agribusiness. In addition, the deferred revenue to be allocated by FIDC (Credit Rights Investment Fund) was R$25.4 million in the quarter, compared to R$25.9 million in the 2Q22.

As we can see in the chart on the right, Techfin's Credit Production followed the historical behavior of 3Q18 and 3Q21, showing growth over the second quarter of the respective years, also reflecting the seasonal increase in demand for credit production in the agribusiness, especially in August and September.

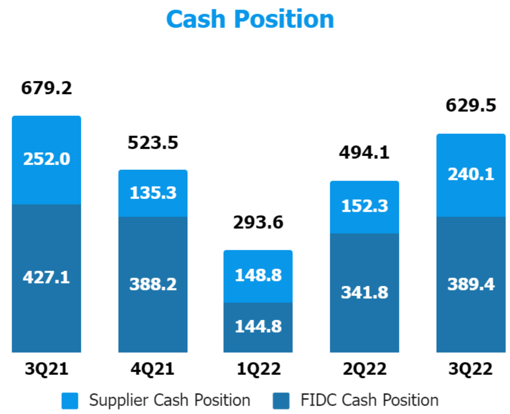


The Net Credit Portfolio, as observed in the chart on the left, had a 2.2% increase in the quarter over quarter and an average term of 55.3 days. It is worth emphasizing that even if the production in the quarter has occurred with a longer average term, there is a delay to reflect this change in the average consolidated term of the Credit Portfolio because of the natural carryover effect, especially from contracts with longer terms.

The representativeness of the portfolio for Supplier, compared with the total portfolio, ended the quarter at 28%, a level similar to that observed in recent quarters, aiming again to optimize the efficiency of the use of FIDC Cash and Supplier's floating.

Techfin Revenue - Net of Funding

Techfin Revenue Net of Funding, grew 40% quarter-over-quarter, driven by the already mentioned 25% growth in Techfin Revenue, along with a decrease in the percentage of Funding Cost in relation to Revenue in 3Q22. The quarter-over-quarter increase in this Cost below the 8% growth of the average Selic Rate in the period was due, among other factors, to the reduction in the spread of the FIDC's senior quota from CDI +2.3% p.a. to CDI +2% p.a. as of August.



FIDC's Cash position closed the quarter at R$389 million, as shown in the chart on the right, which means an increase of 14% versus the previous quarter, due mainly to the fund-raising performed by FIDC in the period, aimed at coping with the seasonal increase in credit production in the second half of the year.

Operating Costs

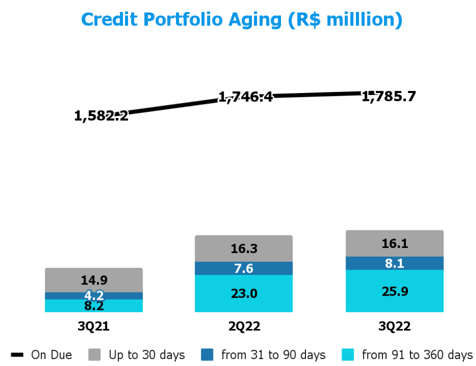
Operating Costs ended the quarter 22% higher than 2Q22, due especially to: (i) the increase in credit insurance premiums that reflect the increase in production with a longer average term, (ii) the provision for bonuses in the quarter, related to targets achieved for this dimension; and (iii) the impact of collective bargaining agreements above 10% in Supplier's cost structure as of August.

Research & Development

Research and Development (R&D) expenses grew 62% quarter-over-quarter. This increase is associated mainly with the following factors: (i) Supplier's collective bargaining agreement that impacted this item as of August; (ii) provision for bonuses, according to this dimension's performance; and (iii) a long-term incentive plan, as mentioned in the previous section.

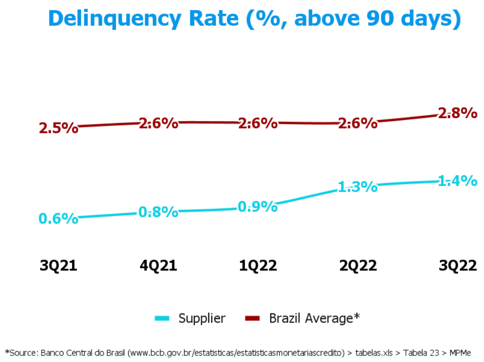
Provision for Expected Credit Losses

The Provision for expected credit losses dropped 3.5% quarter-over-quarter, representing 0.24% of Credit Production compared with 0.28% in the previous quarter. This reduction mainly reflects the behavior of the portfolio overdue for over 30 days, which grew at a lower level than the total portfolio in the period, considering



that the history of losses of the portfolio overdue up to 30 days is significantly lower than that of the total overdue portfolio.

Moreover, as we can see in the chart, the increase in Delinquency Rate above 90 days still reflects the "aging" of the initial delay ranges above the average that took place in 1Q22.



Techfin Contribution Margin

The Techfin Contribution Margin ended the quarter at 67%, which means an increase of 390 basis points over 2Q22, explained mainly by: (i) a 40% increase in Techfin Revenue Net of Funding, because of the increase in Credit Production and the average term; (ii) a reduction in the Provision for expected credit losses; and (iii) an increase in Operating Costs 17.9 percentage points below the growth in Techfin Revenue Net of Funding.

Other Techfin Operating Expenses

Techfin's Sales and Marketing Expenses increased from 14.7% of Funding Net Revenue in 2Q22 to 16.3% in 3Q22, due mainly to: (i) provision for bonuses and the long-term incentive plan, because the targets for this dimension were achieved; and (ii) Supplier's collective bargaining agreements, as mentioned in previous sections.

The above mentioned points also explain the 12% growth in Administrative and Other Expenses quarter-over-quarter.

Techfin's EBITDA and Net Income

Techfin's EBITDA Margin ended the quarter at 25.4%, which means 870 basis points higher than 2Q22, mainly due to: (i) a 40% growth in Techfin Revenue Net of Funding; (ii) a 3.5% reduction in the Provision for Expected credit losses; and (iii) growth in Administrative and Other Expenses by 28.3 percentage points lower than the growth in Techfin Revenue Net of Funding.

Techfin's Net Income closed the quarter at R$13.4 million, R$17 million higher than in 2Q22, mainly explained by the reduction in Techfin's effective rate resulting from the beginning of tax deduction of the goodwill amortization determined upon the acquisition of Supplier.

