

# 2025

# REFERENCE FORM

## VERSION 1

Base date: 12/2024

1. ACTIVITIES OF THE ISSUER
2. EXECUTIVE OFFICERS' COMMENTS
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4. RISK FACTORS
5. RISK MANAGEMENT AND INTERNAL CONTROL POLICY
6. STOCKHOLDING POSITION
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## **SECTION 1 – ACTIVITIES OF THE ISSUER**

### **1.1 Brief History of the Issuer**

The Company originated in 1983, called Microsiga Software S.A., bringing together partners Mr. Ernesto Mário Haberkorn and Laércio Cosentino, former CEO of the Company, with the aim of developing software for personal computers, and later expanded into the market of integrated business management software, accessible to small and medium-sized enterprises companies.

From the 1990's onwards, several strategic decisions were taken with a view to structuring the Company for sustainable growth, with the creation of an environment to take the market leadership that the Company would achieve at the end. Some decisions and events that are worth mentioning are:

**1983:** Laércio Cosentino, founder of TOTVS, and Ernesto Haberkorn established Microsiga Software – Assessoria, Software e Comércio de Computadores S.A.

**1990:** Start of the pioneering system of exclusive franchises to distribute TOTVS management solutions.

**1997:** Start of international operations by establishing a new branch in Argentina.

**1999:** Launch of ADVPL, our own programming language.

**2005:** The corporate name is changed to TOTVS S.A. (a word that comes from Latin and means everything, everyone, totality); and the Company is admitted by BNDES Participações S.A. – BNDESPAR, which makes investments and becomes a shareholder of the Company.

**2006:** IPO on the São Paulo Stock Exchange (BOVESPA), currently known as B3 S.A. – Brasil, Bolsa, Balcão, listed on the Novo Mercado (the highest level of Corporate Governance); acquisition of RM Sistemas S.A.; and establishment of the Company's business consulting operations.

**2008:** Acquisition of Datasul and consolidation of the Brazilian market for management systems.

**2011:** Creation of specialized software offerings for different segments of the economy.

**2014:** Start of TOTVS Cloud operations.

**2015:** Launch of the TOTVS Intera subscription business model for small, medium, and large companies.



**2018:** Consolidation of the Company's succession plan and announcement of Dennis Herszkowicz as successor to the Company's founder, Laércio Cosentino, who was then elected Chairman of the Board of Directors.

**2019:** Acquisition of Supplier and establishment of the Techfin business unit. This was followed by the launch of a new strategic plan based on an Ecosystem structured around three operational segments (business unit), aimed at expanding the Company's total addressable market (TAM), sustaining accelerated growth, and strengthening its value proposition as a Trusted Advisor for its clients. Also noteworthy is the follow-on offering, which raised R\$1.066 billion, earmarked for mergers and acquisitions.

**2020:** The Company's shares were included in the IBrX 50 portfolio, an index from B3 comprising the 50 most tradable shares in the Brazilian stock market. In the same year, the Company's shares entered the mid-cap category of the MSCI Brazil, MSCI Latin America, and MSCI Emerging Markets indices.

**2021:** Acquisition of RD Station, which strengthened the business unit, followed by a subsequent share offering (Follow-on) that raised R\$1.443 billion. Another highlight was the joint venture with B3 to establish Dimensa S.A., a company focused on management solutions for the financial and fintech markets, and the expansion of the Techfin portfolio with new product launches. The Company's shares were also included in B3's Great Place to Work Index portfolio, reinforcing its commitment to ESG practices and promoting best labor market practices.

**2022:** Creation of a Joint Venture with Itaú Unibanco S.A. to operate a digital financial services platform for small- and medium-sized companies by integrating a full range of financial services.

**2023:** Acquisition of Lexos and Exact Sales under the RD Station business unit, and of TOTVS TRS, IP, and AHGORA Franchises under the Management business unit. Completion of the Joint Venture closing with Itaú under the Techfin business unit. Admission into iDIVERSA B3, upgrade in the MSCI score from "A" to "AA," and receipt of the "Empresa Pró Ética" seal.

**2024:** Completion of the acquisition of 100% of the capital stock of IP São Paulo Sistemas de Gestão Empresarial Ltda., AHGORA, and VarejOnline Tecnologia e Informática S.A., as well as the acquisition of the remaining shares of RD Station by TOTVS S.A. and of Quiver Desenvolvimento e Tecnologia Ltda. by subsidiary Dimensa S.A. In the same year, Fitch Ratings reaffirmed the Company's long-term credit rating at "AA+(bra)" and revised the outlook from stable to positive.





## **1.2 Description of the main activities of the issuer and its subsidiaries**

### **Overview**

We are one of the largest technology and software companies in Latin America, according to the “Market Share: All Software Markets, Worldwide, 2023” study, issued by Gartner in April 2024. With solutions that go far beyond traditional Enterprise Resource Planning (ERP) software, we have been providing technology for the digitalization of operations for companies of all sizes for over 40 years.

We have an installed base of approximately 70,000 customers, operating mainly in Brazil, but also present in over 40 countries. Currently, around one-third of the companies listed on B3 (with active common and/or preferred shares) are our clients.

One of TOTVS's main differentiators is its integrated sales and distribution model, based on proprietary units and franchises, which enables presence, proximity, and agile and effective service to our customers. In Brazil, we operate with 6 regional branches (São Paulo, Rio de Janeiro, Recife, Minas Gerais, Rio Grande do Sul, and Countryside of São Paulo), 3 focused units (Large Enterprise, Public Sector, and Health), and 38 franchised territories (served by 11 consolidating franchises), in addition to 9 development centers (São Paulo, Belo Horizonte, Joinville, Porto Alegre, Florianópolis, Cascavel, Assis, Ribeirão Preto, and Goiânia). Abroad, we have 5 branches (Argentina, Chile, Colombia, United States, and Mexico) and 2 development centers (United States and Mexico).

### **WE ARE TOTVS, THE LARGEST TECHNOLOGY COMPANY IN BRAZIL**

From small to large companies, from north to south of Brazil and Latin America, TOTVS has, throughout its history, become a strategic partner for business growth by offering cutting-edge technology that goes far beyond ERP.





#### IBOVESPA

first software company in Latin America to be included in Ibovespa index



#### R\$3 bn

in Research & Development investment in the last 5 years



#### +11.600 TOTVERS

dedicated every day to the success of our customers



#### MARKET SHARE

55% in Brazil and one of the three largest players in Latam



1/3 of Companies listed on B3 are TOTVS customers

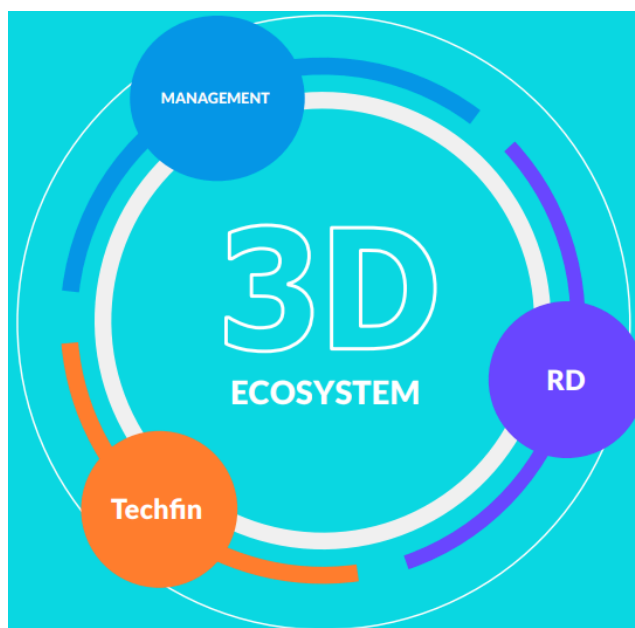


71% of these companies have been our clients for over 10 years as know well and rely on TOTVS systems to optimize their operations

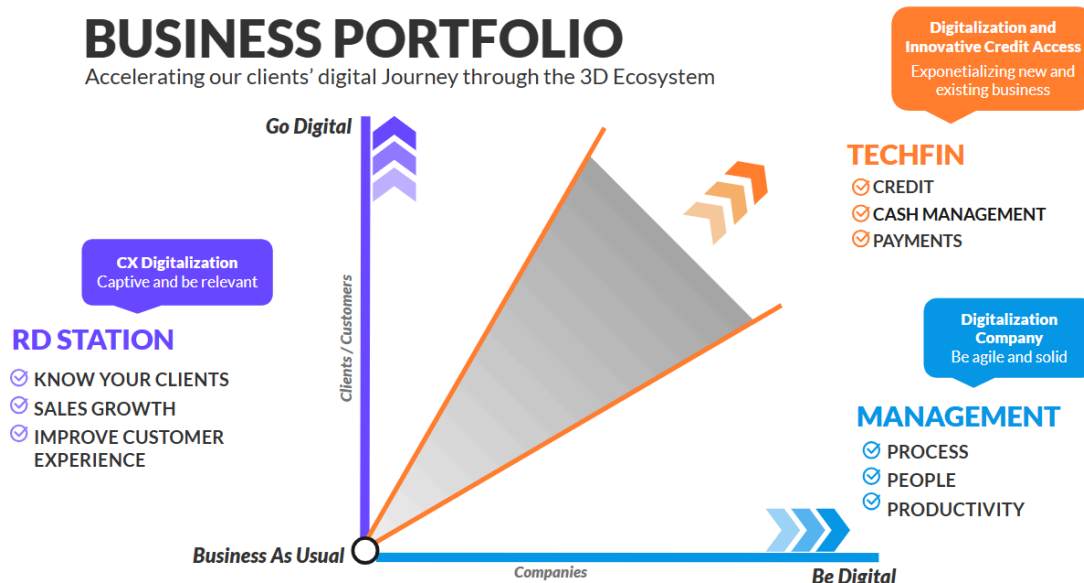


Our purpose is to improve the results of companies through technology. To this end, we seek to digitalize our clients' businesses through systems and platforms for business management, offering financial services and business performance solutions across 12 industry sectors.

We are transforming the competitive landscape through the creation of an innovative and pioneering ecosystem, based on three business units:



This business model has significantly expanded our addressable market, opening up a wide range of new operating possibilities. The image below summarizes the Company's vision regarding the 3D ecosystem.





In the **Management** business unit, our portfolio includes ERP, solutions for the human resources area — from payroll to human capital management — and vertical solutions developed for various segments of the economy. We are the market leader in Brazil, delivering the robustness required to support our clients' digitalization processes.

In the **RD Station** business unit, the Company aims to offer a broad range of services focused on helping clients improve their commercial performance, increase sales, and become more competitive in their respective industries. In March 2021, we acquired RD Station, a leader in the digital marketing and sales automation market, which significantly reinforced our Business Performance solution portfolio. In 2022, the acquisition of Tallos marked a significant step forward in conversational capabilities, strengthening RD Station's multi-product strategy. The following year, in 2023, in addition to the acquisition of Lexos (specialized in integrating physical retail, virtual retail, marketplaces, and e-commerce) and Exact Sales (a leader in Sales Engagement), we established a strategic partnership with Shopify to distribute software solutions for e-commerce in Brazil.

In the **Techfin** business unit, we are on a journey to transform TOTVS TECHFIN S.A. into the leading financial services platform for SMBs (Small and Medium Businesses), facilitating access to financial services through integrated credit, cash management, and payment solutions. On July 31, 2023, we took another important step in this direction with the completion of a Joint Venture (JV) with Itaú Unibanco S.A., with the strategic rationale of combining efforts between the largest information technology company and the largest financial conglomerate in the country, bringing together TOTVS' expertise in management solutions (environments in which companies manage their transactional information) with Itaú's financial expertise, which includes large-scale funding capacity under competitive conditions.

This strategic transformation significantly expanded the Company's addressable market and accelerated its growth. Moreover, the ecosystem enhances the business's resilience and predictability through a recurring revenue model, combined with market growth capture and the transactional model's take rate, as shown in the image below:

	Predictability	Earlier capture of market growth	Where we are in Client P&L
<b>MANAGEMENT</b> Recurring Model			G&A
<b>RD STATION</b> Recurring + Transactional Model			Sales & Marketing
<b>TECHFIN</b> Transactional Model			Financial Results (Working Capital)
<b>TOTVS</b>			G&A, Sales, Marketing, Working Capital e Financial





The Company remains focused on becoming the Trusted Advisor of its clients through innovation, which for TOTVS means doing something new and different that adds value. The 3D ecosystem is exactly that: a unique strategy that will allow the Company to expand its value proposition through a model that is hardly replicable, multiplying its addressable market.

Through technology, the Company will continue to focus on supporting businesses in expanding their operations, increasing profitability, achieving sustainable growth, and continuously improving their results. This is our purpose: to contribute to the success of companies, believing that everyone can grow and working together to make it happen — believing in a Brazil that gets things done.

The table below presents the Company's main consolidated financial and operating indicators for the periods indicated:

in millions of Reals/BRL (except percentages)	Fiscal year ended on December 31	
	2024	2023
Consolidated Net Revenue <sup>(1)</sup>	5,377.8	4,576.9
Consolidated Recurring Revenue <sup>(2)</sup>	4,640.6	3,837.1
Net Profit	735.4	764.4
Adjusted EBITDA <sup>(3)</sup>	1,290.9	1,089.9
Consolidated ARR <sup>(4)</sup>	5,538.3	4,688.7

(1) Net Revenue considers Techfin Results at 50%, Net of Funding for all periods.

(2) It comprises software subscription, technical support and technological evolution. For more details on Net Recurring Software Revenue.

(3) Adjusted EBITDA is a non-accounting measurement prepared by the Company, that corresponds to EBITDA adjusted by the result of the discontinued operation, by expenses with M&A transactions, M&A adjustments to fair value, Loss (Gain) on Write-off of Assets and the tax credit, which, in our view, are not part of normal business operations and/or distort the analysis of our performance. For more details on Adjusted EBITDA, see item 2 of this Reference Form.

(4) The Annualized Recurring Revenue (ARR) corresponds to the annualized net revenue of the sum of the contracts in force in the period, disregarding the effects of temporary grace periods.

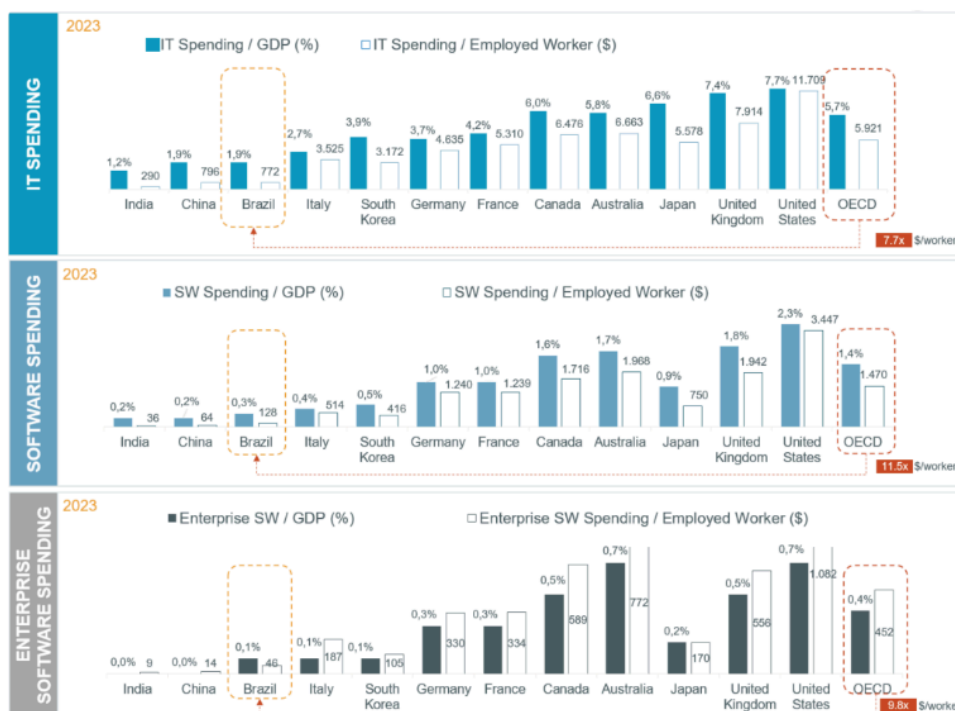
## Market Opportunities

### Software Market in Brazil (Management and RD Station)

According to the *Market DataBook* study by Gartner, published in March 2025 based on 2024 data, Brazil ranks among the 12 largest IT markets in the world, with expenditures of approximately USD 70.6 billion, of which USD 11.9 billion represent investments in software. However, IT and software investment in Brazil is still relatively lower than in more developed countries and in most major IT markets. Based on information from the World Bank, Brazil accounts for approximately 3% of

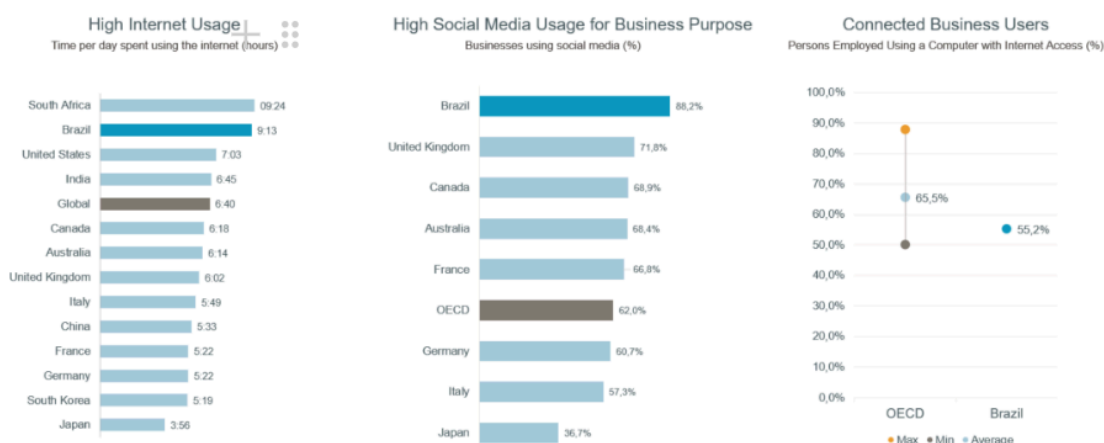


the global workforce and 2.4% of global GDP; however, software expenditures represent around 1.1% of global spending, showing that the Brazilian software market is still not mature and has significant room for growth. The charts below illustrate this disparity compared to other countries and the average for countries in the Organisation for Economic Co-operation and Development (OECD):



Sources: World Bank, OECD, TOTVS

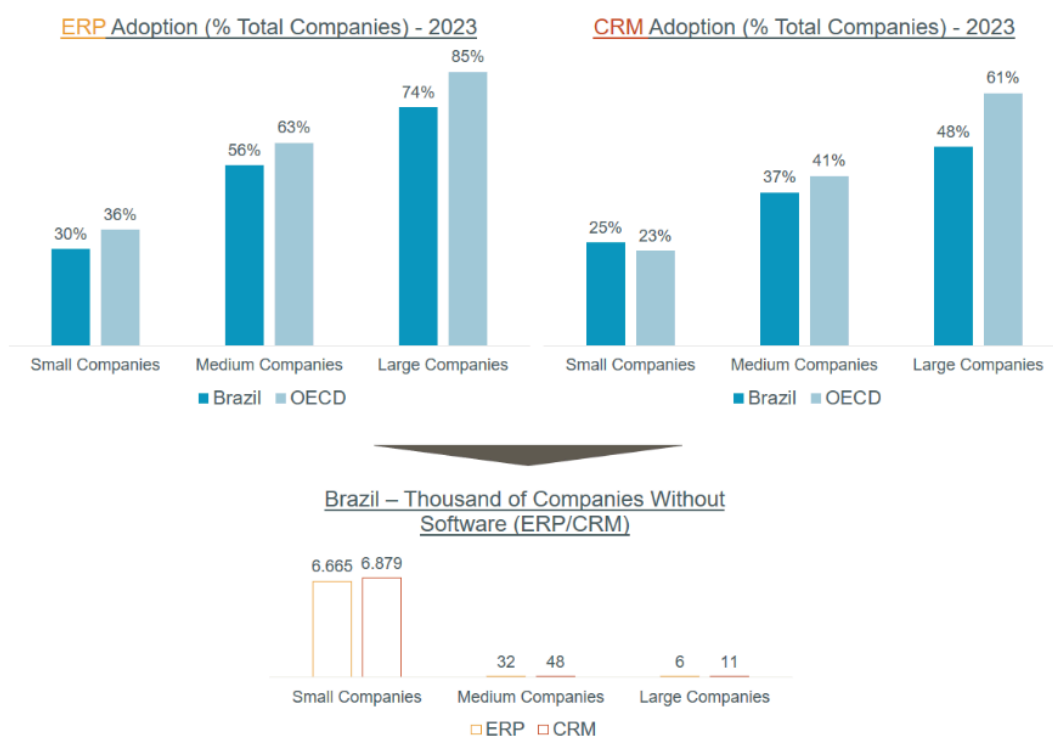
Despite the relatively low use of IT and software compared to more developed countries, Brazil already shows elements that point to favorable prospects for increased IT investment in the future. According to the Digital 2024: Global Overview Report and 2023 data from the OECD, Brazil's population demonstrates high levels of internet service consumption and use of social media for business purposes, ranking at the top compared to developed countries, the global average, and the OECD country average, as shown in the charts below:



Sources: Global Overview Report, OCDE



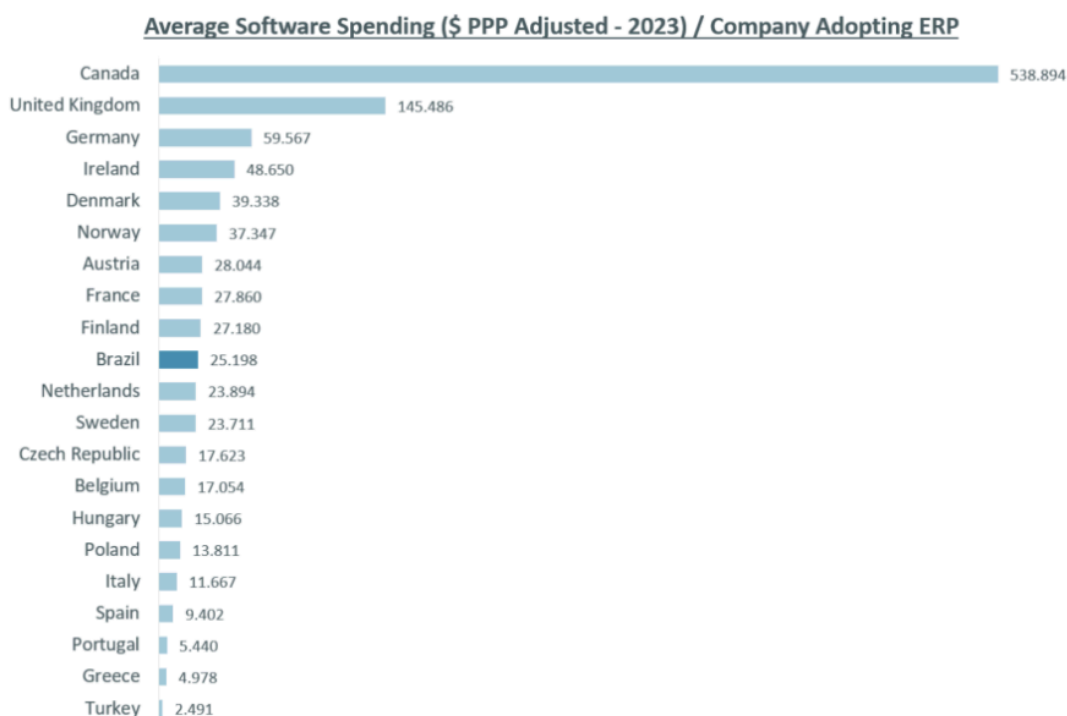
The Company believes there are three main drivers of growth in the Brazilian software market. The first driver is low market penetration. Statistics from the Regional Center for Studies on the Development of the Information Society (CETIC) and the OECD on the level of ERP and CRM adoption in Brazil and worldwide show that, overall, the Brazilian market has lower penetration compared to OECD countries. Penetration data in Brazil, combined with data from IBGE, indicate an estimated number of companies — nearly 7 million — that have not yet adopted software (ERP/CRM) in their operations.



