



A publicly held corporation
Corporate Taxpayer's Id. (CNPJ/ME) No. 53.113.791/0001-22
Company Registry (NIRE) 35.300.153.171

MATERIAL FACT

TECHFIN JOINT VENTURE BETWEEN TOTVS AND ITAÚ

TOTVS S.A. (B3: TOTS3; hereinafter referred to as "TOTVS"; or the "Company") informs that, as approved by its Board of Directors, entered into, on this date, an agreement to create a joint venture with Itaú Unibanco S.A. ("Itaú"), called TOTVS TECHFIN ("JV"), the purpose of which is to operate a digital platform of financial services for small and medium-sized companies by integrating a complete range of financial services. Such integration will occur natively to TOTVS management systems, facilitating the contracting, distribution, and definition of conditions with the intelligent use of transactional data.

TOTVS and Itaú will each hold 50% of interest in said JV. For developing the activities of the JV, TOTVS and Itaú will contribute with their respective expertise and undertake the following obligations: TOTVS will contribute **assets of its Techfin business dimension**, including all shares of the voting capital stock of Supplier Administradora de Cartões de Crédito S.A. ("Supplier"); and Itaú will be responsible for: (i) providing **funding** for the operations of such JV in the required term and amounts; (ii) with its expertise will contribute to the development of financial products of such JV; and (iii) will make a **primary contribution** of R\$200 million to the JV's capital stock ("Transaction").

Moreover, within the creation scope of said JV, Itaú undertook to pay TOTVS up to R\$860 million for the JV's shares, of which R\$410 million will be paid in cash on the Transaction closing date, and up to R\$450 million to be paid after 5 years as an earn-out price, upon the achievement of goals in line with the JV's growth and performance objectives. As of the closing, the JV will be the only vehicle of TOTVS for developing and distributing financial services, and will be able to benefit from integrations with the Company's management systems.

The strategic rationale for creating this JV is the unprecedented combination of efforts between Brazil's largest technology company and the largest financial conglomerate, aiming to expand, simplify, and democratize access to a wide range of financial products in the B2B market. This combination of efforts will benefit small and medium-sized companies and the entire production chain in the country by combining TOTVS' expertise in management systems (environments in which companies generate their transactional information), with Itaú's financial expertise, which has funding capacity on a large scale and under competitive conditions. This move marks an ultimate stage in developing a Techfin strategy designed by TOTVS.

The closing of the Transaction depends on the approvals by the Brazilian Antitrust Agency (CADE) and the Central Bank of Brazil (BACEN), as well as the checking of other usual conditions for this type of transaction, comprising a corporate restructuring with the contribution of certain assets and rights to the JV's capital, by TOTVS, including all shares representing the voting capital stock of Supplier, which will continue to have its founders, Mauro Wulkan and Eduardo Wagner, leading the management of Supplier's operation and aligned with the success of the JV.

The Company will keep the market informed about relevant developments.

São Paulo, April 12th, 2022.

Gilsomar Maia Sebastião

Chief Financial and
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Investor Relations

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About TOTVS: the absolute leader in the Brazilian SMB market, TOTVS creates innovative solutions to transform the daily lives of companies and help them overcome their business challenges. TOTVS is the largest management software developer in Brazil, with over 70,000 clients/customers in 12 sectors of the economy. As an original Brazilian company, TOTVS believes in a "Brazil that gets things done" and supports the growth and sustainability of thousands of businesses and entrepreneurs, across the entire country, through technology.

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