Adjusted Net Income and Cash Earnings

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Adjusted Mgmt. + Biz Perform. EBITDA	240.0	185.8	29.2%	220.7	8.7%	679.2	538.5	26.1%
Techfin EBITDA	18.4	8.6	115.0%	8.6	113.5%	31.9	30.0	6.3%
Adjusted EBITDA	**258.4**	**194.4**	**33.0%**	**229.4**	**12.7%**	**711.1**	**568.6**	**25.1%**
Adjusted EBITDA Margin	*24.7%*	*23.4%*	130 bp	*23.7%*	100 bp	*24.0%*	*24.9%*	-90 bp
Depreciation and Amortization	(69.7)	(71.3)	(2.2%)	(69.4)	0.5%	(210.9)	(190.4)	10.8%
Financial Result	3.2	(34.6)	(109.3%)	13.3	(75.7%)	15.8	(56.8)	(127.7%)
Bellow EBITDA Extraordinary Items (1)	-	-	-	(14.7)	(100.0%)	(14.7)	-	-
Income Tax and Social Contribution	(30.9)	1.9	<(999%)	(57.9)	(46.7%)	(126.4)	(73.5)	72.1%
Taxes on Extraordinary Items	(1.8)	(0.5)	264.8%	9.7	(118.5%)	(1.7)	0.1	<(999%)
Non-Controlling Net Income	(6.9)	-	-	(6.7)	2.7%	(19.2)	-	-
Adjusted Controller's Net Income	**152.3**	**89.9**	**69.5%**	**103.6**	**47.0%**	**354.0**	**248.0**	**42.7%**
Adjusted Net Margin (2)	*14.5%*	*10.8%*	*370 bp*	*10.7%*	*380 bp*	*12.0%*	*10.9%*	*110 bp*
Net Effect of Amortization	16.7	21.4	(21.6%)	16.9	(0.9%)	52.2	51.1	2.2%
Cash Earnings (3)	**169.1**	**111.2**	**52.0%**	**120.5**	**40.3%**	**406.2**	**299.1**	**35.8%**
Cash Earnings Margin	*16.1%*	*13.4%*	*270 bp*	*12.5%*	*360 bp*	*13.7%*	*13.1%*	*60 bp*

(1) Financial Revenue from tax credit

(2) Adjusted Controller's Net Income as % of the Revenue net of Funding Cost

(3) Net Income without the effects of expenses with amortization of intangibles arising from acquisitions

Cash Earnings ended the quarter at R$169 million, 40% up on 2Q22, mainly explained by: (i) the growth in Adjusted EBITDA from Management and Business Performance; (ii) the seasonal decrease in Income Tax and Social Contribution on Profit; and (iii) the growth of the Techfin Dimension Income, the latter driven by the performance of Supplier's operation. Comparing the 9-month period, the 36% increase in Cash Income is mainly due to the 26% growth in Adjusted EBITDA from Management and Business Performance and the R$72.6 million increase in Financial Result, resulting from the cash position of the Company.

Cash Flow

As previously mentioned, the binding commitment to create the JV with Itaú meets the accounting standard regarding assets held for sale. Despite the accounting treatment of the GAAP Cash Flow Statement presenting the cash movement of the Techfin Dimension in a consolidated line of investment, the Company maintained in this section the view of the consolidated Cash Flow with the result of the Techfin operation, excluding the consolidation effects of the FIDC, with the objective of better representing the generation of operating cash and free cash flow from the operation.

Additionally, reconciliations between the GAAP and Non-GAAP views of Cash Flow are presented in **Appendix V and VI** of this document.

Without the effects of FIDC consolidation

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
EBT (Non-GAAP)	**186.6**	**87.0**	**114.5%**	**187.1**	**(0.2%)**	**496.3**	**321.7**	**54.3%**
Non-Cash Items	180.5	164.8	9.6%	143.8	25.5%	518.0	343.1	51.0%
Change in Working Capital	53.8	21.1	154.5%	(37.2)	(244.6%)	(29.2)	(106.9)	(72.7%)
Operating Cash Generation	**421.0**	**272.9**	**54.3%**	**293.7**	**43.3%**	**985.1**	**557.8**	**76.6%**
Interest paid	(83.0)	(6.5)	>999%	(93.5)	(11.2%)	(186.2)	(13.4)	>999%
Income Tax and Social Cont. paid	(34.6)	(29.5)	17.3%	(14.8)	133.8%	(99.5)	(98.1)	1.5%
Net Cash from Operating Activities	**303.3**	**236.9**	**28.1%**	**185.4**	**63.6%**	**699.5**	**446.4**	**56.7%**
Acquisition of Subsidiaries	(95.8)	(7.7)	>999%	(80.4)	19.1%	(356.9)	(1,732.8)	(79.4%)
Fixed Assets	(36.5)	(33.2)	10.0%	(17.3)	111.0%	(68.3)	(55.8)	22.4%
Intangibles	(22.8)	(40.0)	(43.0%)	(23.5)	(3.3%)	(56.1)	(63.7)	(11.8%)
CVC Fund Investments	(4.1)	-	-	(3.5)	17.0%	(11.8)	-	-
Franchises Loan	12.1	(9.9)	(222.5%)	4.7	154.9%	21.3	(31.0)	(168.7%)
Net Cash used in Investing Act.	**(147.1)**	**(90.8)**	**62.1%**	**(120.1)**	**22.6%**	**(471.8)**	**(1,883.3)**	**(74.9%)**
Increase (Decrease) Gross Debt	(19.5)	(13.2)	47.2%	(21.0)	(7.2%)	(154.7)	1,451.7	(110.7%)
Shareholders Remuneration	(61.1)	-	-	(178.7)	(65.8%)	(249.0)	(107.6)	131.4%
Capital Increase, Net of Expenses	-	1,407.1	(100.0%)	-	-	-	1,407.1	(100.0%)
Aplic. (Red.) of Senior and Mezanine Quotas	-	-	-	-	-	100.0	-	-
Follow-on Expenses	-	-	-	-	-	(0.1)	-	-
Receivables from Related Companies	(0.2)	-	-	-	-	(0.2)	-	-
Net Cash gen. by (used in) Financ. Act.	**(80.8)**	**1,393.8**	**(105.8%)**	**(199.7)**	**(59.5%)**	**(304.0)**	**2,751.2**	**(111.0%)**
Incr. (Dec.) in Cash and Cash Eq.	75.4	1,539.9	(95.1%)	(134.3)	(156.1%)	(76.3)	1,314.2	(105.8%)
Cash and Equiv. Beginning of the Period	2,719.3	786.0	246.0%	2,853.7	(4.7%)	2,871.1	1,011.6	183.8%
Cash and Equiv. End of the Period	**2,794.8**	**2,325.9**	**20.2%**	**2,719.3**	**2.8%**	**2,794.8**	**2,325.9**	**20.2%**
Free Cash Flow*	**306.8**	**158.2**	**94.0%**	**207.5**	**47.9%**	**707.4**	**304.7**	**132.1%**