Sources: CETIC (TIC Empresas 2021), IBGE 2022, OCDE statistics 2023

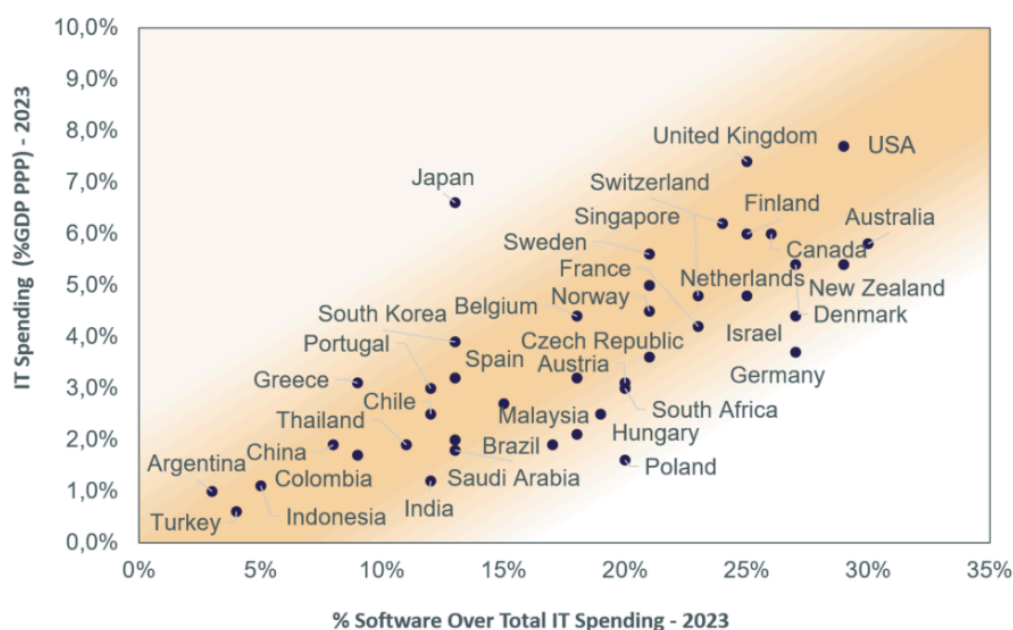
The second driver is the greater usage potential in an already penetrated market. Even companies that already use ERP in Brazil spend less on software than the average company in many OECD countries.





Sources: World Bank, OECD statistics, reviews from TOTVS

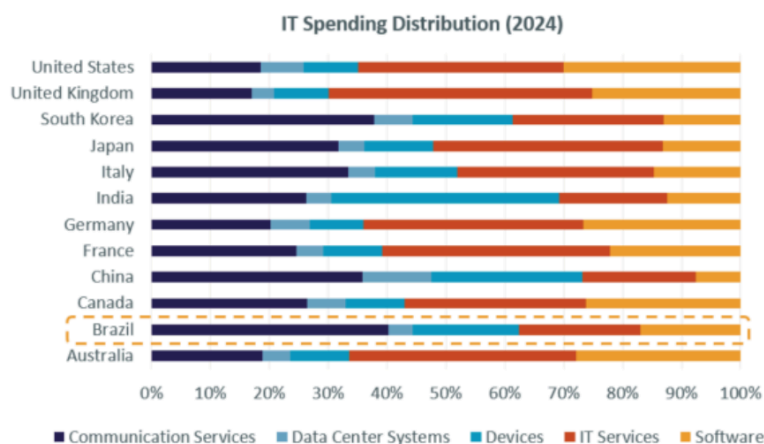
The third driver is the potential share of software in overall IT spending. Data shows a positive correlation between IT spending and the relevance of software within total IT expenditures in each country. In other words, as countries mature and begin to invest more in IT, software investment becomes increasingly representative within total IT spending.



Sources: World Bank, reviews by TOTVS



In Brazil, the share of software spending relative to total IT expenditures is low when compared to other leading IT markets, highlighting a significant potential for expanding software investments in the country.



### Techfin Market in Brazil

The Brazilian corporate credit market, although still highly concentrated among the main banks (Caixa Econômica Federal, Banco do Brasil, Itaú Unibanco, Santander and Bradesco) — which together accounted for 61% of the total corporate credit portfolio in 2023 — has been showing a relevant year-over-year decrease in concentration.

Regulatory changes intended to increase competition, the emergence and expansion of new technologies, among other factors, have created room for new players to emerge and grow by exploring niche markets where traditional players either cannot compete effectively or operate with high costs.

This scenario creates an opportunity for the Company to operate in the Techfin segment, maintaining its technology DNA as a software company. The Company positions itself as a Techfin rather than a FinTech to offer solutions that simplify access, reduce costs, and enhance the reach of financial products, including payments and credit solutions for its clients. The Company's Techfin segment can leverage: (i) its expertise and know-how in digital and technological solutions; (ii) its ability to collect and analyze large volumes of data; (iii) its capability to launch new products tailored to user needs; (iv) its robust distribution platform throughout Brazil; (v) its access to a broad base of recurring customers across the production chain; and (vi) its well-established brand. These solutions may also be offered in partnership with both established and new players in the financial sector that hold complementary capabilities, such as product expertise, regulatory knowledge, and customer risk analysis.

Additionally, the Company's access to a wide customer base whose operations are intermediated and supported by its systems, combined with the trend toward digitization and the pressure for efficiency and results, creates an opportunity for the Company to develop solutions that enhance customer performance through data

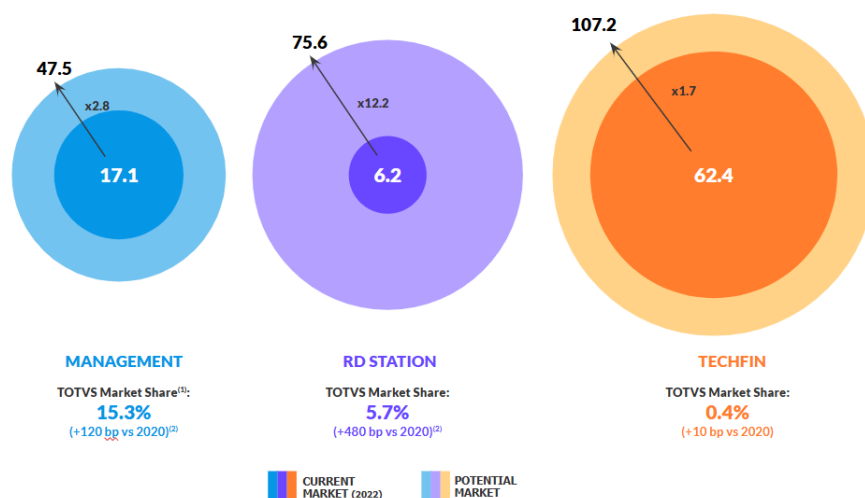


analysis — including, for example, strategies to boost sales in specific scenarios or better manage business resources.

### Total Addressable Market – Potential 3D Ecosystem

The Company estimates a total addressable software market in Brazil of approximately R\$220.5 billion in 2023, broken down into: (1) R\$41.0 billion in the Management market; (2) R\$89.0 billion in the Business Performance market, both assuming Brazilian companies reach an IT maturity level comparable to that of OECD countries; and (3) R\$90.4 billion in the Techfin market. This potential can be explored through various strategies such as upselling, cross-selling, or expanding into currently unpenetrated markets.

In the Techfin segment, the Company estimates an addressable market potential based on the scenario in which all Brazilian companies take out credit in line with the average level of debt of those that already access credit today. This opportunity could be captured through our strategy of becoming a unified platform for credit and payments tailored to small and medium-sized businesses.



Sources: IDC, World Bank and TOTVS Market Intelligence

The opportunities highlighted here, combined with the positive trajectory of the IT sector—which has consistently grown above the average of the Brazilian economy—reinforce our view that the Brazilian market is a significant source of growth and opportunity for the Company. Moreover, the size of these new markets and their growth potential show that the Company does not need to be dominant in them for the growth from these new segments to be relevant.

### Strengths and Competitive Advantages

#### Leadership Position and Brand

We are a leading Brazilian multinational company in the ERP market in Brazil, with a 55% market share, according to Gartner's "Market Share: All Software Markets,





Worldwide, 2023” study. We estimate that the combined revenue of our clients represents approximately R\$2.7 trillion.

Our leadership position allows us broad access to several market segments in which we operate, enabling us to offer a wide variety of vertically integrated products to new and existing clients of all sizes, including cross-selling opportunities. We also believe that our strong reputation attracts high-performing professionals, partners, and clients to our ecosystem, which is open, adaptive to current market demands, and capable of anticipating future trends.

TOTVS has stood out in the ESG agenda and is recognized by the market for its achievements in this area. In 2024, we received several industry awards that highlight the strong competitiveness of the TOTVS brand, including:

**Awards and Recognitions:**

- *Institutional Investor Research*: TOTVS was elected the best company in the technology, media, and telecommunications (TMT) sector in Latin America, and recognized as Best ESG 2021–2024 in the mid-cap category.
- *GPTW Ranking*: For the fifth consecutive year, TOTVS received the GPTW certification, ranking 11th among large tech companies, 19th in São Paulo, 45th nationwide, and 12th for flexible work environment.
- *GPTW Ranking*: RD Station was ranked for the first time among the best medium-sized companies to work for in Brazil, and 10th among tech companies.
- *Seal of Human Rights and Diversity* (City of São Paulo): Recognition for three initiatives — Talent Bank #ELASNATOTVS (Women category); Speed to Hero Program (People with Disabilities); and Social Investment in IOS (Youth).
- *Intern-Friendly Company Seal*: For the second consecutive year, TOTVS received the seal from WallJobs for its commitment to the development of its interns.
- *Racial Equality Seal*: In 2024, TOTVS was recognized for having at least 20% of its workforce composed of Black professionals across various roles and hierarchies.
- *Pro-Ethics Company Seal*: TOTVS received the 2022–2024 “Empresa Pró-Ética” seal from the Brazilian Office of the Comptroller General (CGU), recognizing its commitment to preventing, detecting, and addressing corruption, fraud, and bribery.
- *Merco Corporate Reputation Monitor*: TOTVS is listed in two categories—Best Corporate Reputation and Most Responsible Companies in ESG.
- *ANEFAC Transparency Trophy*: For the fourth consecutive year, TOTVS ranked among companies with net revenue of up to R\$5 billion.



- *Elite InfoMoney 2024*: TOTVS was included in the list of the fastest-growing publicly traded Brazilian companies.
- *Insight Comunicação and Fundação Getúlio Vargas - FGV*: TOTVS ranked 61st among the Top 100 ESG Companies.
- *ABQV National Quality of Life Award*: For the fourth consecutive year, TOTVS was awarded for its excellence in promoting health and well-being.
- *World 200 Top SGOs*: Instituto da Oportunidade Social (IOS) ranked 11th in Brazil and 149th globally among the top social organizations.

### **National and Global Indices and Ratings**

- *Novo Mercado (B3)*: TOTVS has been listed at the highest level of corporate governance on B3 since 2006.
- *ICO2 B3*: TOTVS has been part of the B3 Carbon Efficient Index for the third consecutive year, ranking among the 75% lowest GHG emitters.
- *IGPTW (B3)*: Since 2022, TOTVS has been part of B3's GPTW index, focused on companies with certified workplace excellence and ESG leadership.
- *IBrX-50 (B3)*: Included since 2021 among the 50 most traded stocks on the Brazilian stock exchange.
- *MSCI (Global)*: TOTVS' score was upgraded from A to AA in 2023, maintaining a leadership position in risk and opportunity management.
- *ISS (Global)*: TOTVS received top scores in Governance (score 1) and Social (score 1), and a strong score in Environmental (score 3).
- *CDP (Global)*: TOTVS returned to category D (Disclosure) in 2023, identifying areas for improvement in socio-environmental risk mapping.
- *Fitch Ratings (Global)*: In 2025, TOTVS was upgraded from AA+(bra) to the maximum rating AAA(bra), with a stable outlook.
- *IDIVERSA (B3)*: TOTVS joined this diversity-focused index created by B3 in 2023.

### **TOTVS as a Top Pick in ESG Investment Portfolios:**

TOTVS is one of the top technology recommendations in ESG investment portfolios by BTG, Itaú, Santander, and XP.



## **Distribution Platform**

The Company is present throughout the entire Brazilian territory and serves clients in 41 countries. This broad capillarity is the result of our expansion strategy via branches, channels, and exclusive franchises, launched in the 1990s, which enables us to stay close to our clients, understand their businesses and the regional particularities in which they operate, and gain their trust.

We believe our distribution platform is a strong differentiator, with both local and digital presence, capable of serving companies of all sizes.

In the Management segment, our distribution strategy aligns with the size of our clients as follows:

- (i) For large corporations (over 500 employees), we have a specialized division with qualified professionals for each industry in which we operate, offering not only specialized service, but also support and consulting.
- (ii) For small and medium-sized companies (10 to 500 employees), we operate through 6 own branches and 38 franchised territories. We believe this sales force capillarity provides us with unique insight into customer needs, while also optimizing sales and implementation costs. Our franchisees operate exclusively and are remunerated not only based on sales, but also on Recurring Net Software Revenue, which we believe encourages franchisees to remain highly aligned with our interests, particularly the maintenance of long-term relationships with clients.
- (iii) For micro-enterprises (less than 10 employees), we use a multichannel system via partners, resellers, and distributors, enabling us to reach all regions and major urban centers in Brazil.

In the RD Station segment, distribution is mostly carried out by a vast ecosystem of partner marketing agencies that promote and recommend our solutions. Additionally, this business unit includes products with strong PLG (Product-Led Growth) features, where upsell opportunities for existing clients are generated through product usage intensity, which then signals the commercial team. Finally, we also focus on cross-selling to clients in the Management segment via specialized teams that are fully integrated with the current sales teams.

In the Techfin segment, we have specialized teams that support the cross-selling of our Techfin solutions. Although still in the early stages of integration with current sales teams, these efforts have already shown above-expectation results. Furthermore, in the case of our Supplier credit solution (detailed later), the distribution and contracting of credit is done through our clients—referred to as affiliates—who use our digital credit card service to boost their own sales.

## **Broad, Diverse, and Flexible Portfolio**

Our portfolio includes a complete horizontal offering with solutions in: (i) Management, including ERP, HR, Industry Verticals, and Innovation Platforms; (ii) Techfin, including credit financial services, cash management, and payment methods; and (iii) RD Station, including data intelligence, digital commerce, conversational commerce, digital marketing, and CRM. We believe our solutions are broad, diverse, and flexible, addressing the needs of clients across 12 industry





verticals (agribusiness, construction and projects, distribution, education, financial services, hospitality and tourism, legal, logistics, manufacturing, healthcare, service providers, and retail).

We serve companies of all sizes, offering cloud or on-premises solutions. Our solutions are scalable and modular, easily configurable to support specific functionalities for different business sizes and sectors, while maintaining consistent integration.

### **Business Model with a History of Growth and Profitability**

Our business model in the Management business unit consists of the continuous innovation, offering, and development of reliable and efficient ERP systems for secure corporate data processing—an essential tool in managing our clients' businesses, in which we believe we have deep expertise. Additionally, the offerings from our RD Station business unit complement and enhance our Management solutions, enabling our clients to increase sales, become more competitive, and improve revenue performance. Our ERP-integrated, data-driven Techfin business unit solutions expand access to broader, simpler, and more accessible financial services.

This business model is customer-centric, with a broad portfolio of products and financial services, a post-sales team of specialists in cross-selling and up-selling, and centralized implementation and maintenance teams. We provide clients with simplicity and ease of use by offering different commercial models tailored to their digital maturity stage. This enables us to support our clients' evolution in their digital transformation, positioning ourselves as their “Trusted Advisor” so they can grow, scale operations, and increase profitability.

This commercial flexibility allows us to grow alongside our clients, fostering long-term relationships. At the end of 2024, we reached over R\$5.5 billion in Annual Recurring Revenue (ARR), an 18% increase compared to the same period in 2023, and surpassed R\$11.7 billion in credit origination for the year. We believe that these achievements—combined with a model that unites the resilience and predictability of recurring revenue with the take rate and market growth capture from transactional revenue—support continued revenue growth and healthy profitability.

### **Acceleration through Acquisitions**

We believe acquisitions are a powerful lever to execute our strategy of strengthening our position in the Management business segment and expanding into new markets (Techfin and RD Station). We continually assess strategic acquisition opportunities based on three main pillars:

1. Reinforce and Defend the Core Business – Strengthening our Management segment by adding horizontal and vertical solutions and expanding our customer base to boost cross-selling capacity and anticipate innovation trends.



2. Deepen Segment Focus – Strengthening our presence to seek leadership in specific business segments and expanding our addressable markets.
3. New Markets – Expanding our potentially addressable market (e.g., Techfin and RD Station).

Our acquisition pipeline is constantly updated, reflecting the dynamic nature of the IT market. Targets are evaluated based on alignment with at least one of the three strategic pillars, the asset's availability, detailed synergy assessments, and a valuation compatible with market standards.

### **Acquisition History**

We believe the Company has solid execution capabilities and a strong track record in identifying, negotiating, and integrating acquired companies. Over more than 20 years, dozens of acquisitions have added value to the Company and served as a key lever in strengthening our core business and expanding into new markets, while also generating significant synergies.

Since 2005, we have directly acquired more than 40 companies that have bolstered both our core Management unit and our entry into new operating units (Techfin and RD Station). Our executives have extensive experience in acquisition processes and post-merger integrations, enabling us to maximize synergy capture. Integration focuses on increasing cross- and up-selling, reducing churn, expanding our service and solution portfolio, lowering costs, improving governance, and boosting sales under the TOTVS brand. Notable examples include the acquisitions of RM, Datasul, and Consinco—transformational due to their size at the time of acquisition.

We have also made transactions that expanded our addressable markets, such as the acquisitions of Supplier and RD Station, which marked definitive milestones in establishing the TOTVS Techfin and RD Station business units. These acquisitions were fundamental in building our 3D B2B tech ecosystem, designed to increase addressable market, boost share of wallet, and drive customer loyalty. Another important example was the creation of the Joint Venture between TOTVS Techfin and Banco Itaú—an unprecedented alliance between the largest tech company and the largest financial group in the country. The objective was to expand, simplify, and democratize access to a broad range of financial products in the B2B market. This partnership is expected to benefit small and medium-sized enterprises, as well as the entire national production chain, by combining TOTVS' expertise in management systems (environments where companies manage transactional information) with Itaú's financial expertise and large-scale funding capabilities.