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

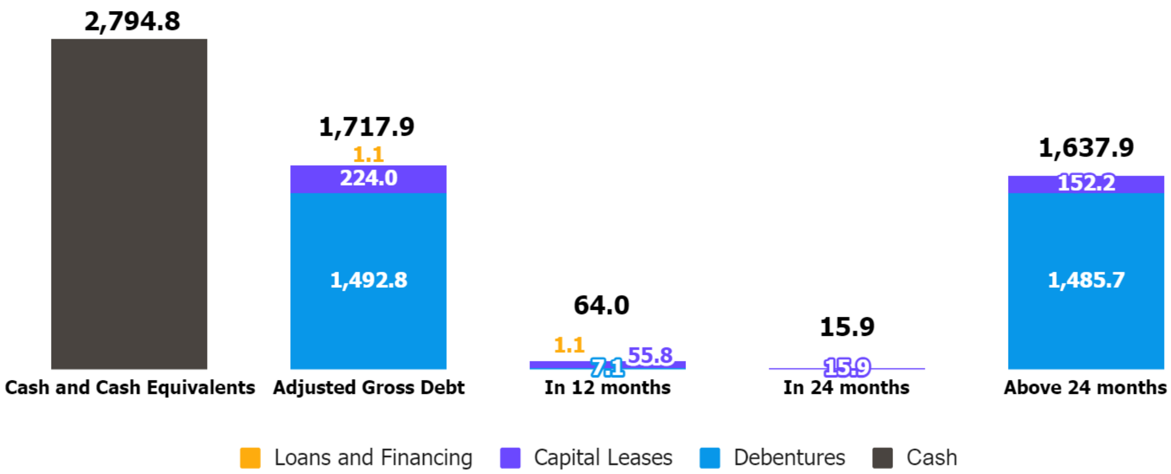
Free Cash Flow ended the quarter at R$307 million, 47.9% higher than in 2Q22, explained by: (i) the R$55 million increase in Business Partners Payable (floating); (ii) the one-off impacts of 2Q22 referring to the payment of interest paid on debentures and the advance of the first installment of the 13th wage that affected the Other Assets lines. These positive effects were partially offset by the tax offset at a lower level than that observed in 2Q22.

The conversion of Adjusted EBITDA into Operating Cash Generation reached 162.9% in 3Q22 and 138.5% in the year, which demonstrates the Company's ability to generate cash operationally, even with the creation of two new 2 business that have different mandates and that contributed to the growth of 30% of the accumulated Net Revenue for the year. This ability to generate cash even contributed to the upgrade of the rating assigned by Fitch to the Company from AA to AA+ in March this year.

Gross and Net Debt

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ
Capital Leases	224.0	236.2	(5.2%)	234.5	(4.5%)
Loans and Financing	1.1	-	-	-	-
Debentures	1,492.8	1,524.2	(2.1%)	1,517.3	(1.6%)
Gross Debt	**1,717.9**	**1,760.4**	**(2.4%)**	**1,751.7**	**(1.9%)**
(-) Cash and Cash Equivalents	(2,794.8)	(2,325.9)	20.2%	(2,719.3)	2.8%
Net Debt (Cash)	**(1,076.9)**	**(565.5)**	**90.4%**	**(967.6)**	**11.3%**

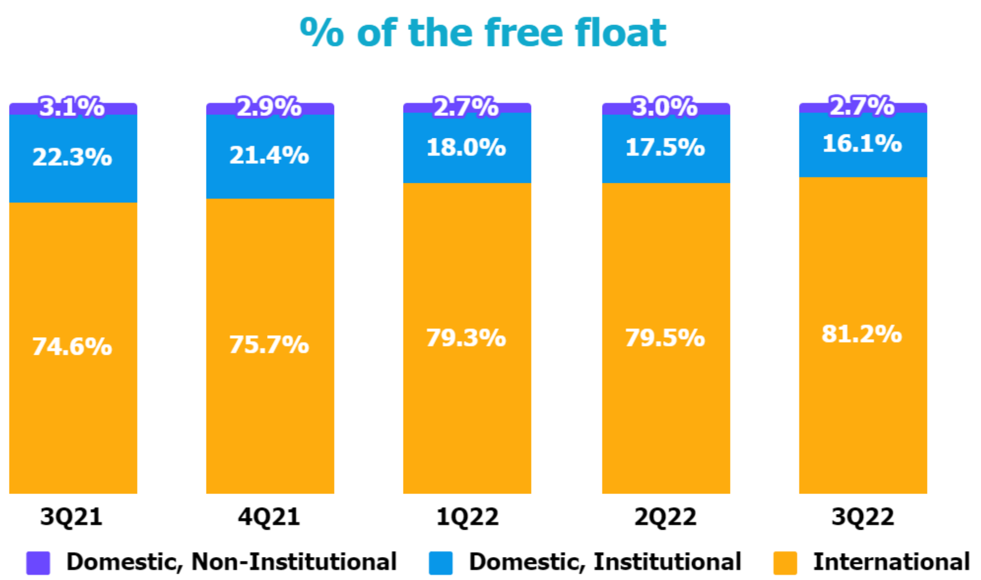
Gross Debt ended the quarter at R$1.7 billion, down 1.9% from the previous quarter and 2.4% year-over-year, mainly due to the Company's 4th issue of debentures with the purpose of changing the of gross debt, with the early settlement of the 3rd issuance of debentures and, consequently, reduce the carrying cost and lengthen the maturity term of the Gross Debt.



The Cash and Cash Equivalents Balance closed the quarter at R$2.8 billion, which corresponds to approximately 1.6x the balance of the Total Adjusted Gross Debt. It is worth highlighting that over 95% of the Company's debts have due dates over 24 months, which shows its solid financial position and enabling the performance of its strategy of building a business ecosystem in 3 dimensions (Management, Techfin, and Business Performance), either via organic development and/or partnerships, or via M&A, especially in a market scenario with increased opportunities available.