Lastly, we highlight the creation of Dimensa—formerly TOTVS Financial Services (TFS)—a new company formed through the partnership between TOTVS and B3. Dimensa began a new chapter with a renewed leadership team, full autonomy, and a dedicated focus on the dynamic B2B technology market for financial institutions and fintechs. Its mission is to expand innovation investments, broaden its solution portfolio and client base through organic development, strategic partnerships, and acquisitions, with the clear goal of becoming the leading B2B technology provider for the financial sector.

The Company's main mergers, acquisitions and disposals operations that occurred in 2024 are listed below, in chronological order.

DATE	SUBJECT
12/30/2024	TOTVS TECNOLOGIA EM SOFTWARE DE GESTÃO LTDA., completed, on December 30, 2024, the acquisition of the entire share capital of VAREJONLINE TECNOLOGIA E INFORMÁTICA S.A.
11/06/2024	TOTVS TECNOLOGIA EM SOFTWARE DE GESTÃO LTDA., entered into, on November 6, 2024, a Share Purchase Agreement and Other Covenants to acquire the entire share capital of VAREJONLINE TECNOLOGIA E INFORMÁTICA S.A.
05/07/2024	TOTVS LARGE ENTERPRISE TECNOLOGIA S.A., exercised, on May 7, 2024, the option to purchase the remaining shares of RD GESTÃO E SISTEMAS S.A.
03/28/2024	SOLUÇÕES EM SOFTWARE E SERVIÇOS TTS LTDA., completed, on March 28, 2024, the acquisition of the entire share capital of AHGORA HCM S.A. and WEBTRAINING LTDA.
02/01/2024	DIMENSA S.A. entered into, on February 1, 2024, a Quota Purchase Agreement and Other Covenants to acquire the entire share capital of Quiver Desenvolvimento e Tecnologia Ltda.
02/01/2024	SOLUÇÕES EM SOFTWARE E SERVIÇOS TTS LTDA. completed, on February 1, 2024, the acquisition of the entire share capital of the franchise IP SÃO PAULO SISTEMAS DE GESTÃO EMPRESARIAL LTDA.

Note: The dates mentioned above refer to the signing of definitive contracts and disclosure of transactions prior to the Closing of transactions (when applicable).

## Commitment to the ESG Agenda

At TOTVS, sustainability is at the core of our strategy, driving innovation, operational resilience, and the long-term success of our business. As a leading technology company, we understand that our role goes beyond delivering efficient solutions—we seek to positively impact society, mitigate our environmental footprint, and strengthen solid governance aligned with sustainable growth strategies.

Our commitment to efficiency and responsibility is reflected in how we manage our carbon footprint. For the third consecutive year, we are part of B3's Carbon Efficient Index (ICO2), reinforcing transparency in emissions and the continuous improvement of our environmental practices. With our second greenhouse gas emissions inventory, we expanded our analysis to include scopes 1, 2, and 3, allowing for more structured planning to reduce impact and optimize processes such as energy efficiency in our operations and data centers.



We believe that technology development must go hand-in-hand with inclusion and access to opportunity. For that reason, we invest in training and employability through initiatives like the Start Tech Program, preparing new talent for the tech sector. Internally, we have strengthened diversity and inclusion through structured policies, affinity groups, and programs such as the #ELASNATOTVS and #INCLUSAONATOTVS talent banks, which increase access for women and people with disabilities to the technology job market.

The **Instituto da Oportunidade Social** (IOS) is one of the main pillars of our responsible actions, connecting social impact with the development of the technology sector. With over 45,000 people trained, IOS equips vulnerable youth with the skills to enter the job market, meeting the growing demand for qualified professionals in technology and promoting effective socioeconomic inclusion.

To sustain our growth trajectory and innovate responsibly, we continuously invest in the evolution of our governance, recognizing its role as a strong enabler of innovation at TOTVS. We have implemented independent assurance of our sustainability indicators, increasing the reliability of our disclosures and ensuring transparency in our management. Our culture of ethics and compliance was recognized for the second consecutive year with the Pro-Ethics Company Seal, reinforcing our commitment to integrity in business.

We have maintained strong commitments to initiatives such as the UN Global Compact and the Ethos Institute's Corporate Pact for Integrity and Against Corruption since 2014, reaffirming our role in building a more responsible business ecosystem. Our sustainability journey is closely tied to our core business, ensuring that every solution we develop, every initiative we promote, and every decision we make contributes to a more innovative, inclusive, and sustainable future.



### **1.3 Information related to operating segments**

#### **a. Products and Services Offered**

The Company delivers productivity through business digitalization by offering management software, financial services, business performance solutions, technology platforms, and consulting services for companies of all sizes, either through direct sales or via an exclusive franchise network.

Accordingly, for the fiscal year ended December 31, 2024, the Company presented its financial and operational results segregated into three operating segments (referred to as business units or "BUs"). A brief description of each is provided below:

- **Management:** The core operating segment that enables the other business units, as it is where data and system integrations are generated. This BU comprises a portfolio of solutions focused on back- and middle-office operational efficiency, including ERP/HR systems, vertical solutions specialized in 12 different industries, and offerings tailored to serve micro and small businesses.
- **RD Station:** The business unit focused on enhancing performance, results, and relationship management across various customer business areas. It consolidates the digital marketing platform and sales support solutions, including the e-commerce and conversational commerce suites. The acquisition of RD Station marked the creation of this business unit and was a pivotal step in building a B2B technology ecosystem that goes beyond ERP. This strategy aims to expand the addressable market, increase the take rate, and drive customer loyalty by advancing along value chains and leading a digital transformation journey to scale Company operations exponentially.
- **Techfin:** The business unit focused on simplifying, expanding, and democratizing access for TOTVS' SMB clients to B2B financial services through credit solutions. This includes operations from Supplier (Antecipa, Working Capital, Payroll-Linked Credit, Mais Negócios, Mais Prazo, Financial Dashboard, and EduConnect Pay) and Techfin operations, all consolidated under TOTVS Techfin.

#### **b. Revenue from each segment and its share of the Company's net revenue**

The commitment to create a Joint Venture (JV) with Itaú meets the criteria for assets held for sale, pursuant to CPC-31/IFRS-5. Therefore, the reviewed quarterly financial statements ("GAAP") present the results of the Techfin operation under the line "Net Income (Loss) from the Techfin Business Unit." To preserve the analysis of revenues and EBITDA margins of the three operating segments (business units), we have maintained the previous presentation format, referred to as "Non-GAAP," meaning without the reclassification of Techfin's revenue, cost, and expense lines into the "Net Income (Loss) from the Techfin Business Unit" line. In addition, we continued to apply the concept of recognizing 50% of the Net Funding Revenue from the Techfin Business Unit in the consolidation of the Company's Net Revenue (Non-GAAP).



For the fiscal years ended December 31, 2023, and 2024, the operating segments (business units) contributed to consolidated net revenue as follows:

	Fiscal year ended on December 31		
Stated in thousands of Real/BRL	2024	2023	Δ (%)
Management	4,665,214	4,018,560	16.1%
RD Station	558,793	421,883	32.5%
Techfin at 50% Net of Funding	153,753	136,427	12.7%
Consolidated Net Revenue <sup>(1)</sup>	5,377,760	4,576,871	17.5%

(1) Incorporates the concept of Techfin Revenue at 50%, Net of Funding Costs in the consolidation of the Company's revenues.

### c. Profit or loss resulting from the segment and its share in the Company's net income

To evaluate the performance of each business unit, the Company uses the non-GAAP metric of Adjusted EBITDA Margin, which consists of Gross Profit less operating expenses—including Research and Development expenses, Provision for Expected Credit Losses, Adjusted Sales and Marketing Expenses (net of extraordinary adjustments), and Adjusted General and Administrative and Other Expenses (also net of extraordinary adjustments).

The commitment to establish a Joint Venture (JV) with Itaú meets the criteria for assets held for sale in accordance with CPC-31/IFRS-5. As a result, the reviewed quarterly financial statements ("GAAP") present the results of the Techfin operation consolidated under the line "Net Income (Loss) from the Techfin Business Unit." In order to preserve the analysis of revenues and EBITDA margins of the three business units, we maintained the previous presentation format—referred to as the "Non-GAAP" standard—which does not reclassify the revenue, cost, and expense lines of the Techfin operation into the "Net Income (Loss) from the Techfin Business Unit" line. Furthermore, we continued to apply the concept of recognizing 50% of the Net Funding Revenue from the Techfin BU in the Company's consolidated Net Revenue (Non-GAAP), which serves as the basis for EBITDA margin calculations.

For the fiscal year ended December 31, 2024, the business units contributed to the Adjusted EBITDA Margin as follows:

Fiscal year ended on December 31, in thousands of BRL	2024
<b>Management</b>	
Total Net Revenue	4,665,214
Adjusted Operating Costs <sup>(1)</sup>	-1,326,781
Adjusted Gross Profit	3,343,469





<b>Adjusted Operating Expenses<sup>(1)</sup></b>	-2,123,345
Adjusted EBITDA <sup>(1)</sup>	1,220,123
% Adjusted EBITDA	26.2%
<b>RD Station</b>	
Total Net Revenue	558,793
Operational Costs	-139,602
Gross Profit	419,191
<b>Adjusted Operating Expenses<sup>(1)</sup></b>	-364,935
Adjusted EBITDA <sup>(1)</sup>	54,488
% Adjusted EBITDA <sup>(1)</sup>	9.8%
<b>Techfin</b>	
Net Revenue at 50% <sup>(2)</sup>	153,753
Operational Costs	-22,335
Gross Profit	131,398
<b>Adjusted Operating Expenses<sup>(1)</sup></b>	-274,850
EBITDA	13,552
% EBITDA	8.8%
<b>Consolidated</b>	
Consolidated Net Revenue (Non-GAAP)	5,377,760
Gross Profit	3,629,858
<b>Adjusted Operating Expenses<sup>(1)</sup></b>	-2,763,130
Adjusted EBITDA <sup>(1)</sup>	1,290,940
% Adjusted EBITDA <sup>(1)</sup>	24.0%

<sup>(1)</sup> Adjusted excluding extraordinary impacts.

<sup>(2)</sup> Incorpora o conceito de Receita de Techfin a 50%, Líquida do Custo de Funding na consolidação das receitas da Companhia.

	<b>Fiscal year ended on December 31</b>		
<b>Stated in thousands of Reals/BRL</b>	<b>2024</b>	<b>2023</b>	<b>Δ (%)</b>
Management <sup>(1)</sup>	1.220.123	1.059.773	15,1%
RD Station <sup>(1)</sup>	54.488	16.462	231,0%
Techfin <sup>(1)</sup>	16.330	13.679	19,4%
EBITDA <sup>(1)</sup>	1.290.941	1.089.914	18,4%

<sup>(1)</sup> Adjusted excluding extraordinary impacts.



## 1.4 Information on products and services related to the operating segments

### a. Characteristics of the production process

Products offered by the Company

#### 1. MANAGEMENT PORTFOLIO

Our software portfolio includes offerings in 5 layers: (i) the ERP solution for back-office operations, which includes the general processes of a business operation such as agreements, administrative and financial activities, among others, and the HR solution; (ii) software solutions specialized in the client's business vertical, hence fully oriented to the challenges of the 12 segments in which the Company operates; (iii) innovation platforms, which represent evolutions of the management system, with a more open architecture that can be integrated to APPs and designed with premises of productivity, collaboration, management and relationship, and robust intelligence and data analysis capacity; (iv) solutions for micro and small businesses with tailored solutions for micro companies; and (v) portfolio of services that comprise our software implementation, cloud, business education, and consulting services.



Image: Management Portfolio

### 1.1 ERP solutions

The business management system (ERP, or Enterprise Resource Planning) is the basis of all business operations, which allows easy and reliable access to a company's data in real time, anytime and anywhere, integrating and facilitating communication between different departments, such as sales, finance, inventory and human resources, and enabling greater control and management of all processes of an organization. From data collected by an ERP and its corresponding analysis, it is possible to carry out in-depth diagnoses, which can help managers make more



appropriate decisions for greater efficiency and productivity, cost reduction, growth, profitability and increased competitiveness of the company.

ERP TOTVS is in constant technological development to offer more and more functionalities and benefits for businesses, following the dynamics and accelerated changes in the market, ensuring compliance with business and tax rules and information security.

The TOTVS ERPs encompass the essential and complementary processes for management, integrating solutions tailored according to the industry served, within a productivity and collaboration platform. This core includes everything from the administrative and financial back-office, fully compliant with legislation, to the critical modules required to operate any type of industry, services, warehousing, distribution, and logistics.

Brazilian tax legislation is one of the largest and most complex in the world, subjecting companies to the constant need to keep up with this ever-evolving environment. The difficulty of maintaining strategic management of tax risks is intensified daily by legislative changes and a calendar full of obligations and deadlines that vary across the country. In addition, companies must invest in professionals, software, data storage, consulting, outsourcing, legal advisors, and judicial expenses.

The maturity calendar for obligations undergoes frequent changes, often driven by adverse natural events or other issues defined as public calamities. In this regard, we offer a website called “Espaço Legislação” that supports our clients with information and features, among others, a calendar service where we keep all dates and deadlines up to date to assist our clients in their operations.

The mechanisms used by tax authorities to ensure compliance with tax rules grow stronger every year. The entire history and operational processes performed by the taxpayer are under close scrutiny by tax authorities. With access to electronic documents, monthly bookkeeping, and annual filings, the tax authorities leverage their tax expertise for various purposes to control, monitor, and audit tax, accounting, labor, and social security information.

Tax obligations are part of the daily routine of all companies, regardless of size or industry. Understanding the Brazilian tax landscape is an extremely complex task that requires time, knowledge, and continuous updates.

Tax Reform in Brazil is a topic of great importance and urgency, widely debated among companies, economists, and tax experts. It emerges in a context where our country has one of the most complex tax systems in the world. We will undergo a long transition period to implement the Dual VAT, which will be complemented by the Selective Tax. Together, they aim to replace PIS/COFINS with CBS – Contribution on Goods and Services, and ICMS/ISS with IBS – Tax on Goods and Services.



TOTVS HR: The Company offers complete solutions to support the processes that comprise the Human Resources suite, providing companies with a simple and agile way to manage and develop human capital across all processes, including: support for legal requirements and payroll processing, benefits management, employee time tracking, workforce planning, talent attraction and retention, training management, competency management, monitoring of results through indicators and action plans, and the establishment of strategic goals.

## **1.1 Verticalized Solutions**

Information Technology (IT) is a sector with extremely high added value and has the potential to contribute decisively to the support of new development cycles in the country, having a broad and positive impact across all production chains. In this regard, the Company has chosen to focus its operations on 12 economic segments—a strategy that has allowed it to incorporate the best competencies into its portfolio, make its products more specialized, and increasingly integrate its customers' production chains end-to-end, such as in the Supply Chain that brings together the Agribusiness, Manufacturing, and Logistics segments.

The Company structures its teams with professionals specialized in each of the 12 business segments of its clients, thereby maximizing the benefits of specialization. In doing so, we now offer even more specific solutions, not only for our clients but also for our clients' customers. For example, when we develop a tool for a university, we strive to understand the needs not only of the professionals of that educational institution but also of its customers—that is, the students.

Integrated with back-office systems, the structuring of verticalized software in each sector responds to the challenges of the client's core business and aims to consolidate solutions and business processes by industry sector, optimizing the development, updating, and innovation of solutions. This allows the Company's offerings to meet both the basic needs of companies—related to routine back-office operations such as accounts payable, receivable, tax, and human relations processes—and those related to their core business, such as student management in a university, inventory control in a manufacturing company, or project management in a construction company.

Accordingly, the Company's portfolio is organized into specialized business solutions for the following 12 segments of the economy:

- **Agribusiness:** The Company has specialized solutions for the agribusiness segment that cover the value chain of the following subsegments: Agricultural Commodities Processing and Trading, Crop Production, and Bioenergy. Our goal is to enable greater traceability of production, better financial and economic management, and complete planning and control within agribusiness-specific processes, from agricultural planning to harvesting and manufacturing, incorporating best management practices in precision farming and granular identification of cost and operational performance bottlenecks to achieve better outcomes.



- **Manufacturing:** In today's digital transformation landscape, our value proposition is to enable lean manufacturing through process simplification and digitalization. We invest in mobility and automation solutions to ensure greater speed and accuracy in shop floor records, increased efficiency, improved productivity, and cost reduction. We offer a state-of-the-art advanced production planning solution to support supply chain synchronization and sequencing. We also provide a powerful IoT platform specially developed to create interconnected solutions and collaborative ecosystems. Highly scalable, the platform features advanced capabilities for data collection, aggregation, and visualization, enabling a better understanding of the large volume of data from shop floor devices such as sensors, motors, actuators, drives, and controllers. This is combined with an artificial intelligence application that provides industrial optimization solutions focused on advanced industrial analytics, a key pillar of Industry 4.0. Our solutions serve, among others, eight major specialties: Metal-Mechanical and Plastics, Durable Goods, Consumer Goods, Chemicals and Recycling, Extractivism and Processing, Pulp and Paper, Textiles and Apparel, and Capital Goods, enabling increasingly sustainable manufacturing with technological innovation and product development aligned with environmental preservation.
- **Logistics:** The Company offers specialized solutions for the logistics sector, addressing the challenges of a wide range of industries, including carriers, logistics operators, ports and bonded terminals, manufacturing, distributors, retail, and more. In these sectors, our goal is to ensure highly productive and efficient logistics through the adoption of our solutions. These include full management of the Storage Chain (Dock Planning and Receiving, Yard and Gate Management, Entry and Exit Vehicle Inspections, Weighing with truck scales, and Storage Management) and the Transport Chain (freight receivables/payables control, payment integration, AI-based logistics optimization, fleet management, pickup/delivery, and logistics marketplace). Finally, we deliver visibility through Logistics Insights and a Logistics Portal. Using these solutions improves service levels, operational efficiency, cost reduction, balanced inventories, shorter cycle times for processing demands (orders, invoices, CT-e, etc.), and accurate, reliable information flow for managing Inbound and Outbound Logistics.
- **Retail:** In the retail segment, the following subsegments are served: Vehicle Dealership Management, Franchise Chains, Supermarkets, Fashion, Food Service and Food, Department Stores, and Construction Materials. Our solutions aim to offer complete management for retailers—from automating administrative processes to finalizing sales at the point of sale (checkout, self-checkout, and mobile POS). This includes store management, credit management, mobility, e-commerce, inventory management, pricing, RFID, assortment and size management, with information security and integrated solutions.
- **Distribution:** Solutions designed to serve various types of operations—from the distribution of primary inputs to wholesale distributors of products such as groceries, cold cuts, cosmetics, cleaning products, construction materials, pharmaceuticals, chemicals, and auto parts. Our solutions are designed according to the stages of the production chain and aim to automate everything from purchasing,



receiving, and storing goods to sales, order picking, shipping, billing, load adjustments, treasury, financial operations, and tax and accounting processes.

- **Service Providers:** The Company offers specific solutions for the following subsegments: Labor Outsourcing, Equipment Rental, Field Service Management (technical assistance), and Charter Passenger Transport (continuous, occasional, and urban). Our aim is to help clients ensure operational control through optimal resource allocation, which leads to increased productivity and sustainable value creation by offering quality services that foster lasting relationships, and providing qualified labor for service delivery.
- **Construction:** The Company offers specific solutions for the subsegments of Construction Companies and Property Management. With our expertise across the entire construction chain—including real estate development, leasing, and management of commercial buildings and shopping centers—our solutions are adapted to the specific needs of each industry. For construction companies, we provide integrated solutions for efficient site management, strategic planning, precise budgeting, rigorous contract monitoring, and materials sourcing. These solutions help maximize efficiency, save time, and boost profitability. For real estate developers and property managers, we offer tools that ensure efficient and transparent property management, with a focus on profitability and client satisfaction, providing a complete view of property performance and maximizing financial returns.
- **Education:** The Company offers specialized solutions for the subsegments of Basic Education, Higher Education, and Continuing Education. Our goal is to help educational institutions digitalize and optimize all their academic management processes, including student recruitment, enrollment, assessments and attendance, academic records management, receivables management, engagement with the academic community, certification, and diploma issuance. We also aim to support institutions in increasing student and family satisfaction and retention in the delivery of educational services.
- **Hospitality:** The Company offers specific solutions for the hospitality sector, including hotels, inns, and resorts, aiming to streamline hotel management. With our integrated solutions, clients can easily manage operations such as check-in, check-out, housekeeping, and reservations, and gain a comprehensive view of key performance indicators such as occupancy rate, average daily rate, REVPAR, and real-time revenue. Our system integrates with major distribution players, ensuring room availability across multiple sales channels, all supported by a comprehensive back-office solution for financial, tax, and accounting processes. Our solutions enable more efficient management, an improved guest experience, and greater profitability for the business.
- **Legal:** The Company understands the legal services chain and helps law firms and corporate legal departments become more agile, flexible, and up-to-date through scalable and specialized solutions that control operations, reduce costs,





improve client relationships, and help capture new business opportunities. The aim for this segment is to provide legal departments with comprehensive procedural and administrative management, accessible and mobile collaboration with partner firms, and robust management capabilities for law firms with specialized back-office support, operational ease, and scalability.

- **Healthcare:** The Company develops specific solutions for the healthcare segment, serving clinics, medical centers, hospitals, medical cooperatives, health insurance operators, and self-managed healthcare plans. We aim to support healthcare management with improved clinical performance (including full electronic health records, medication management, etc.), regulatory compliance, and sustainable financial outcomes. Our solutions are based on reliable and interoperable data and information to support accurate decision-making, from procedure authorization and billing, to appropriate provider compensation, denial management, and full regulatory compliance, ensuring agility and quality in patient care.
- **Financial Services:** The Company offers specialized solutions for all types of financial institutions, including banks, financial companies, credit unions, investment funds, pension funds, brokerages, and insurance companies. These solutions cover investment, credit, card, and core banking areas, from business to accounting and operations, including managerial, compliance, and market controls. Our goal is to ensure reliable financial operations, precise financial calculations, efficient credit approval processes with reduced risk, and compliance with regulatory reporting requirements.

## **1.2 Innovation Platform Solutions**

For the Company, ERP is its core business and, like the world, it is in constant transformation—evolving from systems into open, connected, and customizable platforms. Today, the Company offers innovation platforms to its clients, which integrate with the management portfolio, enhancing back-office solutions and specialized software by industry, thus adding greater value to their operations. These platforms include:

- **TOTVS Carol Data and Artificial Intelligence Platform:** TOTVS Carol is the Company's data and artificial intelligence platform that facilitates data processing for implementing AI algorithms. It is the cognitive intelligence behind the Company's solutions. It enhances data ownership within organizations and expands the ability to analyze and make decisions faster in an environment of increasing information volume. It also supports the implementation of AI products, with a virtual assistant capable of answering questions and delivering business insights. It uses Deep Learning and Machine Learning techniques to drive business management and result transformation in a simple, effective way, with robust qualification of business data and information—so companies can seize opportunities enabled by the data-driven digital economy, sharing, and collaboration. One of its key features is its infinite learning capacity, as its API (Application Programming Interface) is open, allowing any individual or company to teach it new skills and create other application models based on the Carol platform.



- **TOTVS Fluig:** A solution that enhances business productivity. It eliminates complexity, integrates processes, increases agility, improves productivity, and reduces costs—all within a single platform. Launched in 2013, more than 5,000 companies have chosen TOTVS Fluig to implement their innovation projects, regardless of the systems they use—from legacy systems to ERP. The solution has numerous applications. In HR, it increases collaboration, facilitates information dissemination, and speeds up back-office processes. In Finance, it supports shared service center orchestration, enhancing operational efficiency and enabling more digital management to better monitor the company's financial health. In procurement, it reduces bottlenecks and manual errors, adding agility and streamlining supplier communication. These projects can be enabled by the companies themselves using designers and LOW-CODE resources. The platform includes a STORE—a virtual store with ready-to-use solutions. As a cross-solution, TOTVS Fluig has case studies across various segments: Services, Manufacturing, Retail, Logistics, Agribusiness, Construction and Projects, Healthcare, and Education.
- **TOTVS Collab:** A solution to address the main challenges of collaboration, productivity, and communication across different business areas. With this platform, clients can digitalize team and project management, giving business professionals more autonomy to manage their routines and optimize performance without depending on IT support. TOTVS Collab is simple, with an intuitive interface that makes daily tasks easier. It offers strong scalability, flexible configuration, and runs in the cloud—eliminating the need for large IT infrastructure. It is offered on a subscription basis, priced according to the number of users, ensuring better cost-effectiveness. TOTVS Collab also enables greater mobility in business management, with web access allowing team and project oversight anytime, anywhere—via tablet or mobile device.
- **TOTVS Analytics:** A business analytics solution that presents structured data, consolidating company information in dynamic, intuitive dashboards that enable rapid management of performance indicators and results, providing secure decision-making. The tool is 100% cloud-based, eliminating infrastructure costs. It provides indicators and reports in one centralized location, in a practical and agile manner, with no need to access multiple data sources. It is already integrated with TOTVS ERP and comes with over 300 prebuilt reports and indicators.
- **TOTVS Identity:** A complete Identity Management (IDM) solution that offers a comprehensive range of features to protect sensitive data, simplify access to resources, and ensure regulatory compliance. Through granular permissions by user or group, it allows control over who can access which systems, data, and functionalities. It supports multi-factor authentication to ensure that only authorized users gain access. It centralizes identity and access management into a single system, reducing complexity and eliminating the need for password and access management in each application separately.



- **TOTVS iPaaS:** TOTVS iPaaS is a low-code platform designed to simplify the creation and maintenance of integrations, accommodating users ranging from those with little technical background to seasoned developers. The product allows for simple or complex integrations in a secure manner, maximizing the use of available technological tools. In practice, the system acts as an orchestration bridge between two or more systems—so seamless that users forget the integration even exists. The result is a highly cost-effective integration process. With TOTVS iPaaS, users can monitor message delivery between systems, create compatible From-To codes to enable communication between integrated solutions, and access dynamic dashboards and full traceability features to monitor system communication in real time and easily identify issues. TOTVS iPaaS is offered via subscription, operates on a cloud platform, and serves all industry segments, including Services, Manufacturing, Retail, Logistics, Agribusiness, Construction and Projects, Healthcare, and Education. Additionally, the platform offers high scalability to keep pace with business growth.

- **TOTVS CRM Platform** includes two distinct solutions for managing business relationships:

TOTVS CRM Customer Management is a complete B2B sales management system. This is a robust, 100% SaaS solution with a simple and intuitive interface that is easy to use. It offers a 360-degree view of commercial team relationships with leads and customers, with integration capabilities to ERPs and digital tools via APIs or the built-in marketplace. The platform facilitates strategic decision-making and provides visibility into the customer journey at each stage of the sales funnel. It helps break down information silos by integrating commercial and marketing analytics into a single platform, enhancing collaboration between teams. The solution also includes tools for process automation—such as sales and prospecting team schedule control, workflow and pipeline management, and proposal automation with auto-fill using a TAG dictionary—streamlining sales management by eliminating repetitive, bureaucratic tasks.

TOTVS CRM Sales Force Automation – SFA is a robust and flexible sales force automation system designed to serve small, medium, and large companies, with integration to a wide range of ERPs. It is subscription-based and can be hosted on-premises or on the cloud. With an intuitive interface, it is easy to use and offers an excellent user experience. It includes flexible business rules to customize the platform according to operational specifics and business requirements. It enables 360-degree management of customer portfolios and sales teams, managing schedules, visit routes, service logs, and client visits, among other core commercial activities. The platform includes analytics for monitoring sales indicators, order placement, invoicing, and more. Additionally, the solution includes a module tailored to the agribusiness sector, supporting crop planning, monitoring, and performance analysis to aid in decision-making.



- Data Intelligence: Solutions aimed at optimizing companies' results in digital marketing and data intelligence, including tools like CDP (Customer Data Platform) for consumer data management, DMP (Data Management Platform) for digital media audience activation, and CMP (Consent Management Platform) for managing cookie collection consent on corporate websites. There are also market-specific turnkey solutions using these technologies, such as Tail Shoppers for the Consumer Goods and Retail markets.



## **1.4 Service Delivery Portfolio**

- **Software Implementation and Customization:** The Company's implementation team is responsible for delivering only the solutions sold by the Company, following the TOTVS implementation methodology, which outlines the guidelines, methods, standards, and stages to be followed from the start of services through to post-implementation quality control. Both Company-owned units and franchises adhere to this implementation methodology across all locations, using the same execution techniques and tools for the implementation of TOTVS software solutions.
- **Cloud Computing:** A TOTVS offering that provides a complete portfolio of cloud services, including infrastructure, monitoring services, backup, database, and security, as well as TOTVS software management. The offering is available in PaaS or SaaS models for TOTVS software and IaaS for third-party software. It is delivered through T-Cloud, a platform designed to innovate, integrate, and extend TOTVS applications in the cloud—enabling companies to gain greater security, simplicity, and autonomy in managing their resources and running their TOTVS product in the cloud.
- **TOTVS Business University:** Educational solutions delivered in various formats, including recorded (e-learning) and live classes, offering practice environments, content, and infrastructure for professional training in TOTVS products. These are aimed at companies, institutions, and/or individuals seeking to enhance their knowledge and/or obtain certification in TOTVS content, whether centralized or geographically dispersed.
- **Consulting:** TOTVS Consulting is a strategic team focused on business management and IT consulting, aimed at helping organizations solve problems, create value, maximize growth, and improve business performance. Operating throughout Brazil and internationally from bases in São Paulo, Rio de Janeiro, and Belo Horizonte, it offers expertise across the following pillars: Compliance, Sustainability/ESG, People, Business, Supply Chain, and Technology Consulting.

## **2. TECHFIN PORTFOLIO**

Our Techfin portfolio brings together technology and innovation to broaden, simplify, and reduce the cost of access to financial services for companies. We offer intelligent and personalized financial services, tailored to each company's profile and financial journey—expanding purchasing options and providing better conditions for expense payments. On the other side of the cycle, businesses can sell more easily and in a more integrated way, and receive payments faster and more efficiently.

Our offerings are structured to maximize the advantage of technology, transforming complex, bureaucratic processes into simple actions that facilitate easy access to financial services. They are divided into three categories:



## Credit

- **TOTVS Antecipa:** A receivables anticipation solution integrated into the TOTVS back-office system. It offers a modern, streamlined way to manage, anticipate, and access receivables, with clear visibility of outstanding invoices and easy selection for anticipation—featuring same-day approval and funding, automatic reconciliation, and no bureaucracy. This helps companies maintain positive cash flow and secure working capital.
- **TOTVS Mais Negócios:** Allows customers to quickly create new payment plans within their TOTVS ERP. Sales made under these plans use a pre-approved credit limit, ensuring the company receives payment in advance while still offering terms to its clients. Fully integrated, with no credit risk or delinquency recourse.
- **TOTVS Mais Prazo:** A digital platform for extending and splitting supplier invoices. Entirely online, with just a few clicks and no bureaucracy. Designed to help customers maintain cash on hand and stay current with obligations.
- **TOTVS Working Capital:** A credit product designed to provide clients with fast, low-bureaucracy loans to support investments or manage cash flow. Flexible repayment terms allow installments to match each customer's situation, supported by personalized service from a TOTVS TECHFIN specialist.
- **TOTVS Payroll Loan:** An innovative solution that simplifies the management of private payroll loans for employees, automating all HR steps—from contract creation to payroll deduction. It also streamlines simulation, contracting, monitoring, statements, and outstanding balance for employees.

## Payments

- **TOTVS Instant Payment:** A complete solution for receiving payments via PIX, the Brazilian Central Bank's instant payment system. It allows businesses to receive PIX transfers quickly, simply, and cost-effectively, with lower fees than traditional payment methods. Payments go directly to the company's existing bank account, with no need for negotiation with financial institutions, and include automatic reconciliation.
- **eduCONNECT Pay:** A new way for educational institutions to receive payments. This solution enables tuition and other fees to be paid by credit card, allowing digital negotiations and recurring billing activation. Fully integrated into the ERP with automatic reconciliation, anti-fraud measures, and recurrence features. Greater convenience for families, and reduced delinquency for schools and universities.
- **TOTVS Digital Payment:** Designed to allow businesses to offer new digital payment methods to customers—such as PIX and digital wallets—without needing multiple systems or card terminals. It enables unified wallet management, reduced administrative fees, and instant payment directly to the company's account.





- TOTVS PIX Billing: A product designed for businesses to receive payments via QR Code or PIX Copy-and-Paste, simplifying the generation and identification of payments. Fully integrated into the ERP, simple, fast, and bureaucracy-free.

### **3. RD STATION PORTFOLIO**

Through our RD Station business unit, we offer a wide range of solutions aimed at increasing clients' sales, competitiveness, and performance via Marketing, Sales, and E-commerce solutions.

- E-commerce: Integrated sales-focused solutions, including:
  - (i) Complete commerce platform (in partnership with Shopify): create and customize online stores, sell across web, mobile, social media, and physical stores, and manage products, inventory, payments, and shipping;
  - (ii) Marketplace integrator: manage products and orders in a single place.

- Digital Marketing and Sales:

RD Station Marketing is an automation tool that brings together all necessary features for digital marketing operations. It enables campaign execution, ad creation, lead nurturing, opportunity qualification for sales, and precise performance tracking.

RD Station CRM is a tool for organizing and automating the sales team's consultative sales process, focusing on the right opportunities and increasing productivity.

- Conversational Marketing:

RD Station Conversas integrates multiple channels in a single interface, combining human and chatbot service to help sales teams boost results through more efficient digital engagement. It accelerates customer service, increases lead conversions via WhatsApp and other channels, and simplifies commercial process management and performance tracking.

#### **Research and Development**

The Company is committed to meeting market demand for software and services, reflected in its continuous R&D efforts to deliver cutting-edge solutions.

The main objectives of the Technology and Development departments are:

Enhance the technical foundation of its software for more efficient solution development;

- Adopt new technologies and assess their impact;
- Implement technological alternatives to protect and maintain product operations;
- Constantly improve software concepts, features, accessibility, and usability;



- Develop custom solutions for clients;
- Pursue new development methodologies to ensure software agility and quality;
- Integrate third-party tools;
- Continuously evaluate new organizational models and their applicability.

The Company also invests in developing new products to enter new markets. To determine which products to build, it conducts ongoing market research to identify business segments with specific solution needs, in collaboration with its sales channels to explore market expansion opportunities.

Modularization has also been key in the Company's growth strategy, encouraging the development of applications that run its core solutions by internal and external developers (e.g., small software vendors, app developers, and tech startups).

Currently, the Company's research, development, and innovation activities are organized across:

**R&D Centers** – Focused on the Company's 12 strategic segments, these centers are staffed with specialists who understand each industry's challenges and translate them into innovative, core-aligned solutions. Each center includes teams for product development, support, service delivery, and customer engagement.

**UX LABS** – Located in São Paulo (Brazil), the Company's User Experience Lab spans ~200 m<sup>2</sup> and is staffed by researchers and product designers dedicated to innovation, market trends, and enhancing the user experience through research, client validation, and collaboration. Projects follow the Design Thinking – Espiral Design approach, emphasizing empathy, creativity, and collaboration. The lab supports solution improvement in navigation, accessibility, and usability; identity unification; and promotion of design culture among employees and customers.

**TOTVS LABS USA** – Based in Raleigh, North Carolina (USA), near the Research Triangle Park (RTP)—the largest scientific research park in the U.S.—this innovation center focuses on disruptive technologies aligned with major trends such as Big Data, Mobile, Social Media, and Cloud. TOTVS Labs also identifies new business models and startups, establishing strategic partnerships and sharing knowledge across the Company's business units. Key areas include Artificial Intelligence, Computer Vision, Natural Language Processing, Machine Learning, and UX Design.

## Agile Development

Aligned with global software development trends, the Company continuously evolves its agile practices, applying agile methods across all segments and product teams—including Innovation, Maintenance, and Testing.



Agile methodologies represent a major shift in software development, fundamentally changing how the Company thinks about and develops its products. This transformation has impacted not only processes, tools, and technologies but also the roles of the people involved—who are now more integrated and influential in the final product’s quality, regardless of their hierarchy or function. Based on this principle, we integrate Innovation, Maintenance, and Testing teams end-to-end.

In the agile model, integrated teams foster a highly collaborative, interdisciplinary approach to building the best solutions, with greater creative freedom. Product planning is improved, allowing clearer objectives, effective squad execution, reduced errors and rework, and higher-quality, value-driven outcomes for end customers.

Over the years, the Company has consolidated its leadership position in the ERP software market for small and mid-sized companies. R&D investments in the Management and RD Station business units totaled R\$2 billion over the last 3 years, through the period ending December 31, 2024. As shown in the table below, these investments were essential for the Company to stand out from the competition by delivering innovative, proprietary technology and value-added services.

	<b>Exercícios social encerrado em 31 de dezembro de</b>		
<b>(in thousands of BRL, except %)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Net revenue from software</b>	5,224,007	4,440,443	3,792,932
<b>Research and development expenses</b>	-893,313	-797,292	-678,473
<b>% of Net revenue from software</b>	17.10%	17.95	17.89%

\* Numbers corresponding to the sum of the Management and RD Station business units.

## **Components Used in the Composition of Integrated Management Software Offerings**

The integrated management software solutions described in item 1.3 are built through the integration of components originating from different product lines and technological platforms, which have been incorporated into the Company’s portfolio.

## **Technological Platforms Used**

The TOTVS Platform is the Company’s technological platform that supports the development of TOTVS software solutions, as well as solutions related to management, business, and collaboration.

Historically, the Company has developed the TOTVS Platform to ensure technological independence, providing its own development languages and execution environments that support current software developers and deliver new features and conveniences for its software solutions. This includes everything from platform and operating system options to the selection of databases and load processing and distribution models across execution environments. This strategy has allowed the Company to become one of the few software companies in the world to possess this type of technology.



Currently, the Company addresses diverse infrastructure requirements for applications, whether through “on-premises” models or managed cloud environments.

The TOTVS Platform is divided into the Management Platform—home to our main management software—and the TOTVS Apps Platform, where our cloud-native applications reside. The Company employs various programming languages, architectures, development standards, and tools to build its solutions.

The Company believes it is the only Latin American company to have developed its own middleware. This middleware is also used by partner companies. It ensures independence in terms of (i) interface; (ii) technological platform; (iii) topology (physical and communication installation of computers adopted by the company); (iv) connectivity (communication between computers); and (v) database—protecting customers from any incompatibilities with their operating platforms. Furthermore, having control over this middleware allows the Company and its clients to configure the combination of hardware, operating system, network system, and database system that best suits their preferences, technical requirements, and investment capabilities.

TOTVS Apps is an ecosystem designed to host TOTVS’s cloud-native applications by delivering essential and value-added services through a secure, scalable software platform.

The platform operates across four main areas:

1. **Architecture:** Promoting and adopting cloud-native and DevOps architecture principles and defining application characteristics to accelerate business operations.
2. **Conventions:** Establishing practices and setting standards for development, observability, persistence, integration, security, computing, deployment, publication, and environments.
3. **Operation:** Defining responsibilities, cost-sharing models, support, processes, and operational dashboards and reports.
4. **Services:** Organizing and converging the software services that support the infrastructure and business product operations.

The TOTVS Apps platform uses a wide range of technologies, including container orchestrators, CI/CD tools, cloud provider services, and multiple programming languages—always prioritizing lock-in to protocols and technologies rather than specific vendor products.

For more information related to the risks inherent to the Company’s operations and business segments, see item 4.1 “Risk Factors” of this Reference Form.



## b. Characteristics of the distribution process

The Company also uses a different strategy in each operating segment for the distribution of solutions, in addition to a joint marketing strategy and alliances and partnerships, which will be discussed below:

### 1. Management Distribution

The Company's strong distribution capabilities in the Management business unit have been supported by its national franchise model, enabling the implementation of a broad and customized system for selling solutions to small and medium-sized enterprises.

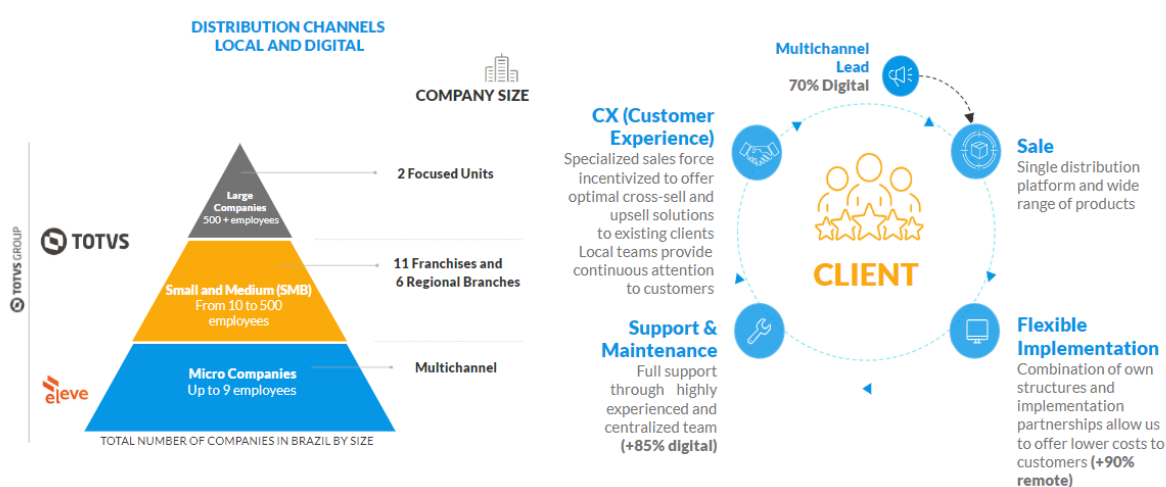


Image: Management Distribution



## **1.1 Strategy for Large Enterprises**

The Company has a dedicated structure for serving and managing relationships with large enterprise customers, particularly those undergoing expansion, digitalization, or changes in their business models. This structure provides consultative service through a team of professionals specialized in different business segments and prepared to support their digital transformation journey.

Service is tailored and handled by specialized professionals—covering everything from prospecting, proposal development, and solution design to implementation methodology and post-implementation support.

## **1.2 Strategy for Small and Medium-sized Businesses**

The Company licenses and subscribes its software through a combination of direct sales channels (corporate branches, subsidiaries, or controlled entities) and indirect channels (franchises, representatives, authorized resellers, and business agents), with franchises being the main indirect channel. Partnering with indirect sales channels enhances the Company's market penetration both domestically and internationally.

The Company's consolidated client service and relationship channels include:

- **Corporate Branches:** The Company has 6 regional offices (São Paulo, Rio de Janeiro, Recife, Minas Gerais, Rio Grande do Sul, and Interior of São Paulo), 3 focused units (Large Enterprise, Public Sector, and Healthcare), and international operations in Argentina, Chile, Colombia, the United States, and Mexico.
- **Franchises:** The Company operates 38 franchised territories in Brazil, managed by 11 consolidating units, which—together with the corporate branches—cover the entire national territory and address the specific needs of businesses across regions. The Company also operates various sales channels across Latin America.