SHAREHOLDING COMPOSITION

TOTVS closed 3Q22 with a Capital Stock of approximately R$3 billion, comprised of 617,183,181 common shares, of which 83.9% 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	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Net Revenue	**1,092.2**	**854.5**	**27.8%**	**1,008.5**	**8.3%**	**3,081.8**	**2,338.2**	**31.8%**
Techfin Funding Cost	(44.8)	(25.2)	77.9%	(42.0)	6.5%	(122.3)	(55.8)	119.2%
Net Funding Revenue	**1,047.5**	**829.4**	**26.3%**	**966.4**	**8.4%**	**2,959.5**	**2,282.4**	**29.7%**
Management Revenue	891.5	718.7	24.0%	839.0	6.3%	2,559.1	2,057.8	24.4%
Business Performance Revenue	83.3	62.7	32.9%	75.6	10.2%	228.7	90.7	152.3%
Techfin Revenue - Net of funding	72.7	48.0	51.4%	51.9	40.1%	171.7	133.9	28.2%
Operating Costs	**(282.7)**	**(226.3)**	**24.9%**	**(263.9)**	**7.1%**	**(802.4)**	**(623.5)**	**28.7%**
Management Operating Costs	(256.2)	(203.9)	25.6%	(239.6)	6.9%	(727.0)	(580.7)	25.2%
Business Performance Operating Costs	(19.6)	(16.4)	19.6%	(18.7)	5.0%	(56.9)	(26.6)	113.9%
Techfin Costs	(6.9)	(5.9)	16.7%	(5.7)	22.3%	(18.5)	(16.2)	14.3%
Gross Profit	**764.7**	**603.1**	**26.8%**	**702.5**	**8.9%**	**2,157.2**	**1,658.9**	**30.0%**
Operating Expenses	**(581.3)**	**(481.4)**	**20.7%**	**(528.7)**	**9.9%**	**(1,676.7)**	**(1,280.4)**	**30.9%**
Research and Development	(181.9)	(143.7)	26.6%	(170.7)	6.6%	(516.9)	(390.5)	32.4%
Sales and Marketing Expenses	(199.5)	(163.5)	22.0%	(188.3)	5.9%	(572.2)	(431.0)	32.8%
Provision for Expected Credit Losses	(15.6)	(12.7)	22.8%	(13.1)	18.8%	(46.3)	(28.5)	62.5%
General and Administrative Expenses	(108.4)	(84.0)	29.0%	(101.4)	6.9%	(303.5)	(233.9)	29.8%
Provision for Contingencies	(6.8)	(10.6)	(36.5%)	(3.2)	113.5%	(21.3)	(24.6)	(13.2%)
Depreciation and Amortization	(69.7)	(71.3)	(2.2%)	(69.4)	0.5%	(210.9)	(190.4)	10.8%
Other Net Revenues (Expenses)	0.7	4.4	(84.7%)	17.5	(96.1%)	(5.5)	19.0	(129.0%)
Equity Pickup	-	0.0	(100.0%)	-	-	0.0	(0.5)	(101.3%)
EBIT	**183.4**	**121.6**	**50.8%**	**173.8**	**5.6%**	**480.5**	**378.5**	**26.9%**
Financial Result	3.2	(34.6)	(109.3%)	13.3	(75.7%)	15.8	(56.8)	(127.7%)
Earnings Before Taxes (EBT)	**186.6**	**87.0**	**114.5%**	**187.1**	**(0.2%)**	**496.3**	**321.7**	**54.3%**
Income Tax and Social Contribution	(30.9)	1.9	<(999%)	(57.9)	(46.7%)	(126.4)	(73.5)	72.1%
Consolidated Net Income	**155.8**	**88.9**	**75.2%**	**129.1**	**20.6%**	**369.9**	**248.2**	**49.0%**
Non-Controlling Net Income	(6.9)	-	-	(6.7)	2.7%	(19.2)	-	-
Controller's Net Income	**148.8**	**88.9**	**67.4%**	**122.4**	**21.6%**	**350.7**	**248.2**	**41.3%**
Controller's Net Margin	*14.2%*	*10.7%*	*350 bp*	*12.7%*	*150 bp*	*11.8%*	*10.9%*	*90 bp*

APPENDIX II

Reconciliation of the Consolidated Income Statement

In R$ millions	3Q22 GAAP Income Statement* (a)	3Q22 Deprec. and Amort. Reclass.** (b)	3Q22 Techfin Dimension (c)	3Q22 Non-GAAP Income Statement (a+b+c)	9M22 GAAP Income Statement* (a)	9M22 Deprec. and Amort. Reclass.** (b)	9M22 Techfin Dimension (c)	9M22 Non-GAAP Income Statement (a+b+c)
Net Revenue	**974.8**	**-**	**72.7**	**1,047.5**	**2,787.9**	**-**	**171.7**	**2,959.5**
Management Revenue	891.5	-	-	891.5	2,559.1	-	-	2,559.1
Business Performance Revenue	83.3	-	-	83.3	228.7	-	-	228.7
Techfin Revenue - Net of funding	-	-	72.7	72.7	-	-	171.7	171.7
Costs	**(295.1)**	**19.3**	**(6.9)**	**(282.7)**	**(841.9)**	**58.0**	**(18.5)**	**(802.4)**
Gross Profit	**679.7**	**19.3**	**65.7**	**764.7**	**1,946.0**	**58.0**	**153.1**	**2,157.2**
Gross Margin	*69.7%*		*90.4%*	*73.0%*	*69.8%*		*89.2%*	*72.9%*
Operating Expenses (Revenues)	**(504.6)**	**(19.3)**	**(57.4)**	**(581.3)**	**(1,461.3)**	**(58.0)**	**(157.3)**	**(1,676.7)**
Research and Development	(181.8)	9.9	(10.0)	(181.9)	(524.4)	30.4	(22.9)	(516.9)
Sales and Marketing Expenses	(205.2)	17.5	(11.8)	(199.5)	(590.9)	45.8	(27.1)	(572.2)
General and Administrative Expenses	(118.2)	21.5	(18.5)	(115.2)	(339.0)	62.4	(48.3)	(324.9)
Depreciation and Amortization	-	(59.6)	(10.1)	(69.7)	-	(174.9)	(36.1)	(210.9)
Provision for Expected Credit Losses	-	(8.6)	(7.0)	(15.6)	-	(21.8)	(24.5)	(46.3)
Other Net Revenues (Expenses)	0.6	-	0.1	0.7	(7.1)	-	1.7	(5.5)
EBIT	**175.1**	**0.0**	**8.3**	**183.4**	**484.6**	**(0.0)**	**(4.1)**	**480.5**
Financial Revenues	92.8	-	0.5	93.3	269.4	-	0.4	269.8
Financial Expenses	(90.0)	-	(0.1)	(90.1)	(253.8)	-	(0.3)	(254.0)
Equity Pickup	-	-	-	-	0.0	-	-	0.0
Earnings Before Taxes (EBT)	**177.9**	**0.0**	**8.8**	**186.6**	**500.2**	**(0.0)**	**(4.0)**	**496.3**
Income Tax and Social Contribution	(35.5)	-	4.6	(30.9)	(129.4)	-	3.0	(126.4)
Techfin Dim. Net Income (Loss)	13.4	-	(13.4)	-	(1.0)	-	1.0	-
Consolidated Net Income	**155.8**	**0.0**	**(0.0)**	**155.8**	**369.9**	**(0.0)**	**0.0**	**369.9**
Non-Controlling Net Income	(6.9)	-	-	(6.9)	(19.2)	-	-	(19.2)
Controlling Net Income	**148.8**	**0.0**	**(0.0)**	**148.8**	**350.7**	**(0.0)**	**0.0**	**350.7**
Controlling Net Margin	*15.3%*			*14.2%*	*12.6%*			*11.8%*