Franchises are exclusive distribution channels and operate under the TOTVS Franchise System (STF), which defines geographic territories for each franchise and assigns exclusivity by economic sector (segment). Within their regions, franchises handle the full sales process, including prospecting, product demonstrations (pre-sales, sales, and post-sales), and negotiating sales conditions (within predefined Company parameters), in addition to providing training, implementation, and customization services based on their local presence and customer proximity.

Franchises earn commissions on license revenues, with differentiated commission structures for those that also receive recurring revenue commissions on subscription and maintenance generated by clients in their territories. Franchises also bill clients directly for the services they provide.

The Company's corporate branches serve as operational, commercial, and technical benchmarks for franchisees. A dedicated department oversees franchise





performance, providing advisory support and monitoring operational activities, commercial strategy development, and marketing. Franchise activities are also assessed through customer satisfaction surveys covering all Company sales agents.

### **1.3 Strategy for Micro and Small Businesses**

Sales are handled directly or through resellers: the Company employs a multichannel strategy primarily focused on software sales to the microenterprise market.

## **2. RD Station Distribution**

In the RD Station business unit, digital marketing, conversational, and CRM solutions are supported by a robust ecosystem of marketing and sales partner companies. This ecosystem aims to deliver customer success through our solutions by enhancing productivity, lead generation, and customer engagement. Another strategy involves up-selling via Product-Led Growth (PLG), where clients start using free or simplified versions of the solutions at attractive prices and upgrade within the platform as they advance in functionality and usage—without requiring commercial interaction.

Additionally, cross-selling with clients in the Management business unit is a key focus, supported by specialized teams fully integrated with existing sales teams (franchises and branches), promoting tools for digital commerce, CRM, and digital marketing.

## **3. Techfin Distribution**

In the Techfin business unit, the joint venture (JV) has specialized sales teams that support cross-selling to increase the attach rate of solutions for TOTVS clients. These teams are mirrored and integrated with TOTVS sales teams (Account Representatives) across franchises and branches. This synergy aims to generate opportunities via the ARs and build relationships with finance stakeholders through Techfin.

In parallel, the Supplier credit solution – “Mais Negócios” involves Supplier’s commercial directors for more specialized sales efforts. Once integrated, credit distribution and contracting are conducted through our clients, referred to as partners. These partners offer credit limits to their customers using a white-label solution via Supplier/Techfin, integrated with the ERP—enabling increased sales volumes without credit risk.

## **4. Marketing**

In 2024, Marketing efforts remained focused on positioning the Company around innovation, technology, and complete solutions tailored to the twelve segments addressed by the TOTVS portfolio, while also generating software sales opportunities. Throughout the year, Marketing also strengthened and consolidated communication regarding the Company’s business strategy, based on its three core technology ecosystems: Management, Techfin, and RD Station.



- **Universo TOTVS**

In 2024, the Company hosted another edition of its main annual event, TOTVS Universe, held on June 18–19 at Expo Center Norte in São Paulo, with over 16,000 attendees across both days.

The event featured over 290 sessions, including masterclasses and panels with national and international speakers such as Platon, photographer and founder of The People's Portfolio; Ian Beacraft, futurist, consultant, and CEO of Signal and Cipher; Rick Chesther, best-selling author and CEO of Instituto Movimento Pega a Visão; and Mônica Souza, Executive Director of Mauricio de Sousa Produções.

Segment-specific tracks were led by Company experts and executives, presenting trends, innovations, and new portfolio launches. Career-oriented classes, workshops, and content were also included. For tech professionals and developers, the program offered the Code No Code space, with TOTVS experts giving theoretical and practical lessons on the technologies behind the Company's solutions; the Developers Arena, where the developer community gathered for discussions and meetups hosted by André Noel, creator of "The Developer's Life"; and the debut of the Data and AI Stage, fully dedicated to data-driven culture, data governance, Generative AI, ethics, privacy, security, and more.

- **TOTVS Brazil que FAZ 2024 Award**

The third edition of the "TOTVS Brasil que FAZ" award celebrated clients across the country and various industries who developed technology projects using TOTVS solutions that positively impacted productivity and profitability, fueling their companies' growth.

The 15 winning companies were announced and awarded live on stage during TOTVS Universe 2024.

### **Market Research Launches**

In 2024, the Company released two new sector-specific studies in partnership with H2R insights and trends:

- The **Technological Productivity Index (IPT) for Agribusiness** assessed the usage and adoption of integrated management systems and complementary technologies in agribusiness. Launched in March, it recorded over 1,350 downloads and more than 280 media mentions by year-end.
- The **2nd edition of the Technological Productivity Index (IPT) for Manufacturing** evaluated the adoption and performance improvements in industrial companies using management systems and technologies—compared to the first edition published in 2019. Launched at TOTVS Universe in June, the study surpassed 340 downloads and over 360 media mentions by the end of 2024.



## **New Advertising Campaign**

In 2024, TOTVS launched a new institutional campaign titled “**Brazil that gets things done, does it with TOTVS**”, focused on brand awareness and explaining who we are and what we do.

This campaign evolved from the previous concept (“TOTVS believes in the Brazil that gets things done”) to emphasize not only the Company’s relationship with over 70,000 client companies but also to highlight TOTVS as the technological powerhouse that drives Brazil.

The campaign centers customers by showcasing real people and their strength. The TV commercial reinforces the idea that TOTVS is everywhere, with scenes spanning industries—from agribusiness to fashion, education, sports, retail, healthcare, manufacturing, and even entertainment. Journalist **Marília Gabriela**, previously featured in TOTVS campaigns, makes a special appearance.

The new film and advertising assets were launched on **June 4, 2024**, with national distribution via TV, radio, digital channels, print media, and out-of-home placements (e.g., billboards and urban furniture).

## **5. Alliances and Partnerships**

The Company invests heavily in **alliances and strategic partnerships** with leading global technology firms and other businesses aligned with TOTVS’s markets and operations. This strategy aims to increase the Company’s capacity to enter new markets and expand its offerings through external innovation and collaboration, strengthening its role as a **trusted advisor** to clients by delivering technology and business solutions that improve results.

The goals of forming alliances and strategic partnerships are to:

- (i) develop new capabilities for greater innovation and competitiveness;
- (ii) expand the Company’s portfolio of solutions and services;
- (iii) accelerate time-to-market for differentiated, innovative offerings;
- (iv) leverage synergy between TOTVS and partner brands;
- (v) execute joint marketing and business generation activities;
- (vi) extend the use of TOTVS technology to other companies, partners, or clients;
- (vii) enter new markets;
- (viii) broaden reach and strengthen engagement with new personas; and
- (ix) accelerate the consolidation and integration of TOTVS’s three business units (Management, Techfin, and RD Station).

TOTVS’s strategic alliances are technology-driven and primarily include partnerships with global players such as **Microsoft, Progress, and Oracle**, among others. The Company also pursues **partnerships** as a lever for business growth, product development speed, and go-to-market acceleration—working with firms of various sizes, industries, and geographies.

Key partners include companies that:



1. Provide business solutions that strengthen TOTVS's value proposition and integrate with its platforms;
2. Build solutions using TOTVS technology (e.g., ADVPL language or fluig platform);
3. Are technically integrated with TOTVS software;
4. Have strong reach within TOTVS's target markets.

These partnerships are formed with companies in sectors that align with TOTVS's growth strategy and generate mutual benefits—whether through product diffusion, brand promotion, or the complementary value of their offerings. Notably, some partnerships originated within TOTVS's own ecosystem and have since become formalized business alliances—reinforcing the collaborative development model of the TOTVS network.

In 2024, the Company expanded its partner ecosystem with new strategic partnerships, such as **DeepESG**—a Brazilian startup invested in by CVC iDEXO. DeepESG accelerates ESG adoption by offering a platform that measures environmental and social impacts and generates insights from ERP data to support integrated sustainability management.

### **c. Characteristics of the operating markets**

#### **The Software Market**

##### **Worldwide**

Information technology (IT) has been increasingly applied to optimize business processes, delivering broad benefits to companies of all sizes, across virtually every industry, and around the world. The automation of business processes—particularly through computing equipment and software—has consistently reduced inefficiencies and improved productivity across global economic sectors. Numerous software application categories have been developed to enhance efficiency in specific business areas by automating sales, marketing, manufacturing, distribution, customer support, accounting, financial management, human resources, and other functions that were previously handled manually.

For example, human resources management software is now used to store and maintain employee records, streamline payroll and benefits administration, and generate tax reports and statements—handling tasks that, while routine and laborious, are essential to businesses. Over time, these distinct categories of software applications have been integrated into “suites” or integrated systems to further simplify business operations by enabling information sharing across functionalities.

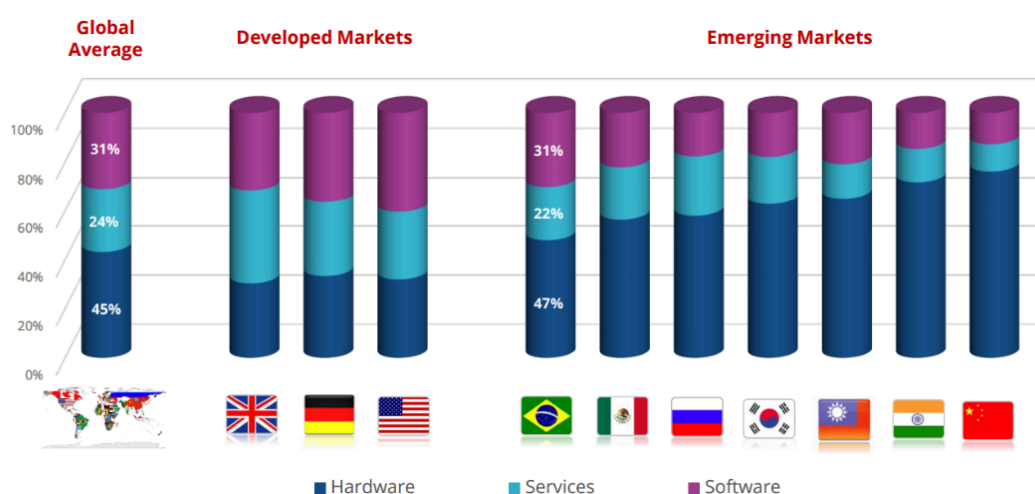
The two main classes of integrated business management software systems are ERP and CRM. Generally, ERP systems focus on administrative or back-office functions such as human resources and financial management, while CRM systems target front-office functions involving direct customer interaction—such as sales, marketing, and customer support.



According to IDC, the global IT market reached **USD 3.7 trillion** in 2024, with the software segment accounting for **31%** of the total. In the same year, **Brazil ranked as the 10th largest IT market**, with a total value of **USD 58.6 billion**, representing approximately **1.6%** of the global market.

A key global trend is the higher share of software and services in the total IT market in developed countries compared to emerging economies. Among emerging markets, Brazil most closely resembles developed countries and global averages in this regard.

### Global IT Market Distribution



Source: ABES, 2025.

Global IT output grew **10.8%** in 2024, while Brazil saw growth of **13.9%**, reaching **USD 58.6 billion** (excluding exports).

Companies are investing more in technology to boost efficiency, productivity, customer relationships, and innovation capabilities—and the Company sees this as a strong opportunity to leverage its unique position as Brazil's largest ERP player.

Over the past few years, the Company launched five complementary platforms to its ERP offering: **Fluig** (Management, Productivity, and Collaboration), **Carol** (Artificial Intelligence), **TOTVS Analytics** (Business Intelligence), and **TOTVS CRM**—all developed with an agnostic approach, meaning they are ready to integrate TOTVS solutions with third-party tools, thus expanding the addressable market beyond the Company's existing client base.

The Company is also expanding its ecosystem beyond the (i) **Management** segment—with open, connected, and customizable ERP, HR, and vertical solutions—to include (ii) **Techfin**, offering credit, payment, and financial services products; and (iii) **RD Station**, with sales and performance solutions.



With this ecosystem, the Company's current addressable market may reach up to BRL 220.5 billion, broken down as follows:

- (1) BRL 41.0 billion from the Management market,
- (2) BRL 89.0 billion from the RD market, and
- (3) BRL 90.4 billion from the Techfin market.

## **Latin America**

According to IDC, the Latin American IT market reached USD 169 billion in 2024, with Brazil accounting for 34.7% of that total, followed by Mexico with 22.1%. The significant size and maturity of Brazil's IT market compared to other Latin American countries have been key drivers of expansion in the region.

## **Brasil**

Brazil's IT market has experienced rapid growth in recent years. According to IDC, the Brazilian IT market reached USD 58.6 billion in 2024 (excluding exports), with the software sector accounting for USD 18.0 billion, or 30.8% of the total.

The Brazilian software market is highly concentrated in the Southeast region. In 2024, according to IDC, the Southeast accounted for 62.6% of the market, followed by the South (13.8%), Central-West (11.5%), Northeast (8.7%), and North (3.3%).

Enterprise Resource Planning (ERP) software has become indispensable for business management. Specifically, the SaaS model has gained significant traction compared to the traditional license purchase model.

## **History of the Software Sector in Brazil**

In the 1980s and early 1990s, Brazil adopted a **market reserve policy**, setting distinct rules for hardware and software developed or manufactured by domestic and foreign companies in an effort to build a national computing industry. While this policy ultimately harmed hardware development—due to limited, outdated, and expensive local production—it benefited software development by encouraging competition between domestic and foreign products.

The Brazilian software industry advanced through technological partnerships with providers of basic software, operating systems, networks, and databases in preparation for the end of the market reserve. Thanks to Brazil's creative capacity and rapid adoption of new technologies, Brazilian software gained international recognition—particularly in areas like banking automation and Internet-based relationship systems. Today, Brazil maintains technological independence in several software development domains.

In 1993, the Brazilian government launched SOFTEX 2000 – National Software for Export Program, aimed at supporting Brazilian companies' entry into the global software market by promoting exports. The initiative was led by CNPq (National Council for Scientific and Technological Development) with input from Brazilian





software companies and funding from the government and the United Nations Development Programme (UNDP).

Between 1993 and 2001, the program achieved the following results:

- Implementation of quality systems in companies, adoption of product evaluation methods, and international software quality standards—over 100 software companies achieved ISO 9000 certification;
- Creation of dedicated financing lines for software—over BRL 74 million invested in 52 companies;
- Development of a network of 32 agents establishing 23 Software Development Hubs across Brazil;
- Creation of a network of 19 Incubators linked to major academic institutions;
- Contribution to the creation of 73,000 qualified direct jobs.

Softex – Brazilian Software Excellence Promotion Association evolved into a Public Interest Civil Society Organization (OSCIP), executing federal government policies for the IT sector. Its initiatives aim to enhance the competitiveness of the Brazilian Software and IT Services Industry (IBSS) and improve workforce qualification.

Since 1996, Softex has managed the Brazilian Software Excellence Program for the Ministry of Science, Technology, Innovation, and Communications.

The Softex System currently benefits approximately 6,000 companies across all Brazilian states through its network of 21 regional agents, collaborating with private initiatives, public entities, and academic institutions to promote technology.

Softex's key focus areas include:

- Implementation of best practices in software development
- Workforce training for the sector
- Financial resource leveraging from public and private sources
- Production and dissemination of high-quality information on the Brazilian software and IT services industry
- Entrepreneurship and innovation
- Policy development for the sector domestically and internationally
- Creation of new business opportunities in Brazil and abroad



## **History of the Techfin Sector in Brazil**

The financial services sector has traditionally featured high entry barriers, dominated by large players. Historically, consumer inertia benefited larger institutions—especially banks—that retained clients with minimal competitive pressure. Technology has dismantled many of these barriers.

Fintechs have played a disruptive role across the financial value chain. Customers once accustomed to physical branches, checkbooks, and manual account management now complete transactions in seconds. Features like cashback and attractive offers have further enhanced the customer experience, revolutionizing the market.

In Brazil, the first Fintechs emerged in 2013, introducing low-cost, digitally distributed, customer-centric models that reimaged the user experience. Their rise led to the creation of ABFintechs, an association that represents Fintechs, advocates with regulatory agencies, and fosters business opportunities to strengthen and grow the sector.

Growth has been rapid and heavily influenced by new regulations. Between 2014 and 2018, over 670 Fintechs were launched. As of now, more than 1,592 Fintechs operate in Brazil, according to the Fintech Report 2024 by open innovation consultancy Distrito (available at <https://materiais.distrito.me/report/fintech-report-2024>).

More recently, a new movement has emerged to further disrupt access to credit and financial services: Techfins—the next evolution following Fintechs. While Fintechs leverage the traditional financial system with better technology, Techfins aim to rebuild financial systems from the ground up using technology.

The term Techfin was first used by Alibaba founder Jack Ma in 2016 to describe Ant Financial (operator of the Alipay system), referring to tech companies that have found better ways to offer financial products by understanding real customer needs.

In Brazil, the Company, which had been laying the groundwork since 2019 to offer financial products, became the first Brazilian Techfin. Leveraging its data expertise and robust technology platform, the Company began offering financial services integrated with its suite of business management products.

### **i. Participation in each of the markets**

In Brazil, the Company holds a 55% market share in the ERP segment, according to the study “Market Share: All Software Markets, Worldwide, 2023” published by Gartner in April 2024. In Latin America, the Company is the largest player in the region, with a 35% market share. In the same period, the second-largest ERP provider in Brazil had a 26% share. Gartner’s methodology calculates market share based on revenue representation, with market share measured in U.S. dollars.

In the Management segment—which includes back-office ERP solutions, verticals, HR, and others—the Company held a 14.8% market share in Brazil in 2023,

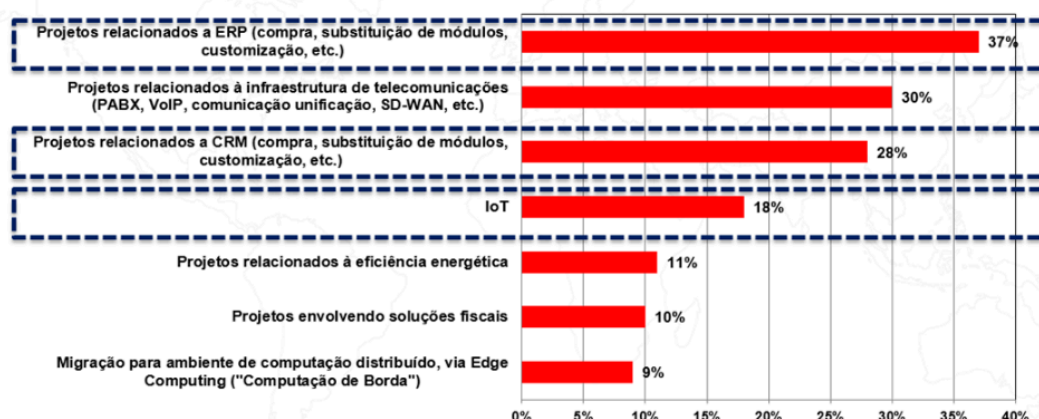


according to IDC's Software Tracker 2023H2, published in May 2024, based on a total addressable market of BRL 41.0 billion.

In the RD segment, which includes sales and marketing solutions, the Company held a 6.3% market share, within a total addressable market of BRL 89.0 billion, as reported by IDC's Semiannual Software Tracker 2023H2.

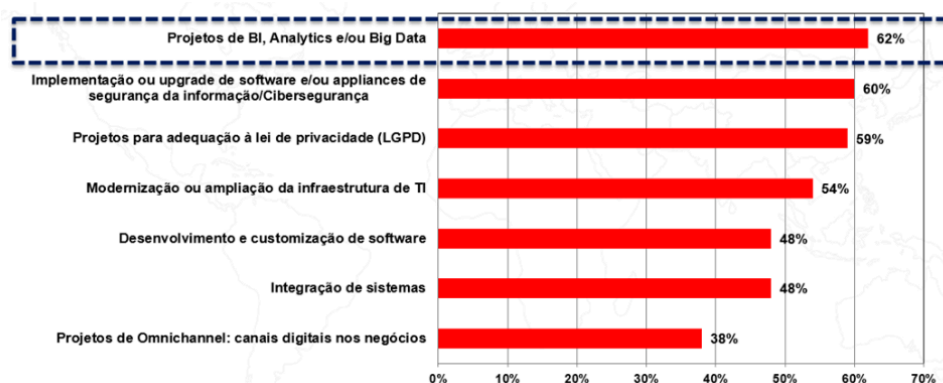
Finally, in the Techfin segment, the Company holds a 0.5% market share within a total addressable market of BRL 90.4 billion. These figures represent financial revenue generated from B2B credit operations, based on internal analyses conducted by TOTVS.

These business segments demonstrate significant growth potential, as they increasingly become strategic investment priorities for the Company—both through investment in established areas and in the development of new technologies. BI and CRM have gained considerable prominence in recent years, although ERP remains a central area of investment in Brazil.



Source: IT4CIO (IT Investment Trend, 2022)

However, when it comes to emerging technologies, BI, Analytics, and Big Data stand out as top investment priorities for companies.



Source: IT4CIO (IT Investment Trend, 2022)



## **ii. Conditions of Competition in Markets**

As the market changes and the Company expands its markets, it starts to compete with new players that were not previously part of its traditional battlefield.

We are increasingly seeing companies from different segments, such as Fintechs, marketplaces, banks, software providers, among others, expanding their markets, advancing in the value chain and entering each other's markets to build their own ecosystems, offering more services to their customers.

Another important factor in the competitive scenario is the growth of software as a service (SaaS) consumption. Software subscriptions have helped to democratize the use of this type of solution by smaller companies that previously did not use software. This movement has been paving the way for the emergence of new "SaaS Native" suppliers with simpler solutions aimed at serving this type of audience.

The enterprise application software and Techfin markets have large, medium and small companies as their customers. Each of these segments may have different needs and stages of maturity and consequently produce different characteristics in terms of competitive conditions. The Company offers solutions for companies of all sizes.

## **d. Possible seasonality**

The information technology industry, especially software, does not exhibit significant seasonality.

## **e. Main inputs and raw materials, informing:**

### **i. Description of relationships maintained with suppliers, including whether they are subject to government control or regulation, indicating the bodies and the respective applicable legislation**

The Company's development activity is concentrated on its own team of professionals. However, we have suppliers and development partners for some of the software we sell, in addition to database suppliers, which are resold to customers and technology platform providers, and there is no government control or regulation over such relationships.

### **ii. Possible dependence on a few suppliers**

The Company uses third-party technology to develop some of its software and technology components, especially those in the RM and Datasul product lines, which are based on the Microsoft and Progress platforms, respectively. For more information, see the text "Technological platforms used" in this item 1.4.

### **iii. Possible volatility in its prices**

Historically, the prices of the Company's software and services have not shown significant volatility.



### **1.5 Main customers/clients**

#### **a. Total amount of revenue from clients/customers**

There are no clients that, individually, represent over 10% of the Company's total net revenue.

#### **b. Operating segments affected by revenues from clients/customers**

There are no clients that, individually, represent over 10% of the Company's total net revenue.



## **1.6 Relevant effects of state regulation on activities**

### **a. Need for government licenses/permits to exercise activities, and history of relationship with the public administration to get such authorizations**

The Finance Departments of several Brazilian states require the Company to apply for and get government approvals or permits to market certain software products (tax applications and the Electronic Consumer Invoice), pursuant to acts and covenants set forth by the Brazilian Ministry of Finance through COTEPE - Permanent Technical Board of the Ministry of Finance. Tax equipment is approved according to such rules, and tax applications are certified by registered institutes. There are also state decrees and ordinances that regulate actions in the Brazilian states.

Situations similar to those described in the paragraph above also occur when introducing other technologies. For example, DIAT Act No. 56/2024 determines a mandatory implementation schedule in SC throughout 2025 for the Electronic Consumer Invoice and the Electronic Ticket. In PR, the NPF - Fiscal Procedure Standard No. 62/2023 requires the implementation of the CSRT identification - Security Code of the Technical Manager, which aims to identify the developer technically responsible for the NFe or NFCe issuance system.

#### **Regulation on the Protection of Personal Data**

Although sectoral laws and regulations already regulated issues related to privacy and data protection in Brazil, in August 2018, with the enactment of Law No. 13,709/2018, the General Law on the Protection of Personal Data ("LGPD"), practices related to the processing of personal data began to be regulated in a unified manner, through a system of rules on the subject that impacts all sectors of the economy.

The scope of application of the LGPD covers all activities involving the processing of personal data, both in physical and digital media, and extends to individuals and public and private entities, regardless of the country where they are headquartered or where the data is hosted, provided that (i) the processing of personal data occurs in Brazil; (ii) the activity of processing personal data is intended to offer or provide goods or services or process data of individuals located in Brazil; or (iii) the personal data subject to the processing were collected in Brazil.

The LGPD established the creation of the National Data Protection Authority ("ANPD"), the authority responsible for ensuring compliance with data protection regulations in Brazil, exercising the functions of (i) inspection and investigation, including the power to request information from controllers and operators of personal data; (ii) enforcement, in cases of non-compliance with the law, through administrative proceedings; and (iii) education, with the responsibility of promoting knowledge about data protection and privacy and information security measures in the country.

In addition to the ANPD, other government agencies, such as the Public Prosecutor's Office and consumer protection agencies, already have a history of working on the subject, even before the LGPD came into effect, especially in cases of security incidents that result in undue access to personal data, exercising the function of inspection based on the LGPD, being competent to apply, however, only the





penalties provided for in the Consumer Protection Code or in the Internet Civil Rights Framework.

Although the LGPD came into effect on September 18, 2020, its administrative sanctions (art. 52, 53 and 54), which are the exclusive responsibility of the ANPD, were applied as of August 1, 2021, under the terms of Law No. 14,010/2020.

The application of administrative sanctions was regulated by ANPD Resolution No. 1 of October 28, 2021 – which provides for the Inspection Process and the Administrative Sanctioning Process and by Resolution No. 4 of February 24, 2023 – which provides for the Dosage and Application of Administrative Sanctions. From this date onwards, the sanctions began to have practical effectiveness.

However, in addition to the administrative sanctions of the LGPD, failure to comply with any provisions set forth in the LGPD poses the following risks: (i) the filing of individual or collective lawsuits seeking compensation for damages resulting from violations, based not only on the LGPD, but also on the scattered and sectoral legislation on data protection still in force; and (ii) the application of the penalties provided for in the Consumer Protection Code and the Internet Civil Framework by some government agencies, such as consumer protection agencies.

Regarding the administrative sanctions of the LGPD, if the Company is not in compliance with its provisions, it will be subject to (i) a warning, with an indication of a deadline for adopting corrective measures; (ii) publication of the violation after its occurrence has been duly investigated and confirmed; obligation to disclose the incident; (iii) blocking of personal data corresponding to the violation until its regularization; (d) deletion of personal data corresponding to the violation; (iv) a daily or simple fine, limited to up to 2% (two percent) of the revenue of the company, group or conglomerate in Brazil in its last fiscal year, excluding taxes, limited, in total, to R\$50,000,000.00 (fifty million reais) per violation; (v) partial suspension of the operation of the database to which the violation refers for a maximum period of 6 (six) months, extendable for the same period, until the processing activity by the controller is regularized, in the event of a repeat offense; (vi) suspension of the exercise of the activity of processing personal data to which the infringement refers for a maximum period of 6 (six) months, extendable for the same period in the event of recurrence; (vii) partial or total prohibition of the exercise of activities related to data processing.

Therefore, the Company must comply with the provisions set forth in the current and applicable legislation regarding data protection in order to ensure compliance with legal requirements and minimize risk situations, such as unavailability of the service or unauthorized use of personal data, since any non-compliance with the legislation applicable to the protection of personal data, information security and other government regulations in the information technology sector may currently also result in other sanctions, compensation and loss of customer confidence in the security of services, adversely affecting the Company.



Based on this regulatory scenario for data protection, the Company is in compliance with the new provisions and obligations of the LGPD and has already appointed its Data Protection Officer (DPO), prepared Privacy Policies to ensure transparency to the data subjects, structured a service channel for data subjects, among other measures to comply with the LGPD.

In 2023, TOTVS implemented privacy management tools, carrying out in a single tool and in a centralized manner: mapping of personal data processing processes; the preparation of Personal Data Processing Impact Reports; the approval of suppliers and partners; the evaluation of products and features using the “Privacy by Design” approach; the management of cookie banners for its products; and the recording and documentation of incidents, among others.

At the end of 2023, the Company announced the structuring of the Data Governance and Artificial Intelligence area, which extended the scope of work of the data privacy area to comprehensive management of all types of data, with the aim of applying protection and governance guidelines to all data processed by the TOTVS Group and, in this way, increasing the level of reliability and security not only of its products and services, but also of the strategic decisions it makes.

**b. Major aspects related to compliance with legal and regulatory obligations connected to environmental and social matters of the issuer**

TOTVS has been continually evolving its sustainability strategy, expanding its vision beyond the three pillars of ESG. Our approach integrates sustainability into the business model, connecting resilience, innovation and efficiency to create value for our entire chain. In this context, complying with environmental regulations, such as the National Waste Policy, and social regulations, such as the Equal Pay Law, is one of the pillars of our ethical and responsible governance, ensuring the sustainability of the business and our commitment to our stakeholders.

Our Privacy Policy, implemented in 2021, is mandatory for all areas and third parties that process data on our behalf, ensuring robust governance in this area. We also have specific policies and guidelines on the use of data and Artificial Intelligence, which are mandatory for all employees, reinforcing our commitment to responsible and safe practices in these areas. With this approach, we strengthen our commitment to ethical, responsible and innovative performance, keeping TOTVS prepared for the challenges and opportunities of an increasingly dynamic business scenario.

Since 2014, we have been signatories to the UN Global Compact, reaffirming our alignment with international principles on human rights, labor relations, the environment, and the fight against corruption. We have also joined the Ethos Institute's Business Pact for Integrity and Against Corruption, and in 2023 and 2024 we received the Pro-Ethics Seal, reinforcing our transparency and commitment to integrity.



We have adopted the UN Sustainable Development Goals (SDGs) as a reference, recognizing their global importance, while prioritizing the specific challenges and opportunities of our business and sector.

In terms of the environment, we have strengthened our climate governance and, for the third consecutive year, we have joined B3's Carbon Efficient Index (ICO2), reflecting our commitment to transparency of emissions and the continuous evolution of environmental practices.

In addition, we continue to improve our performance in privacy and information security, adopting the principles of Privacy by Design and Security by Design to ensure compliance with the General Data Protection Law (LGPD). Our Privacy Policy, implemented in 2021, is mandatory for all areas and third parties that process data on our behalf, ensuring robust governance in this area. We also have specific policies and guidelines on the use of data and Artificial Intelligence (AI), which are mandatory for all employees, reinforcing our commitment to responsible and safe practices in these areas.

With this approach, we strengthen our commitment to ethical, responsible and innovative performance, keeping TOTVS prepared for the challenges and opportunities of an increasingly dynamic business scenario.

### **c. Dependence on patents, brands, licenses, concessions, franchises, royalty agreements relevant to the development of activities**

The Company uses third-party technology to develop certain components, as mentioned in item 1.4.e.ii.

Software: The copyright of certain software arises with its creation, regardless of whether it is registered with the competent authorities, as provided for in the Software Law (Law 9609/98) and the Copyright Law (Law 9610/98). In this regard, it is important to highlight that the agency currently responsible for registering software is the National Institute of Industrial Property (INPI), in accordance with Decree No. 2558/98.

As mentioned previously, software registration, although not mandatory, ends up functioning as an important tool for proving the authorship of its development before the Judiciary, and can be very useful as proof of authorship in cases of lawsuits related to unfair competition, unauthorized copies, piracy, etc.

Furthermore, in order to guarantee exclusivity in the production, use and commercialization of software, the interested party must prove its authorship, and therefore its registration with the INPI is of great importance. The protection of rights related to the computer program is ensured, according to the Software Law, for a period of 50 years, starting on January 1st of the year following its publication or, in the absence of such, its creation.



Finally, it is important to highlight that the Company's Legal Department is responsible for registering software with the INPI. To this end, the internal TOTVS area, which intends to register the software, contacts the legal department. The latter collects all the information and mediates the registration process with the INPI, using the services of specialized third parties.

Trademarks: Despite the legislative protection based on the use, deposit or notoriety of the trademark, trademark registration ensures the right of ownership and exclusive use of the trademark throughout the national territory. It is granted upon application filed with the INPI. The protection does not apply to the trademark itself, but to its use to identify a specific product or service, with the aim of preventing the risk of confusion or undue association. The protection concerning the trademark registration also extends to (i) any other trademark that imitates or reproduces it, partially or with additions, and (ii) any other similar or related product or service.

The Company's Legal Department is responsible for registering trademarks with the INPI, considering that this is triggered by the internal area of TOTVS that intends to register the trademark. Furthermore, it is important to point out that the Legal Department monitors any filing of opposition to the registration of a third-party trademark that poses some type of risk to TOTVS registered trademarks, and opposition requests filed with the TOTVS Marketing area regarding TOTVS trademarks. On all occasions, the aforementioned department collects all the information and mediates the due process with the INPI, using the services of specialized third parties.

**d. Financial contributions, showing the respective amounts, made directly or through third parties:**

**i. In favor of people holding or candidates for political office**

TOTVS does not make financial contributions to occupants or candidates for political office.

**ii. In favor of political parties**

TOTVS does not make financial contributions to political parties.

**iii. To fund the exercise of influence activity in public policy decisions, notably in the content of normative acts**

In 2024, TOTVS made association contributions totaling R\$582,824.16, which amount refers to annual and monthly dues for business associations in which the Institutional and Government Relations, Investor Relations and Compliance areas exercise institutional and/or governmental representation. TOTVS believes in proactive and collaborative dialogue between society and the public sector with the aim of contributing to the construction of more solid and sustainable public policies. Therefore, we are dedicated to establishing exchange and relationship mechanisms to convey our vision and contribute to the construction of knowledge that drives innovation, digital transformation, national economic growth, digital inclusion and the



creation of effective public policies that benefit Brazil, society as a whole and the development of the technology market.

We actively engage with governments and sector representation entities. Our relationship actions are implemented through the following channels:

- Thematic associative work groups that discuss the impacts of institutional and governmental actions and build technical sectoral positioning for the agendas worked on;
- Roundtables and meetings for sectoral discussions between companies, associations and governments;
- Participation in consultations and public hearings organized by the Government and the third sector;
- Technical and institutional visits;
- Individual meetings (TOTVS leadership) and sectoral meetings (with associations) with government representatives and other entities;
- Sponsorship of market events that highlight and reinforce the importance of technology, digital transformation and innovation in the country;
- Debates and design of sectoral proposals;
- Development of projects of public interest and institutional support.

It is important to emphasize that our commercial and institutional interactions follow structured processes in accordance with our Commercial and Institutional Relationship Policy with Public Entities, which is updated periodically. All contacts must be registered, whether in person or remotely, using an electronic tool, in order to ensure transparency in this relationship. Individual interactions with public entities are prohibited; meetings must necessarily take place in the presence of two or more people. We expect and encourage third parties, subcontractors, representatives, consultants, suppliers and service providers to also base their actions on what is set forth in the aforementioned policy when they are interacting with the company or representing us.

TOTVS does not make financial contributions directly through the Company or through third parties in favor of occupants or candidates for political office, in favor of political parties, and prohibits donations and/or sponsorships to political parties and/or candidates, public agents or individuals, as a contribution to an electoral campaign on behalf of any TOTVS company.

Additionally, the Company emphasizes that its Code of Ethics and Conduct prohibits the practice of direct or indirect donations to finance electoral campaigns, including political parties and coalitions or financial committees, including to public agents or individuals, as contributions to electoral campaigns. In addition, the Company's Contributions, Donations and Sponsorships Policy prohibits any type of contribution, payment of expenses, donation and disbursement of a pecuniary or non-pecuniary nature in favor of public agents or persons related to them, as well as to political parties or electoral campaigns.



The Code of Ethics and Conduct and the Contributions, Donations and Sponsorships Policy can be found in full on the Company's Investor Relations website (<https://ri.totvs.com/en/esg/bylaws-policies-and-charters/>) and the CVM website.





### **1.7 Relevant income from abroad**

#### **a. Revenue from clients and customers assigned to the issuer's home country and its share in the issuer's total net revenue**

In the period ended December 31, 2024, the amount of R\$5,091,739 thousand was earned from customers assigned in Brazil (the issuer's head office country), which represented 97.5% of the Company's net revenue.

#### **b. Revenue from clients and customers assigned to each foreign country and its share in the issuer's total net revenue**

In the period ended December 31, 2024, the amount of R\$132,268 thousand was earned from national companies earned outside Brazil, which represented 2.5% of the Company's net revenue.



### **1.8 Effects of foreign regulation on activities**

Considering that net revenue earned outside Brazil represented 2.5% of net revenue in the period ended December 31, 2024, as mentioned in section 1.7, the Company understands that there are no relevant effects on its activities arising from foreign regulation.



## **1.9 Environmental, Social, and Corporate Governance (ESG) Information**

### **a. Whether the issuer discloses ESG information in an annual report or other specific document for this purpose**

Since 2016, the Company has published its Annual Sustainability Report (“Integrated Report”), which comprehensively gathers information on its economic, social and environmental results. Since 2014, it has also published the Communication on Progress (COP) of the United Nations Global Compact, reaffirming its commitment to promoting human rights, diversity and inclusion, good labor practices, environmental preservation and combating corruption. In 2024, the Company also began reporting gender pay gaps, in accordance with current legislation (Law No. 14,611/2023, Decree No. 11,795/2023 and Ordinance No. 3,714/2023).

As part of the strengthening of its strategy, in December 2020 the Company launched its Sustainability Policy, a document that reflects the purpose of the TOTVS Group to drive positive impacts on its ecosystem, through the integration of business, people and technology, with sustainability as a core value. In 2023, this policy was revised and expanded, reinforcing the alignment between economic, environmental, social and governance aspects. Governance of the topic is led by the Governance and Nomination Committee (CGI), with the monitoring and engagement of the Board of Directors (CA).

### **b. The methodology or standard followed in preparing that report or document**

The Company's Integrated Report is prepared based on the conceptual framework of Integrated Reporting, developed by the International Integrated Reporting Council (IIRC), and follows the guidelines of CPC Guideline 09 – Integrated Reporting. In addition, we use the Global Reporting Initiative (GRI) methodology and consider the 10 Principles of the UN Global Compact.

Starting with the report for the base year 2023, we also started to adopt the indicators of the Sustainability Accounting Standards Board (SASB), with a specific focus on companies in the Technology and Software sector.

The Company adopts the Global Reporting Initiative (GRI) methodology, the Integrated Reporting guidelines of the International Integrated Reporting Council (IIRC), the 10 Principles of the Global Compact, and starting with the Integrated Report for the base year 2023, we adopted the indicators of the Sustainability Accounting Standards Board (SASB), with a focus on Technology and Software companies.

### **c. Whether that report or document is audited or reviewed by an independent entity, identifying that entity, if applicable**

In 2024, the Integrated Report was subject to external assurance for the third consecutive year. Conducted by KPMG, the verification aimed to assess adherence to the aspects and guidelines of the GRI and SASB Standards, and Guideline CPC 09 – Integrated Reporting, related to the Basic Conceptual Framework for Integrated Reporting, prepared by the IIRC. The financial information included in this document



includes the Company's consolidated operations and was subject to external audit, also by KPMG.

**d. The Internet address or page where this information can be found**

The versions of the Company's Integrated Report, referring to the base year 2024 and previous cycles, are available on the CVM website and on the Company's Investor Relations website

(<https://ri.totvs.com/en/esg/annual-reports/integrated-reporting/>).

The publications of the UN Global Compact Communication on Progress can also be accessed directly on the official UN portal.

**e. Whether the report or document produced considers the disclosure of a materiality matrix and key ESG performance indicators, and what are the material indicators for the issuer**

TOTVS' Integrated Report is published based on a materiality matrix that guides the priority themes in the Company's sustainability management, reviewed every two years. In 2024, the review of the materiality matrix for the 2024–2026 cycle was completed, consisting of eight material themes (organized in alphabetical order):

1. Attraction, Retention and Development of People
2. Sustainable Growth
3. Diversity, Inclusion and Combating Discrimination
4. Environmental Impact and Climate Change Management
5. Ethical and Responsible Governance
6. Health and Well-being of People
7. Information Security, Data Protection and Privacy
8. Transformation and Innovation in Business Model

In this cycle, TOTVS adopted the double materiality methodology for the first time, which provides a broad and integrated view of the risks and opportunities that impact both the financial and non-financial aspects of the organization. We saw a significant increase in the number of stakeholders engaged in this process, totaling approximately 56% more participants than in the previous cycle.

The Integrated Report also presents key performance indicators related to each material topic. Full descriptions of the topics and their respective indicators can be found in Appendix I of the document, available on the Investor Relations website.

**f. Whether the report takes into account the Sustainable Development Goals (SDGs) set forth by the UN and what are the material SDGs for the Company's business**

We adopt the UN Sustainable Development Goals (SDGs) as a reference, recognizing their global importance, but prioritizing the specific challenges and opportunities of our business and sector.



**g. Whether the report or document considers the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) or recommendations of financial disclosures from other recognized organizations that are climate-related**

The Company does not adopt recommendations related to climate issues issued by the TCFD, we disclose our environmental impact through our Greenhouse Gas Inventory and Integrated Report (both available at <https://ri.totvs.com/en/esg/annual-reports/integrated-reporting/>) and in more detail through the CDP (Carbon Disclosure Project) report.

**h. If the issuer carries out greenhouse gas emission inventories, stating, if applicable, the scope of the inventoried emissions and the page on the world wide web where additional information can be found**

Since 2022, the Company has been disclosing to the market its Greenhouse Gas Inventory, prepared based on the concepts, principles and guidelines of the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (GHG Protocol) methodology, as established by the Brazilian GHG Protocol Program (PBGHGP). The document includes direct and indirect emissions related to scopes 1, 2 and 3 and is available on the Investor Relations website (<https://ri.totvs.com/en/esg/annual-reports/integrated-reporting/>), information related to emissions is also described in the Integrated Report. In addition, the GHG Inventory serves as a basis for reporting to the Carbon Disclosure Project (CDP).

**i. Issuer's explanation on the following conducts, if applicable**

**(i) Non-disclosure of ESG information**

Not applicable. As stated in section 1.9.a of this Reference Form, the Company discloses ESG information.

**(ii) The non-adoption of a materiality matrix**

Not applicable. As stated in section 1.9.e of this Reference Form, the Company adopts a materiality matrix with specific material topics.

**(iii) The non-adoption of ESG key performance indicators**

Not applicable. As stated in section 1.9.e of this Reference Form, the Company adopts key performance indicators.