* As established in IFRS-5, the transaction involving the creation of the JV with Itaú Unibanco S.A. meets the criteria of assets held for sale and, therefore, the quarterly financial information will present the result of the consolidated Techfin operation in the line "Techfin Dimension Net Income (Loss)"

** 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.

APPENDIX III

EBITDA and Net Income Reconciliation

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
Consolidated Net Income	**155.8**	**88.9**	**75.2%**	**129.1**	**20.6%**	**369.9**	**248.2**	**49.0%**
Non-GAAP Net Margin	*14.9%*	*10.7%*	*420 bp*	*13.4%*	*150 bp*	*12.5%*	*10.9%*	*160 bp*
Techfin Dim. Net Income (Loss)	(13.4)	7.4	(280.2%)	3.7	(466.6%)	1.0	17.1	(94.3%)
Depreciation and Amortization	59.6	55.6	7.2%	58.1	2.6%	174.9	144.3	21.2%
Financial Result	(2.8)	34.0	(108.3%)	(13.5)	(79.2%)	(15.6)	55.7	(128.0%)
Income Tax and Social Contribution	35.5	(1.7)	<(999%)	57.1	(37.8%)	129.4	73.5	75.9%
EBITDA GAAP	**234.7**	**184.4**	**27.3%**	**234.5**	**0.1%**	**659.5**	**538.9**	**22.4%**
% EBITDA GAAP	*24.1%*	*23.6%*	*50 bp*	*25.6%*	*-150 bp*	*23.7%*	*25.1%*	*-140 bp*
Techfin Dimension EBITDA	**18.4**	**8.6**	**115.0%**	**8.6**	**113.5%**	**31.9**	**30.0**	**6.3%**
Extraordinary Items	**5.3**	**1.4**	**264.8%**	**(13.8)**	**(138.3%)**	**19.7**	**(0.3)**	**<(999%)**
Earn-out Adjustment at Fair Value	-	-	-	1.2	(100.0%)	26.1	(0.8)	<(999%)
Earns in Investment Sale	-	(1.2)	(100.0%)	-	-	-	(1.2)	(100.0%)
Expenses with M&A Transactions	5.3	2.6	102.8%	2.7	98.6%	11.2	10.4	7.8%
Tax Credit	-	-	-	(17.6)	(100.0%)	(17.6)	(8.7)	101.9%
Adjusted EBITDA	**258.4**	**194.4**	**33.0%**	**229.4**	**12.7%**	**711.1**	**568.6**	**25.1%**
Non-GAAP Adjusted EBITDA Margin	*24.7%*	*23.4%*	130 bp	*23.7%*	100 bp	*24.0%*	*24.9%*	-90 bp

APPENDIX IV

Consolidated Cash Flow *(Non-GAAP)*

Without the effects of FIDC consolidation

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ	9M22	9M21	Δ
EBT	**186.6**	**87.0**	**114.5%**	**187.1**	**(0.2%)**	**496.3**	**321.7**	**54.3%**
Adjustments:	**180.5**	**164.8**	**9.6%**	**143.8**	**25.5%**	**518.0**	**343.1**	**51.0%**
Depreciation and Amortization	69.7	71.3	(2.2%)	69.4	0.5%	210.9	190.4	10.8%
Share-based Payments Expense	22.4	14.0	60.5%	1.6	>999%	37.7	29.1	29.5%
Losses on Disposal of Fixed Assets and Inv.	(1.8)	10.3	(118.0%)	(0.7)	172.8%	(2.3)	10.3	(122.5%)
Provision for Expected Credit Losses	9.5	8.7	9.7%	6.7	42.5%	24.2	20.0	20.7%
Equity Pickup	-	(0.0)	(100.0%)	-	-	(0.0)	0.5	(101.3%)
Prov. for Contingencies, Net of Reversals	5.6	10.6	(47.3%)	2.5	120.6%	19.6	24.6	(20.4%)
Provision (Reversal) for Other Obligations	-	(0.6)	(100.0%)	(2.0)	(100.0%)	23.0	(1.4)	<(999%)
Net Inter. Monet. and Exchange Var.	75.1	50.5	48.7%	66.3	13.3%	205.0	69.6	194.7%
Changes in Op. Assets and Liabilities:	**53.8**	**21.1**	**154.5%**	**(37.2)**	**(244.6%)**	**(29.2)**	**(106.9)**	**(72.7%)**
Trade Receivables	(16.4)	(19.4)	(15.2%)	(58.2)	(71.8%)	(197.8)	(179.6)	10.1%
Recoverable Taxes	(23.1)	1.6	<(999%)	(42.5)	(45.7%)	(59.1)	(6.7)	777.7%
Judicial Deposits	0.1	1.9	(92.8%)	(2.8)	(104.9%)	(1.9)	2.7	(171.1%)
Other Assets	(6.3)	(17.6)	(64.1%)	(42.6)	(85.2%)	(55.1)	(67.3)	(18.1%)
Labor Liabilities	7.0	(29.5)	(123.6%)	95.2	(92.7%)	97.1	19.2	405.1%
Trade and Other Payables	14.1	1.4	879.8%	1.8	696.4%	11.1	(30.5)	(136.5%)
Commissions Payable	(1.5)	1.2	(219.9%)	(4.3)	(65.4%)	3.9	6.6	(40.9%)
Taxes and Contributions Payable	14.4	16.7	(13.9%)	(1.8)	(899.9%)	(2.8)	(0.3)	871.0%
Business Partners Payable	67.9	93.9	(27.7%)	12.5	444.2%	169.0	197.6	(14.5%)
Other Accounts Payable	(2.3)	(29.2)	(92.0%)	5.5	(142.3%)	6.5	(48.6)	(113.3%)
Operating Cash Generation	**421.0**	**272.9**	**54.3%**	**293.7**	**43.3%**	**985.1**	**557.8**	**76.6%**
Interest paid	(83.0)	(6.5)	>999%	(93.5)	(11.2%)	(186.2)	(13.4)	>999%
Tax Paid	(34.6)	(29.5)	17.3%	(14.8)	133.8%	(99.5)	(98.1)	1.5%
Net Cash from Operating Activities	**303.3**	**236.9**	**28.1%**	**185.4**	**63.6%**	**699.5**	**446.4**	**56.7%**
Acquisition of Subsidiaries, Net of Cash	(82.2)	-	-	(29.9)	174.5%	(179.8)	(1,705.0)	(89.5%)
Acquisition of Intangible Assets	(22.8)	(40.0)	(43.0%)	(23.5)	(3.3%)	(56.1)	(63.7)	(11.8%)
Proceeds from Sale of Subsid. Net of Cash	0.0	0.0	(7.3%)	0.0	(5.0%)	6.5	5.4	19.3%
CVC Fund Investments	(4.1)	-	-	(3.5)	17.0%	(11.8)	-	-
Franchises Loan	12.1	(9.9)	(222.5%)	4.7	154.9%	21.3	(31.0)	(168.7%)
Proceeds from Sale of Prop. Plant and Equip.	0.5	1.9	(75.9%)	1.0	(55.5%)	1.7	3.3	(48.9%)
Payments from Acquisitions of Subsidiaries	(13.6)	(7.8)	75.1%	(50.5)	(73.0%)	(183.6)	(33.2)	452.4%
Acquisitions of Prop. Plant and Equip.	(37.0)	(35.1)	5.5%	(18.3)	101.8%	(70.0)	(59.1)	18.5%
Net Cash used in Investing Act.	**(147.1)**	**(90.786)**	**62.1%**	**(120.1)**	**22.6%**	**(471.8)**	**(1,883.3)**	**(74.9%)**
Payment of Princ. of Loans and Financing	-	(3.3)	(100.0%)	(1.6)	(100.0%)	(106.7)	(4.2)	>999%
Payment of Principal of Debentures	(1,500.0)	-	-	-	-	(1,500.0)	-	-
Payment of Principal of Lease Liabilities	(14.0)	(9.9)	41.7%	(19.4)	(27.8%)	(42.5)	(33.5)	26.8%
Dividends and Interest on Equity Paid	(61.1)	-	-	(69.7)	(12.4%)	(140.0)	(107.6)	30.1%
Proceeds from debentures, loans and finan.	1,494.5	-	-	-	-	1,494.5	1,489.4	0.3%
Aplic. (Red.) of Senior and Mezanine Quotas	-	-	-	-	-	100.0	-	-
Capital Increase, Net of Expenses	-	1,407.1	(100.0%)	-	-	-	1,407.1	(100.0%)
Follow-on Expenses	-	-	-	-	-	(0.1)	-	-
Receivables from Related Companies	(0.2)	-	-	-	-	(0.2)	-	-
Net Treasury Shares	0.0	-	-	(109.0)	(100.0%)	(109.0)	-	-
Net Cash gen. by (used in) Financ. Act.	**(80.8)**	**1,393.8**	**(105.8%)**	**(199.7)**	**(59.5%)**	**(304.0)**	**2,751.2**	**(111.0%)**
Incr. (Dec.) in Cash and Cash Eq.	**75.4**	**1,539.9**	**(95.1%)**	**(134.3)**	**(156.1%)**	**(76.3)**	**1,314.2**	**(105.8%)**
Cash and Equiv. Beginning of the Period	2,719.3	786.0	246.0%	2,853.7	(4.7%)	2,871.1	1,011.6	183.8%
Cash and Equiv. End of the Period	2,794.8	2,325.9	20.2%	2,719.3	2.8%	2,794.8	2,325.9	20.2%

APPENDIX V

Cash Flow Reconciliation 3Q22

	3Q22					
	Mgmt + Biz Performance	Techfin w/o FIDC	Techfin Consol. Elimin.	Non-GAAP w/o FIDC Consolid.	Techfin Deconsol. Effect	GAAP Cash Flow
In R$ millions	**(a)**	**(b)**	**(c)**	**(a+b+c)**	**(d)**	**(a+b+c+d)**
EBT	**177.9**	**8.8**	**-**	**186.6**	**(8.8)**	**177.9**
Adjustments:	**170.9**	**9.6**	**-**	**180.5**	**(9.6)**	**170.9**
Depreciation and Amortization	59.6	10.1	-	69.7	(10.1)	59.6
Share-based Payments Expense	19.2	3.2	-	22.4	(3.2)	19.2
Losses on Disposal of Fixed Assets and Inv.	(1.9)	0.1	-	(1.8)	(0.1)	(1.9)
Provision for Expected Credit Losses	8.6	0.9	-	9.5	(0.9)	8.6
Prov. for Contingencies, Net of Reversals	5.5	0.1	-	5.6	(0.1)	5.5
Net Inter. Monet. and Exchange Var.	79.9	(4.8)	-	75.1	4.8	79.9
Changes in Op. Assets and Liabilities:	**(15.1)**	**70.4**	**(1.5)**	**53.8**	**(70.4)**	**(15.1)**
Trade Receivables	(24.1)	7.7	-	(16.4)	(7.7)	(24.1)
Recoverable Taxes	(11.6)	(11.5)	-	(23.1)	11.5	(11.6)
Judicial Deposits	0.1	-	-	0.1	-	0.1
Other Assets	(11.486)	6.678	(1.5)	(6.307)	(6.7)	(11.486)
Labor Liabilities	7.7	(0.8)	-	7.0	0.8	7.7
Trade and Other Payables	15.5	(1.4)	-	14.1	1.4	15.5
Commissions Payable	0.1	(1.6)	-	(1.5)	1.6	0.1
Taxes and Contributions Payable	2.3	12.1	-	14.4	(12.1)	2.3
Business Partners Payable	-	67.9	-	67.9	(67.9)	-
Other Accounts Payable	6.4	(8.7)	-	(2.3)	8.7	6.4
Operating Cash Generation	**333.7**	**88.8**	**(1.5)**	**421.0**	**(88.8)**	**333.7**
Interest paid	(83.0)	(0.0)	-	(83.0)	0.0	(83.0)
Tax Paid	(32.1)	(2.5)	-	(34.6)	2.5	(32.1)
Net Cash from Operating Activities	**218.5**	**86.3**	**(1.5)**	**303.3**	**(86.3)**	**218.5**
Acquisitions of Prop. Plant and Equip.	(36.0)	(1.0)	-	(37.0)	1.0	(36.0)
Acquisition of Intangible Assets	(22.0)	(0.8)	-	(22.8)	0.8	(22.0)
Franchises Loan	12.1	-	-	12.1	-	12.1
Acquisition of Subsidiaries, Net of Cash	(82.2)	-	-	(82.2)	-	(82.2)
Payments from Acquisitions of Subsidiaries	(13.6)	-	-	(13.6)	-	(13.6)
Proceeds from Sale of Subsid., Net of Cash	0.0	-	-	0.0	-	0.0
Proceeds from Sale of Prop. Plant and Equip.	0.4	0.0	-	0.5	(0.0)	0.4
CVC Fund Investments	(4.1)	-	-	(4.1)	-	(4.1)
Net cash Invested in Techfin Dim.	(18.3)	-	18.3	-	(18.3)	(18.3)
Net Cash used in Investing Act.	**(163.6)**	**(1.8)**	**18.3**	**(147.1)**	**(16.4)**	**(163.6)**
Payment of Princ. of Loans and Financing	-	-	-	-	-	-
Payment of Principal of Debentures	(1,500.0)	-	-	(1,500.0)	-	(1,500.0)
Payment of Principal of Lease Liabilities	(13.7)	(0.3)	-	(14.0)	0.3	(13.7)
Proceeds from debentures, loans and finan.	1,494.5	-	-	1,494.5	-	1,494.5
Capital Increase, Net of Expenses	-	16.3	(16.3)	-	-	-
Net cash Invested in Techfin Dim.	-	2.0	(2.0)	-	-	-
Receivables from Related Companies	(0.7)	0.4	-	(0.2)	(0.4)	(0.7)
Dividends and Interest on Equity Paid	(61.1)	(1.5)	1.5	(61.1)	1.5	(61.1)
Net Treasury Shares	-	-	-	0.0	-	-
Net Cash gen. by (used in) Financ. Act.	**(80.9)**	**16.9**	**(16.8)**	**(80.8)**	**1.3**	**(80.9)**
Incr. (Dec.) in Cash and Cash Eq.	**(26.0)**	**101.4**	**0.0**	**75.4**	**(101.4)**	**(26.0)**
Cash and Equiv. Beginning of the Period	2,567.1	152.3	-	2,719.3	(152.3)	2,567.1
Cash and Equiv. End of the Period	2,541.1	253.7	0.0	2,794.8	(253.7)	2,541.1