**(iv) Failure to conduct an audit or review of the disclosed ESG information**

Not applicable. As stated in section 1.9.c of this Reference Form, the Company's Integrated Report is audited and reviewed by an independent, specialized company.



**(v) Failing to consider the SDGs or failing to adopt climate-related recommendations issued by TCFD or other recognized entities in the disclosed ESG information**

We are beginning to introduce the TCFD recommendations as a way to prepare for the first publications of CBPS 02 (IFRS S2) of Climate-Related Disclosures, which provide guidance on implementing the recommendations of the TCFD Report.

In addition, we disclose our environmental impact through our Greenhouse Gas Inventory, in our Integrated Report and in more detail through the CDP (Carbon Disclosure Project) report. Since 2022, the Greenhouse Gas Inventory has been prepared based on the concepts, principles and guidelines of the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (GHG Protocol) methodology, as established by the Brazilian GHG Protocol Program (PBGHGP). The document includes direct and indirect emissions related to scopes 1, 2 and 3 and is available on the Investor Relations website (<https://ri.totvs.com/en/esg/annual-reports/integrated-reporting/>).

**(vi) Failure to carry out greenhouse gas emission inventories**

Not applicable. As informed in item 1.9.h of this Reference Form, the Company has been annually disclosing its Greenhouse Gas Emissions Inventory for its operations since 2022, available on the Investor Relations website: <https://ri.totvs.com/en/esg/annual-reports/integrated-reporting/>.





### **1.10 Semi-public corporation**

**a. public interest that justified its creation**

Not applicable. The Company is not a semi-public corporation.

**b. Performance of the issuer in compliance with public policies, including universalization targets**

Not applicable. The Company is not a semi-public corporation.

**c. Pricing process and rules applicable to fee setting**

Not applicable. The Company is not a semi-public corporation.



### **1.11 Extraordinary Businesses**

On April 12, 2022, the Company announced the creation of a joint venture with Itaú Unibanco S.A., called TOTVS TECHFIN (JV), whose purpose is to operate a digital financial services platform for small- and medium-sized companies through a comprehensive range of financial services. The approval of this joint venture by CADE, the Brazilian Anti-trust Agency, was made final on November 1, 2022 and on June 22, 2023, the Central Bank of Brazil ("BACEN") issued an official letter approving the change in the corporate control of Supplier Sociedade de Crédito Direto S.A. as a result of the entry of Itaú Unibanco S.A ("BACEN Authorization"). Finally, on July 31, 2023, after compliance with all applicable conditions precedent, the Transaction was closed.



## **1.12 Corporate operations/Capital increase or reduction**

On February 1, 2024, the Company announced that its subsidiary SOLUÇÕES EM SOFTWARE E SERVIÇOS TTS LTDA. completed the acquisition of the entire share capital of the franchise IP SÃO PAULO SISTEMAS DE GESTÃO EMPRESARIAL LTDA., in the total amount of R\$137.6 million. For more information, please refer to the Material Fact Notice available on the CVM website and on the Company's Investor Relations website (<https://ri.totvs.com/en/market-communication/notices-to-the-market/>).

On the same date, the Company announced that its subsidiary, Dimensa S.A., entered into a Quota Purchase and Sale Agreement and Other Covenants for the acquisition of the entire share capital of Quiver Desenvolvimento e Tecnologia Ltda., in the amount of R\$115 million. For more information, please refer to the Material Fact Notice available on the CVM website and on the Company's Investor Relations website (<https://ri.totvs.com/en/market-communication/notices-to-the-market/>).

On March 28, 2024, the Company announced that its subsidiary SOLUÇÕES EM SOFTWARE E SERVIÇOS TTS LTDA. completed, after all applicable conditions precedent had been met, including but not limited to: (i) approval by CADE; and (ii) corporate restructuring of the acquired companies, the acquisition of the entire share capital of AHGORA HCM S.A. and WEBTRAINING LTDA, in the total amount of R\$380 million. For more information, please refer to the Material Fact Notice available on the CVM website and on the Company's Investor Relations website (<https://ri.totvs.com/en/market-communication/notices-to-the-market/>).

On May 7, 2025, the Company announced that its subsidiary TOTVS LARGE ENTERPRISE TECNOLOGIA S.A. exercised the call option for the remaining shares of RD GESTÃO E SISTEMAS S.A., corresponding to 337,981 common shares with no par value, issued by RD Station, in the approximate amount of R\$259 million, calculated under the terms of the shareholders' agreement entered into by the parties on May 31, 2021, and paid in local currency. Upon exercising the Call Option, RD Station became wholly owned by TOTVS Large. For more information, please refer to the Material Fact Notice available on the CVM website and on the Company's Investor Relations website (<https://ri.totvs.com/en/market-communication/notices-to-the-market/>).

On November 6, 2024, the Company announced that its subsidiary, TOTVS TECNOLOGIA EM SOFTWARE DE GESTÃO LTDA., entered into a Share Purchase and Sale Agreement and Other Covenants for the acquisition of the entire share capital of VAREJONLINE TECNOLOGIA E INFORMÁTICA S.A., in the amount of R\$49 million. Subsequently, on December 30, 2024, the Company announced that its subsidiary, TOTVS TECNOLOGIA EM SOFTWARE DE GESTÃO LTDA., completed the acquisition of the entire share capital of VAREJONLINE TECNOLOGIA E INFORMÁTICA S.A., in the total amount of R\$49 million. For more information, please refer to the Material Fact Notice available on the CVM website and on the Company's Investor Relations website (<https://ri.totvs.com/en/market-communication/notices-to-the-market/>).



### **1.13 Shareholder agreements**

There is no shareholders' agreement for the Company filed at its headquarters.



#### **1.14 Significant changes in the way the issuer conducts business**

There were no significant changes in the conduct of the Company's business.



**1.15 Relevant contracts entered into by the issuer and its subsidiaries**

There are no relevant contracts entered into by the Company and/or its subsidiaries that are not directly related to their operating activities.





### **1.16 Other Relevant Information**

In addition to the information disclosed in this section 1, it is worth noting that the Company is constantly attentive to growth opportunities—whether organic, through acquisitions, or strategic business partnerships—within its business segments in the ordinary course of its operations, and continuously analyzes potential transactions or partnerships that could generate value for its shareholders.

Further to item 1.9:

### **Other initiatives**

#### **Private Social Investment: Instituto da Oportunidade Social (“IOS”)**

Founded in 1998 by employees of the then Microsiga (now TOTVS), the Instituto da Oportunidade Social (IOS) was created to provide access to technology and professional training for socially vulnerable youth and people with disabilities, with a primary focus on placing trained youth in entry-level jobs.

IOS is a nonprofit organization offering free professional training in administration and information technology, with complementary education in Digital Literacy, Citizenship, Sustainability, Mathematics, Communication and Expression, and Socioemotional Skills. Participants are also supported by a multidisciplinary team (psychologists, social workers, and educational specialists). Its target audience includes socially vulnerable youth aged 15 to 29 and people with disabilities starting at age 16.

In 2024, marking its 26th anniversary, IOS operated in the states of Minas Gerais, Pernambuco, Rio Grande do Sul, and São Paulo (where its headquarters are located). To date, more than 47,000 students have participated in IOS programs. Each year, over 2,000 students graduate, and on average, more than 1,200 are hired by partner companies, including TOTVS, generating significant social impact.

In the past year, IOS graduated 1,800 students and supported 1,407 in securing formal employment through efforts with partner companies. According to IOS studies, in 2024, family income increased by an average of 59% once a graduate began working—highlighting both the youth’s leadership within their families and the Institute’s social impact.

Among IOS graduates:

- 95% studied in public schools
- 53% were women
- 56% were Black or Brown
- 4% were people with disabilities

In July 2024, with support from the Company and 811 employees, the campaign “Gente que Acredita” (formerly “TOTVERS que Fazem”) raised BRL 57,440.00 in donations, in addition to a BRL 300,000.00 donation from the Company.



TOTVS concentrates its strategic social investment in IOS and is currently its main sponsor, alongside other partner companies. IOS provides full support to prepare students for the job market and helps companies comply with apprenticeship and disability hiring laws, contributing to the development of future talent in the new economy.

The Institute is audited annually by KPMG, prepares annual reports in accordance with the Global Reporting Initiative (GRI), and—like TOTVS—is a signatory to the UN Global Compact (Brazil Network). IOS has been internationally recognized, ranking among the top 200 social organizations in the world by TheDotGood, 12th in Brazil, and has received the São Paulo City Hall's Diversity and Human Rights Seal.

More information is available at: <https://ios.org.br>.

### **Diversity and Inclusion**

As a major technology company, TOTVS is committed to advancing a diverse and inclusive agenda that reflects the Group's purpose and vision on how its business can positively impact society—as an employer and a social agent.

We believe in the transformative power of technology to foster a more inclusive, respectful, and welcoming ecosystem.

Our D&I efforts are supported by a dedicated policy, committee, and department that work alongside affinity groups, our Code of Ethics and Conduct, and organizational policies grounded in transparency, ethics, and integrity.

At TOTVS, we believe all people are equal in essence and that differences—whether cultural, biological, social, or economic—make each individual unique and valuable to the corporate environment and society. Our guiding principles include:

- Inclusive culture
- Inclusive leadership
- Inclusive language and communication
- Promotion of intentional and inclusive processes
- Accessibility
- Representation
- Clear and barrier-free communication

We focus on education and awareness, offering mandatory Diversity and Inclusion training with an 87% completion rate within the first month. In addition to the training, the D&I framework includes a dedicated Policy, a D&I Committee with executive leadership participation, affinity groups for collective action, the Code of Ethics and Conduct, and supporting policies.

The training covers topics such as:



- Introduction to D&I
- Unconscious bias
- Impact of lack of representation in companies
- Gender
- LGBTQIAP+
- People with disabilities
- Race and ethnicity
- Religion
- Intersectionality
- Market trends
- Diversity as a strategic business issue
- Building and sustaining a culture of diversity

We strengthen affinity groups through meetings and events to promote connection and co-creation.

New employees are introduced to the Company's D&I positioning during onboarding to align from day one with our values. The Diversity and Inclusion Program aims to value and respect individuals and foster a workplace free from discrimination and prejudice.

The program focuses on five key minority groups:

- Women: #ELASNATOTVS
- People with disabilities: #INCLUSÃONATOTVS
- Ethnic-racial: #PERTENCIMENTONATOTVS
- LGBTQIAP+: #CORESNATOTVS
- People aged 50+: #MATURIDADENATOTVS

In 2024, together with affinity groups, we launched four educational guides: Anti-Machismo, Anti-Racism, Anti-LGBTphobia, and Anti-Ableism—part of our ongoing commitment to awareness and education.

### **Sustainability at TOTVS: Technology and Governance for Responsible Growth**

TOTVS continues to evolve its sustainability strategy, broadening its perspective on the challenges and opportunities of the current context. Beyond integrating best practices into its business, the Company seeks to ensure that its entire ecosystem is sustainable—empowering companies, driving innovation, and promoting efficiency across the value chain.

We believe sustainability is intrinsically linked to the longevity and resilience of businesses. For this reason, we work to anticipate trends and respond proactively to changes that impact the economy and society. Our approach focuses on deep risk and opportunity analysis and the creation of innovative solutions that help businesses become more efficient and competitive, while also contributing to sustainable development.



As a Brazilian technology company, we see enormous potential for Brazil to become a global reference in sustainable innovation. The country has the ability to lead the development of solutions that balance economic growth, inclusion, and environmental impact mitigation. TOTVS aims to play an active role in this transformation—helping companies across all sectors to digitize their processes, optimize resources, and reduce environmental impacts through technology.

To ensure sustainability remains a strategic priority, we rely on robust governance. Our initiatives are guided by the Strategy Committee (CE), the Governance and Nomination Committee (CGI), and the active engagement of the Board of Directors (CA). These structures guarantee that sustainability is addressed cross-functionally and is aligned with business strategy and stakeholder value creation.

We continue to invest in helping our clients become more efficient and better prepared for the future. Sustainability is not merely a competitive advantage—it is a core element of our strategy, ensuring the continuity of the business and generating long-term value for society.

## **Public Commitments**

### **UN Global Compact**

TOTVS has been a signatory to the UN Global Compact (Brazil Network) since 2014, committing to align its operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. This is the world's largest corporate sustainability initiative, with over 21,000 participants across 162 countries.

In 2024, TOTVS joined the UN Global Compact's Educa 2030 Movement, reinforcing its commitment to education. The initiative aims to promote educational attainment, youth inclusion in the job market, and increased participation of women in STEM careers. Additionally, TOTVS is a signatory of the Women's Empowerment Principles (WEPs) of the UN since 2014.

The Company also takes part in various UN Global Compact Working Groups that uphold the ten universal principles derived from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption.

## **Business Pact for Integrity and Against Corruption**

Also in 2014, TOTVS joined the Business Pact for Integrity and Against Corruption of the Ethos Institute. This initiative aims to engage and assist companies in managing their operations in a socially responsible and sustainable way, following a set of guidelines for integrity systems and anti-corruption practices. As part of this commitment, the Company participates in the Ethos Integrity Working Group to exchange experiences and promote debate on implementing effective policies and actions for integrity and anti-corruption.



## **Partnerships and Ecosystem Engagement**

**Integrity Week:** In 2024, TOTVS held its 5th Integrity Week under the theme “The Role of Compliance and Ethics in a Contemporary World.” The event featured lectures on topics such as “Ethics and Its Tensions in Today’s World” and “Preventing Different Types of Harassment,” along with an online game based on the Code of Ethics and Conduct. It reached 1,705 employees.

## **Institutional Agenda**

TOTVS engages institutionally in its ecosystem to ensure its voice is heard in the development of public policies. Highlights from 2024 include:

- **Sustainable Economic and Social Development Council (CDESS):** TOTVS continued its participation in CDESS, with Laércio Cosentino serving as coordinator of the Technology, Innovation, and Digital Transformation Committee—one of the Council's most active groups. In 2024, efforts contributed to the establishment of the Interministerial Committee for Digital Transformation, which will advise the President of Brazil in implementing public policies for digital development under the "Brazil Digital 2030+" plan—originally proposed by Brasscom and supported by Mr. Cosentino. The initiative promotes professional training, innovation, business competitiveness, and socioeconomic equity.
- **Civic Education Pathway:** Recognizing that civic education remains innovative in the corporate environment, TOTVS launched a training pathway through its Corporate University to promote civic engagement and responsibility. Covering more than 22 concepts of societal living, the initiative won the 7th Marco Maciel Award in the “GRI in Private or Mixed Organizations” category, promoted by the Brazilian Association of Institutional and Governmental Relations (ABRIG).
- **TOTVS BRASIL QUE FAZ Award | Innovation - Lei do Bem:** In 2024, TOTVS launched the first edition of an award recognizing the most innovative projects from its clients using Brazil’s Lei do Bem—a major public policy to encourage research and innovation, and used by over half of TOTVS’ client base.

## **Digital Transformation Agenda**

- **ANPEI Conference:** TOTVS sponsored the ANPEI Innovation Conference, the leading event on Research, Development, and Innovation in Brazil. The Company participated in the panel "5 Things You Need to Know About AI Today," led by one of its senior executives.
- **Lei do Bem:** TOTVS remains engaged in various forums advocating for the Lei do Bem as a key driver of innovation in Brazil.



- **AI Regulation:** The regulation of artificial intelligence in Brazil is a high-impact, strategic issue for TOTVS. The Company actively participated in discussions via Brasscom, ABES, and MBC, and held direct dialogues with key stakeholders during the Senate's debates. These efforts will continue in 2025 as the matter progresses to the House of Representatives and potentially returns to the Senate.

### **Tax Agenda**

- **Tax Reform:** During the second phase of Tax Reform, TOTVS worked with associations (Brasscom, ABES, and MBC) to analyze the proposals and suggest improvements. Some recommendations were partially adopted and included in the final law.
- **Payroll Tax Reinstatement:** 2024 began with a Provisional Measure ending the payroll tax exemption. TOTVS, alongside Brasscom, advocated for maintaining the benefit. The year ended with congressional approval to postpone the reinstatement to 2025, with gradual implementation until 2027.

### **Privacy Agenda**

**Data Protection:** TOTVS engaged with sector associations and actively contributed to public consultations and calls for input held by Brazil's National Data Protection Authority (ANPD) regarding the implementation and oversight of LGPD and AI regulation. The Company remains committed to collaborating with the public sector to advance and refine Brazil's legal framework.





## SECTION 2 – DIRECTORS' COMMENTS

### 2.1. General financial/equity conditions

In this section 2.1, the aim of the Company's executive officers is to provide information that enables investors and the market in general to evaluate the Company's situation through the lens of Management. Among other aspects, they discuss below important facts, commitments or events that affect or could affect the Company's financial and equity conditions. The analyzes were established based on the Company's financial statements, which are the responsibility of the Company's Management. These analyses are exclusively presented to offer, through a single financial statement, a comprehensive overview of all of the Company's activities, regardless of its corporate structure.

#### a. general financial and equity situation

We present below information about our financial and equity structure on the following dates:

(In thousands of Reais)	On December 31 <sup>st</sup> ,	
	2024	2023
Shareholders' equity	4,987,121	5,012,671
Current assets	2,763,558	3,906,298
Net debt (Net Cash) <sup>(1)</sup>	(265,942)	(986,372)

<sup>(1)</sup> Net Debt (Net Cash) means the sum of the balances of loans (except leases), debentures, obligations for acquisition of investments, both current and non-current, less the balances of cash and cash equivalents and investment guarantees. Net Debt (Net Cash) is not a measure of financial performance recognized by accounting practices adopted in Brazil or by the *International Financial Reporting Standards - IFRS* issued by the *International Accounting Standards Board* ("IASB"), and it does not have a standard meaning. Other companies can account for their Net Debt (Net Cash) differently, so it is not possible to make a comparison between disclosures.

In 2024, the Company ended the year in a Net Cash position having as key highlights the generation of operating cash that was partially offset by the share repurchase program and obligations for the acquisition of investments throughout the year.

#### b. capital structure

The Company finances its operations through its own equity and third-party funds. The Company issues common shares only; therefore, there are no redeemable shares.

We had, over the fiscal year ended on December 31<sup>st</sup>, 2024, a balanced capital structure between our own equity and third parties', and consistent with our activities, in the view of Management, in the proportion shown in the following table:

(in thousands of Reais, except %)	On December 31 <sup>st</sup> ,	
	2024	2023
Current Liabilities and Noncurrent Liabilities (third-party funds)	3,544,600	3,816,189
Shareholders' Equity (own equity)	4,987,121	5,012,671
Third-Party Funds <sup>(1)</sup>	41.55%	43.22%
Own Equity <sup>(2)</sup>	58.45%	56.78%

<sup>(1)</sup> Third-party funds correspond to the sum of current and non-current liabilities divided by total liabilities and shareholders' equity.



<sup>(2)</sup> Own equity refers to the Company's Shareholders' Equity.

### **c. payment capacity as regards financial commitments undertaken**

As of December 31st, 2024, the Company's gross debt was R\$1,879,039, of which R\$178,504, or 9.5%, are in current liabilities and R\$1,700,535 or 90.5% in noncurrent liabilities.

The Company and its subsidiaries have been fully capable of paying the financial commitments undertaken, since their operations are cash-generating and the financing granted to clients are essentially in the short term.

Most liabilities and receivables result from software sales and provision of software-related services, which are provided in the countries where they are sold.

The Company and its subsidiaries keep a conservative profile of financial investment and currently have no operations in risk markets and/or derivatives.

The table below shows the key financial indicators connected to our payment capacity:

(in thousands of Reais, unless otherwise stated)	On December 31 <sup>st</sup> ,	
	2024	2023
Gross Debt <sup>(1)</sup>	1,879,039	2,272,724
Net debt (Net Cash) <sup>(2)</sup>	(265,942)	(986,372)
Indebtedness ratio <sup>(3)</sup>	0.2	0.3
Current liquidity ratio <sup>(4)</sup>	2.4	2.9
General liquidity ratio <sup>(5)</sup>	1.0	1.2

<sup>(1)</sup> Gross Debt corresponds to the sum of the balances of loans (except leases), debentures, and obligations for the acquisition of investments. Gross debt is not a measure of financial performance recognized by accounting practices adopted in Brazil or by the *International Financial Reporting Standards - IFRS* issued by the *International Accounting Standards Board* ("IASB"), and it does not have a standard meaning. Other companies can account for their gross debt differently, so it is not possible to make a comparison between different releases.

<sup>(2)</sup> Net Debt (Net Cash) corresponds to Gross Debt deducted from the balances of Cash and Cash Equivalents and financial investments, investment guarantees, both current and non-current. Net Debt (Net Cash) is not a measure of financial performance recognized by accounting practices adopted in Brazil or by the *International Financial Reporting Standards - IFRS* issued by the *International Accounting Standards Board* ("IASB"), and it does not have a standard meaning. Other companies can account for this indicator differently, so it is not possible to make a comparison between different releases.

<sup>(3)</sup> The indebtedness ratio corresponds to the ratio of the Gross Debt at the end of the fiscal year divided by Total Assets.

<sup>(4)</sup> The current liquidity ratio corresponds to the ratio resulting from the division of current assets by current liabilities.

<sup>(5)</sup> The general liquidity ratio corresponds to the division ratio of: (i) the result from the sum of current and non-current assets (except investment, fixed, and intangible assets); by (ii) the result of the sum of current liabilities and non-current liabilities.