APPENDIX VI

Cash Flow Reconciliation 9M22

	9M22					
	Mgmt + Biz Performance	Techfin w/o FIDC	Techfin Consol. Elimin.	Non-GAAP w/o FIDC Consolid.	Techfin Deconsol. Effect	GAAP Cash Flow
In R$ millions	**(a)**	**(b)**	**(c)**	**(a+b+c)**	**(d)**	**(a+b+c+d)**
EBT	**500.2**	**(4.0)**	**-**	**496.3**	**4.0**	**500.2**
Adjustments:	**482.2**	**35.9**	**-**	**518.0**	**(35.9)**	**482.2**
Depreciation and Amortization	174.9	36.1	-	210.9	(36.1)	174.9
Share-based Payments Expense	34.5	3.2	-	37.7	(3.2)	34.5
Losses on Disposal of Fixed Assets and Inv.	(2.4)	0.1	-	(2.3)	(0.1)	(2.4)
Provision for Expected Credit Losses	21.8	2.4	-	24.2	(2.4)	21.8
Equity Pickup	(0.0)	-	-	(0.0)	-	(0.0)
Prov. for Contingencies, Net of Reversals	19.1	0.4	-	19.6	(0.4)	19.1
Provision (Reversal) for Other Obligations	23.0	-	-	23.0	-	23.0
Net Inter. Monet. and Exchange Var.	211.3	(6.3)	-	205.0	6.3	211.3
Changes in Op. Assets and Liabilities:	**(101.1)**	**73.4**	**(1.5)**	**(29.2)**	**(73.4)**	**(101.1)**
Trade Receivables	(116.9)	(80.9)	-	(197.8)	80.9	(116.9)
Recoverable Taxes	(59.7)	0.6	-	(59.1)	(0.6)	(59.7)
Judicial Deposits	(1.9)	(0.0)	-	(1.9)	0.0	(1.9)
Other Assets	(55.6)	2.0	(1.5)	(55.1)	(2.0)	(55.6)
Labor Liabilities	103.5	(6.4)	-	97.1	6.4	103.5
Trade and Other Payables	11.1	0.0	-	11.1	(0.0)	11.1
Commissions Payable	4.2	(0.3)	-	3.9	0.3	4.2
Taxes and Contributions Payable	1.0	(3.8)	-	(2.8)	3.8	1.0
Business Partners Payable	-	169.0	-	169.0	(169.0)	-
Other Accounts Payable	13.2	(6.7)	-	6.5	6.7	13.2
Operating Cash Generation	**881.3**	**105.3**	**(1.5)**	**985.1**	**(105.3)**	**881.3**
Interest paid	(179.6)	(6.6)	-	(186.2)	6.6	(179.6)
Tax Paid	(91.8)	(7.6)	-	(99.5)	7.6	(91.8)
Net Cash from Operating Activities	**609.9**	**91.1**	**(1.5)**	**699.5**	**(91.1)**	**609.9**
Acquisitions of Prop. Plant and Equip.	(68.8)	(1.2)	-	(70.0)	1.2	(68.8)
Acquisition of Intangible Assets	(55.2)	(1.0)	-	(56.1)	1.0	(55.2)
Franchises Loan	21.3	-	-	21.3	-	21.3
Acquisition of Subsidiaries, Net of Cash	(179.8)	-	-	(179.8)	-	(179.8)
Payments from Acquisitions of Subsidiaries	(183.6)	-	-	(183.6)	-	(183.6)
Proceeds from Sale of Subsid., Net of Cash	6.5	-	-	6.5	-	6.5
Proceeds from Sale of Prop. Plant and Equip.	1.7	0.0	-	1.7	(0.0)	1.7
CVC Fund Investments	(11.8)	-	-	(11.8)	-	(11.8)
Net cash Invested in Techfin Dim.	(31.4)	-	31.4	-	(31.4)	(31.4)
Net Cash used in Investing Act.	**(501.0)**	**(2.2)**	**31.4**	**(471.8)**	**(29.2)**	**(501.0)**
Payment of Princ. of Loans and Financing	(6.7)	(100.0)	-	(106.7)	100.0	(6.7)
Payment of Principal of Debentures	(1,500.0)	-	-	(1,500.0)	-	(1,500.0)
Payment of Principal of Lease Liabilities	(41.6)	(0.9)	-	(42.5)	0.9	(41.6)
Proceeds from debentures, loans and finan.	1,494.5	-	-	1,494.5	-	1,494.5
Aplic. (Red.) of Senior and Mezanine Quotas	-	100.0	-	100.0	(100.0)	-
Capital Increase, Net of Expenses	-	16.3	(16.3)	-	-	-
Net cash Invested in Techfin Dim.	-	15.1	(15.1)	-	-	-
Share Issue Expenses	(0.1)	-	-	(0.1)	-	(0.1)
Receivables from Related Companies	(0.7)	0.4	-	(0.2)	(0.4)	(0.7)
Dividends and Interest on Equity Paid	(140.0)	(1.5)	1.5	(140.0)	-	(140.0)
Net Treasury Shares	(109.0)	-	-	(109.0)	-	(109.0)
Net Cash gen. by (used in) Financ. Act.	**(303.6)**	**29.5**	**(29.9)**	**(304.0)**	**0.4**	**(303.6)**
Incr. (Dec.) in Cash and Cash Eq.	**(194.7)**	**118.4**	**0.0**	**(76.3)**	**(119.9)**	**(194.7)**
Cash and Equiv. Beginning of the Period	2,735.8	135.3	-	2,871.1	(135.3)	2,735.8
Cash and Equiv. End of the Period	2,541.1	253.7	0.0	2,794.8	(255.2)	2,541.1

APPENDIX VII

Balance Sheet (*Non-GAAP*)

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ
	Without the effects of FIDC consolidation				
ASSETS					
Current Assets	**4,190.6**	**3,414.7**	**22.7%**	**4,084.5**	**2.6%**
Cash and Cash Equivalents	2,794.8	2,325.9	20.2%	2,719.3	2.8%
Financial Investments	95.3	177.1	(46.2%)	94.9	0.5%
Trade Receivables	1,043.9	744.7	40.2%	1,027.4	1.6%
Other Assets	256.6	167.1	53.6%	242.9	5.6%
Non-current Assets	**4,814.5**	**4,471.5**	**7.7%**	**4,621.1**	**4.2%**
Other Assets	470.3	469.5	0.2%	457.8	2.7%
Property, Plant and Equipment	422.5	393.0	7.5%	410.8	2.8%
Intangible	3,921.8	3,609.0	8.7%	3,752.4	4.5%
TOTAL ASSETS	**9,005.1**	**7,886.2**	**14.2%**	**8,705.6**	**3.4%**
LIABILITIES					
Current Liabilities	**1,604.8**	**1,544.4**	**3.9%**	**2,010.3**	**(20.2%)**
Loans and Leases	58.0	153.5	(62.2%)	57.7	0.5%
Debentures	5.2	27.4	(81.2%)	518.2	(99.0%)
Transfer to partners	689.1	526.4	30.9%	621.2	10.9%
Other Liabilities	852.6	837.1	1.8%	813.1	4.8%
Non-current Liabilities	**2,686.5**	**2,154.1**	**24.7%**	**2,098.3**	**28.0%**
Loans and Leases	170.1	186.8	(8.9%)	180.0	(5.5%)
Debentures	1,487.7	1,496.8	(0.6%)	999.0	48.9%
Provision for Contingencies	109.9	128.3	(14.4%)	110.2	(0.3%)
Other Liabilities	918.8	342.1	168.6%	809.1	13.6%
Shareholders' Equity	**4,713.8**	**4,187.8**	**12.6%**	**4,596.9**	**2.5%**
TOTAL LIABILITIES AND EQUITY	**9,005.1**	**7,886.2**	**14.2%**	**8,705.6**	**3.4%**

APPENDIX VIII

Balance Sheet Reconciliation

In R$ millions	3Q22 Mgmt + Biz Performance (a)	Techfin w/o FIDC (b)	Non-GAAP w/o FIDC Consolid. (a+b)	Techfin Deconsol. Effect (C)	GAAP Balance Sheet (a+b+c)
ASSETS					
Current Assets	**3,311.6**	**879.0**	**4,190.6**	**2,081.0**	**6,271.6**
Cash and Cash Equivalents	2,541.1	253.7	2,794.8	(253.7)	2,541.1
Financial Investments	-	95.3	95.3	(95.3)	-
Trade Receivables	534.6	509.4	1,043.9	(509.4)	534.6
Other Assets	236.0	20.6	256.6	(20.6)	236.0
Techfin Dimension Assets	-	-	-	2,960.0	2,960.0
Non-current Assets	**4,327.8**	**486.8**	**4,814.5**	**(486.8)**	**4,327.8**
Other Assets	419.1	51.2	470.3	(51.2)	419.1
Property, Plant and Equipment	415.8	6.7	422.5	(6.7)	415.8
Intangible	3,492.9	428.9	3,921.8	(428.9)	3,492.9
TOTAL ASSETS	**7,639.4**	**1,365.7**	**9,005.1**	**1,594.3**	**10,599.4**
LIABILITIES					
Current Liabilities	**868.0**	**736.8**	**1,604.8**	**1,599.0**	**3,203.8**
Loans and Leases	56.9	1.1	58.0	(1.1)	56.9
Debentures	5.2	-	5.2	-	5.2
Transfer to partners	-	689.1	689.1	(689.1)	-
Other Liabilities	806.0	46.6	852.6	(46.6)	806.0
Techfin Dimension Liabilities	-	-	-	2,335.8	2,335.8
Non-current Liabilities	**2,681.8**	**4.7**	**2,686.5**	**(4.7)**	**2,681.8**
Loans and Leases	168.1	2.0	170.1	(2.0)	168.1
Debentures	1,487.7	-	1,487.7	-	1,487.7
Provision for Contingencies	108.8	1.1	109.9	(1.1)	108.8
Other Liabilities	917.2	1.6	918.8	(1.6)	917.2
Shareholders' Equity	**4,089.6**	**624.2**	**4,713.8**	**-**	**4,713.8**
TOTAL LIABILITIES AND EQUITY	**7,639.4**	**1,365.7**	**9,005.1**	**1,594.3**	**10,599.4**

APPENDIX IX

Composition of Techfin's Credit Rights by Maturity

In R$ millions	3Q22	3Q21	Δ	2Q22	Δ
On Due	1,785.7	1,582.2	12.9%	1,746.4	2.2%
Notes overdue					
Up to 30 days	16.1	14.9	8.2%	16.3	(1.1%)
from 31 to 60 days	4.2	2.1	97.3%	4.1	3.0%
from 61 to 90 days	3.9	2.0	89.0%	3.5	10.5%
from 91 to 180 days	9.2	3.6	154.7%	11.5	(20.2%)
from 181 to 360 days	16.7	4.5	267.0%	11.5	44.6%
over 360 days	65.0	55.8	16.5%	61.2	6.1%
Gross Trade Receivables	**1,900.7**	**1,665.2**	**14.1%**	**1,854.5**	**2.5%**
Provision for Expected Credit Losses	(97.9)	(70.3)	39.3%	(91.4)	7.1%
Total	**1,802.8**	**1,594.9**	**13.0%**	**1,763.1**	**2.2%**

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.

LTM (Last Twelve Months)

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.

Q

QoQ (Quarter over Quarter)

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.