In 2024, the Company carried out its 5th issue of simple debentures, not convertible into shares, in the amount of R\$1,500,000 (one billion and five hundred million Reais), with the aim of optimizing the financial cost and lengthening the profile of its gross debt, maintaining its solid cash position, considering that the net resources obtained from this issue were fully used for the early redemption of all simple debentures, not convertible into shares, of the 4th (fourth) issue of the Company. On December 31st, 2024, the indebtedness ratio was 0.2, the current liquidity ratio was 2.4, and the overall liquidity ratio was 1.0, showing the ability of the Company and its subsidiaries to fulfill their short-term and long-term commitments.



**d. sources of financing used for working capital and for investment in non-current assets**

Working capital and investments in non-current assets were financed predominantly from own funds arising from operating cash generation.

**e. financing sources for working capital and investments in non-current assets intended to be used to cover liquidity deficiencies**

The Board of Executive Officers understands that, as of December 31st, 2024, the Company and its subsidiaries do not have liquidity deficiencies. If it is necessary to seek financing sources for working capital or non-current assets, the Company may: (i) seek lines of loans and financing with private banks, and/or (ii) issue debt securities, such as debentures.

It is also worth mentioning that, although the Board of Executive Officers understands that the Company and its subsidiaries do not have liquidity deficiencies, it understands that they have pre-approved lines with private banks that can be accessed in the very short term.

Finally, on February 19th, 2025, the risk rating agency Fitch Ratings raised TOTVS's Long-Term National Rating, as well as its 5th (fifth) issue of debentures, from 'AA+(bra)' to 'AAA(bra)', indicating minimal credit risk.

**f. levels of debt and characteristics of such debts, also describing:**

**(i) relevant financing and loan agreements**

The loans taken by the Company, as well as the balance of each one at the end of every period, are shown in the table below:

(in thousands of Reais, unless otherwise stated)	Financial charges	On December 31 <sup>st</sup> ,	
		2024	2023
Leases	10.09% p.a. and 13.59% p.a.	126,418	165,281
Secured and other accounts (i)	-	-	32,083
<b>Loans and leases</b>		<b>126,418</b>	<b>197,364</b>
Current Liabilities		58,133	90,701
Non-Current Liabilities		68,285	106,663

(i) Loan bill for financing with suppliers, in the amount of R\$32,083 on December 31<sup>st</sup>, 2023.

(in thousands of Reais, unless otherwise stated)				On December 31 <sup>st</sup> ,	
Issuance	Debentures	Annual financial charges	Unit price in Real (BLR)	2024	2023
[5 <sup>th</sup> ] Issuance of debentures - single series	1,500,000	100% of CDI rate + spread 0.95% p.a.	1	1,535,131	-
[4 <sup>th</sup> ] Issue of debentures - Single series	1,500,000	100% of CDI + spread 1.35% p.a.	1	-	1,546,703
<b>Debentures</b>				<b>1,535,131</b>	<b>1,546,703</b>
Current liabilities				62,845	55,208
Non-current liabilities				1,472,286	1,491,495



The amounts of loans, leases, and debentures recorded in non-current liabilities at the end of each period have the following maturity schedule:

(In thousands of Reais)	On December 31 <sup>st</sup> ,	
	2024	2023
2025	-	55,003
2026	46,069	787,050
2027	11,317	755,699
2028	364,001	406
2029	372,778	-
2030	374,137	-
2031	372,269	-
<b>Loans, leases, and debentures (Non-current liabilities)</b>	<b>1,540,571</b>	<b>1,598,158</b>

Leases: the Company and its subsidiaries have several financial lease agreements with a contracted term of between 3 and 9 years related to electronic equipment, rents, and facilities of its units.

Debentures: on July 19<sup>th</sup>, 2024, the Company approved the 5<sup>th</sup> issue of simple debentures, not convertible into shares, of the unsecured type, in a single series, for public distribution, intended exclusively for professional investors, in the total amount of R\$1,500,000 (one billion and five hundred thousand Reais), with a face value per unit of R\$1,000 (one thousand Reais). On the unit face value or balance of the unit face value, as the case may be, remuneration interest corresponding to 100.00% of the accumulated variation of the average daily rates of ID (One-day Interbank Deposits) "over extra-group" will be charged, plus a *spread* equivalent to 0.95% per year, based on 252 business days. The debentures will have a final maturity on July 19<sup>th</sup>, 2031.

**(ii) other long-term relationships with financial institutions**

The Company and its subsidiaries have no other relevant long-term relationships with financial institutions other than those described in section 2.f.i.

**(iii) degree of subordination among debts**

The debts of the Company and its subsidiaries are unsecured. Therefore, there is no subordination among them.

**(iv) any restrictions imposed on the issuer, in particular, in relation to debt limits and contracting of new debts, the distribution of dividends, the disposal of assets, the issuance of new securities and the disposal of corporate control, as well as whether the issuer has been complying with these restrictions.**

Debentures: debentures have early maturity clauses ("*covenants*") usually applicable to these types of operations related to meeting economic and financial indices. The financial index applied to this deed results from the coefficient of the division of the Net Debt/Net Cash (based on the criteria agreed with the trustee) by the Adjusted EBITDA, which must be equal to or lower than 4 times. This indicator does not consider the effects arising from IFRS 16 for debt and EBITDA, nor are the liabilities, EBITDA and cash and cash equivalents of TOTVS Techfin S.A. and its subsidiaries being considered.



LEVERAGE RATIO	On December 31 <sup>st</sup> ,	
	2024	2023
(+) Consolidated Gross Debt	1,879,039	2,272,724
(+/-) Cash and cash equivalents	(1,942,162)	(3,129,162)
(=) Net Debt (Net Cash)	(63,123)	(856,438)
Management + RD Station Adjusted EBITDA	1,274,611	1,076,234
<i>Net Debt (Net Cash) / EBITDA</i>	-0.05	-0.80

As of December 31<sup>st</sup>, 2024, the Company was in compliance with all the *covenants* set forth in its aforementioned debenture agreements.

#### g. Limits of contracted financing and percentages already used

On the date this section was submitted, there were no contracted and unused financing lines.

#### h. significant changes in topics of the income statements and cash flow

### CONSOLIDATED INCOME STATEMENTS

#### COMPARISON BETWEEN THE FISCAL YEARS ENDED ON DECEMBER 31<sup>st</sup>, 2024 AND 2023

(In thousands of Reais)	On December 31 <sup>st</sup> ,		Vertical analysis		Horizontal analysis
	2024	2023	2024	2023	24 vs. 23
<b>Net Revenue</b>	<b>5,224,007</b>	<b>4,440,443</b>	<b>100.0%</b>	<b>100.0%</b>	<b>17.6%</b>
Cost of software	(1,594,149)	(1,304,449)	-30.5%	-29.4%	22.2%
<b>Gross profit</b>	<b>3,629,858</b>	<b>3,135,994</b>	<b>69.5%</b>	<b>70.6%</b>	<b>15.7%</b>
<b>Operating revenues (expenses)</b>					
Research and development	(945,253)	(844,764)	-18.1%	-19.0%	11.9%
Sales and marketing expenses	(1,135,920)	(989,089)	-21.7%	-22.3%	14.8%
Allowance for expected credit losses	(59,356)	(36,394)	-1.1%	-0.8%	63.1%
General and administrative expenses	(593,409)	(502,234)	-11.4%	-11.3%	-18.2%
Other net operating revenues (expenses)	(17,080)	(66,013)	-0.3%	-1.5%	-74.1%
<b>Operating profit before financial effects and equity method</b>	<b>878,840</b>	<b>697,500</b>	<b>16.8%</b>	<b>15.7%</b>	<b>26.0%</b>
<b>Financial result</b>					
Financial revenues	278,306	355,764	5.3%	8.0%	-21.8%
Financial expenses	(327,632)	(373,173)	-6.3%	-8.4%	-12.2%
Equity pickup	(1,571)	3,195	0.0%	0.1%	-149.2%
<b>Earns before taxes</b>	<b>827,943</b>	<b>683,286</b>	<b>15.8%</b>	<b>15.4%</b>	<b>21.2%</b>
Income tax and social contribution	(91,415)	(146,620)	-1.7%	-3.3%	-37.7%
<b>Net income (loss) from continuing operations</b>	<b>736,528</b>	<b>536,666</b>	<b>14.1%</b>	<b>12.1%</b>	<b>37.2%</b>
<b>Net income (loss) of Techfin business unit</b>	<b>(1,085)</b>	<b>227,769</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income (loss) in the fiscal year</b>	<b>735,443</b>	<b>764,435</b>	<b>14.1%</b>	<b>17.2%</b>	<b>-3.8%</b>



Income attributed to members of the controlling company	717,513	734,820	13.7%	16.5%	-2.4%
Income attributed to non-controlling members	17,930	29,615	0.3%	0.7%	-39.5%

### **Net Revenue**

The consolidated Net Revenue of 2024 grew 17.6% when compared to the previous year. This acceleration resulted in exceeding the R\$5,000,000 mark in the year, mainly driven by the 20.9% year-over-year growth in Recurring Revenue from the Management and RD Station business units, which together represent 88.8% of Net Revenue, an increase of 240 basis points compared to 2023.

Another 2024 highlight is the Annualized Recurring Revenue (ARR), which ended 2024 at R\$5,538,274, with a consolidated Total Addition of R\$849,571. The Company's dedication to Recurring Revenues has produced this outcome, bringing resilience and predictability and setting the groundwork for the 2025 Recurring Revenue.

### **Gross Profit**

Software cost growth ended 2024 at 22.2% compared to the prior year, culminating in a gross margin of 69.5%, or 110 basis points below the 2023 figure. This reflects the Company's focus on Recurring Revenue models and efforts to decrease TCO (*Total Cost of Ownership*) to improve its market competitiveness.

It is worth explaining that, for many years, TOTVS has focused on generating Recurring Revenues, which are the most profitable and perennial, as well as reducing TCO (*Total Cost of Ownership*), which makes solutions more accessible. This move impacts Gross Margin because of reduced relevance of License Revenue, which is more profitable in the short term, and reduced gross margin of Non-Recurring Services Revenue (commonly linked with deployment and customization projects in new sales). Likewise, acquisitions carried out throughout 2023 and 2024 typically bring companies with lower Gross Margin, which also puts pressure on performance in this metric in the short term. Conversely, these activities contribute to sustained revenue expansion, and EBITDA margins improve as operational integration progresses.

### **Expenses**

- **Research and Development:** In 2024, Research and Development (R&D) expenses represented 18.1% of Net Revenue, compared to 19% in 2023. The dilution observed, particularly within the Management business unit, is a consequence of the recurring business model adopted. This model has allowed for increased scale while ensuring sustained investment in the solutions' stability, depth, breadth, and ongoing innovation within the portfolio.
- **Sales and Marketing Expenses:** in the annual comparison, Sales and Marketing Expenses increased 14.8% compared to 2023, representing 21.7% of Net Revenue in 2024, compared to 22.3% in 2023. This reduction in Net Revenue representativeness is even more relevant considering the performance of a major TOTVS advertising campaign focused on brand building, besides the performance of the Universo TOTVS event in an area





50% larger than that used in 2023, that is, the sales team's efficiency gain allowed for increased investments in Advertising and Marketing and Events with an increase in the margin in total Sales and Marketing Expenses. Furthermore, the 2024 RD Summit proved successful again, attracting an average daily attendance of 21,000 participants over its three-day duration—a 10% increase from 2023. Total net expenditure remained consistent with 2023, approximating R\$14 million. This result reflects the growth in ticket sales and sponsorship attainment, thus highlighting the RD Summit's engagement capacity and importance to the ecosystem, solidifying its position as Brazil's foremost digital marketing event.

- **General and Administrative Expenses and Provision for Contingencies:** the representativeness of this expense group in 2024 was 11.4% of Net Revenue, in line with 2023, which was 11.3%. This slight increase is related to the structure of the operations acquired in the period, as well as the current corporate structure, which was established throughout the 2<sup>nd</sup> half of 2023 and fully impacted the year 2024.
- **Other Operating Income (Expenses):** in the year-over-year comparison, the negative net result of Other operating income (Expenses) decreased by 74.1% vs. 2023. This line is mainly impacted by the supplement of obligation for acquisition of investments as a result of the annual review and update of the *earn-out* amounts of M&A transactions. In 2023, there was a supplement of R\$57,445, while 2024 was impacted by the reversal of R\$22,647, which was offset with the provision for *impairment* of R\$30,619.
- **Financial Result:** the R\$31,917 decrease in the 2024 Financial Result is a consequence of the decrease in Financial Result as a result of the reduction in the Cash position, resulting from the amortization of Debentures and *earn-outs* from acquisitions made in previous periods, in addition to the execution of the share repurchase program and the payment of recently made acquisitions.
- **Equity Pickup:** it represents equity method in the proportion of 50% of the result of TOTVS Techfin, a *Joint Venture (JV)* with Itaú Unibanco S.A. focused on financial services via integration with management software.
- **Income Tax and Social Contribution:** in 2024, the reduction of 37.7% in relation to 2023 reflects the constitution of Deferred Income Tax assets of the subsidiary RD Station in the amount of R\$90,908, which gathered in this year the sufficient elements for the registration of such tax credits. When this effect is disregarded, the effective rate would be 22% in 2024, a level similar to that presented in 2023.

**Net income (loss) from continuing operations:**

Net income from the Company's continuing operations, related to 2024, totaled R\$736,528, which means an increase of 37.2% versus 2023. In general terms, the increase in the Net income from continuing operations is a consequence of the increase in recurring revenue and discipline in the management of costs and expenses throughout the year.



**Net income (loss) of the Techfin business unit:**

This item corresponds to the results of the Techfin business unit prior to the closing of the *Joint Venture* with Itaú Unibanco S.A. on July 31, 2023, when TOTVS and Itaú each held a 50% interest in the capital stock of TOTVS Techfin S.A. and their results are stated in the Equity pickup line.

**CASH FLOW STATEMENTS**

**COMPARISON BETWEEN CASH FLOWS FOR THE FISCAL YEARS ENDED ON  
 DECEMBER 31, 2024 and 2023:**

(In thousands of Reais)	On December 31 <sup>st</sup> ,		Horizontal analysis
	2024	2023	24 vs. 23
<b>Gross cash generated in operating activities</b>	<b>1,448,739</b>	<b>1,366,639</b>	<b>6.0%</b>
Interest paid	(177,930)	(224,921)	-20.9%
Income tax and social contribution paid	(156,198)	(189,611)	-17.6%
<b>Net cash generated in operating activities</b>	<b>1,114,611</b>	<b>952,107</b>	<b>17.1%</b>
Payment for the acquisition of fixed and intangible assets, net of sales of assets	(230,712)	(273,692)	-15.7%
Obligations with investments, net of cash and receipts from sales	(1,055,306)	(132,309)	697.6%
CVC Fund	(47,025)	(24,836)	100.0%
Franchises Loan	(589)	13,150	-104.5%
Cash from (used in) the Techfin Business Unit	-	405,223	-100.0%
Other investment activities	-	9,073	-100.0%
<b>Net cash used in investment activities</b>	<b>(1,333,632)</b>	<b>(3,391)</b>	<b>39228.6%</b>
Loans, debentures, and leasing	(131,259)	(37,928)	246.1%
Capital increase, net and investment of non-controlling shareholders	-	4,164	-100.0%
Dividends and interest on shareholder's equity paid	(265,352)	(412,163)	-35.6%
Treasury shares, net and receivables from related companies	(571,368)	(109,392)	100.0%
<b>Net cash used in financing activities</b>	<b>(967,979)</b>	<b>(555,319)</b>	<b>74.3%</b>
<b>(Decrease) cash increase and cash equivalents</b>	<b>(1,187,000)</b>	<b>393,397</b>	<b>-401.7%</b>

The 17.1% increase in Net cash generated in operating activities for the year 2024 compared to 2023 is mainly related to the increase in Net income from continuing operations.

The significant increase in cash used in investment activities is mainly related to the payments of obligations for the acquisition of investments from M&As such as Tallos, RD Station, Gesplan, and Supplier, in addition to the acquisitions of Quiver, TOTVS IP, Ahgora, and VarejOnline.

The 74.3% increase in cash used in financing activities was mainly because of the higher volume of share buybacks in 2024.



## 2.2. The executive officers should comment on the following topics:

### a. Results of the issuer's operations, especially:

#### (i) Description of any important revenue components

The software revenue recognition criteria did not undergo significant changes that could compromise their comparability in 2024.

Revenues are recognized when there is a contract with the client, performance obligations are identified, the transaction price is measurable and reliably allocated, and when the control of goods or services is transferred to the client. The revenues are shown net of taxes, returns, rebates, discounts, and costs with partners when applicable. The Company and its subsidiaries separate revenue into recurring revenue and non-recurring revenue as follows:

Recurring revenue from software comprises: (i) software subscription, in which clients and customers have access to the software on multiple devices simultaneously in its most recent version; (ii) maintenance, including technical support and technology evolution; and (iii) services, including cloud computing and customer service. The recurring software revenue is recognized on a monthly basis in the income statement over time, as the services are provided, from the date the services and software are made available to the customer and all other revenue recognition criteria are met. The Company and its subsidiaries activate the variable compensation expenses of sellers to obtain contracts paid in the sale of software subscription and amortize this cost based on the average length of stay of customers.

Non-recurring revenue from software comprises: (i) license fees, which transfer to the customer the right to use the software for an indefinite period of time; and (ii) software implementation and customization services, consulting and training services. **Licensing fee** is recognized at a given time when all risks and benefits connected to such license are transferred to the buyer upon availability of the software and the amount can be measured reliably, as well as it is probable that the economic benefits will be generated in favor of the Company and its subsidiaries. **Revenues from implementation and customization services** represent a performance obligation different from other services and are billed separately and recognized over time as costs are incurred connected to the total expected costs, performed according to the schedule of performance and when there is a valid expectation of receipt from a client. Invoiced revenues that do not meet the recognition criteria do not comprise the balances of the corresponding revenue accounts and accounts receivable. Revenues from consulting and training services are recognized when the services are provided.

#### (ii) Factors that materially affected the operating results

The primary factors that affected the Company's operating results in the fiscal year ended on December 31<sup>st</sup>, 2024 were:



**a) Dynamics of Inflation in the Management business unit:**

Management's recurring revenue readjustments have a different dynamic from salary readjustments (collective bargaining agreement and/or similar covenants), because of the formats, anniversaries and, especially, to the indices having divergent behaviors at times. Thus, the IGP-M and IPCA inflation indexes mismatch can contribute as a tailwind, positively impacting the profitability gain, when the IGP-M is above the IPCA, or negatively impacting as a headwind, harming profitability when the curves are inverted. Throughout 2023 and the first half of 2024, the Brazilian economy showed an IGP-M dynamics with inflation indexes below the IPCA, which generated an estimated negative impact of 60 basis points on the EBITDA Margin of 2024 of this business unit.

**b) Focus on recurring revenues and reduction of TCO:** the Company has a greater focus on generating Recurring Revenues, which are the most profitable and perennial, as well as reducing TCO (Total Cost of Ownership), which makes solutions more accessible. This move impacted the 2024 profits because of reduced relevance of License Revenue, which is more profitable in the short term, and reduced gross margin of Non-Recurring Services Revenue (commonly linked with deployment and customization projects in new sales).

**c) Gain of scale in the RD Station business unit:** the continuous expansion of the revenue of this business unit associated with the progress of the integration process of the most recent acquired companies made the Adjusted EBITDA Margin of the RD Station BU to grow 590 basis points over 2023 and reach approximately 10% in 2024.

**d) Deferred Income Tax of RD:** after incorporating the subsidiary Tallos and updating the study of recoverability of deferred taxes over the next few years of RD Station, the Company recorded the balance of deferred income tax and social contribution on the accumulated tax loss, negative basis of social contribution, and temporary differences.

**b. Relevant changes in revenues attributable to the introduction of new products and services, volume changes and price modifications, exchange rates and inflation**

In line with the Company's strategy, the RD Station and Techfin Business Units are new businesses and engines of growth, besides the SaaS (*Software as a Service*) model in the Cloud Management and Consumption Business Unit, which remain in solid demand, with special emphasis on T-Cloud solutions (including *PaaS - Platform as a Service*).

The year 2024 was marked by advances in sales volume, mainly with the growing demand and consumption of cloud computing, resulting in a 31% increase in Cloud revenue in 2024 compared to 2023. In relation to the inflationary indexes in the price component, the year started with the 12-month accumulated IGP-M running



below zero and was recomposed throughout the second half, positively impacting the contracts having monetary restatement anniversary in this period.

At RD Station, growth and large margin gains show the power of this business unit, which has become a multi-product, multi-channel, multi-interlocutor, multi-client, among other properties. In Techfin, we've begun the upswing of the J-curve we mentioned in the creation of the *joint venture* with Itaú, swiftly building Brazil's first *ERP Banking system*.

The Company has subsidiaries in Argentina, a country with a hyper-inflationary economy and, in accordance with IAS 29/CPC 42, non-monetary assets and liabilities, equity items and the income statement of subsidiaries in Argentina, whose functional currency is the Argentine Peso, are being adjusted by the change in the general purchasing power of the currency, applying the Consumer Price Index (IPC) of the local market.

For the purpose of converting foreign currency to a non-hyperinflationary economy such as the Brazilian Real, the comparative amounts are presented as amounts of the current year in the financial statements of the previous year. The hyperinflation impacts resulting from the changes in general purchasing power as of January 1<sup>st</sup>, 2024 and 2023 were reported in the income statement in a specific hyperinflation adjustment account, in the financial result. The effect resulted in a net loss for the year ended December 31<sup>st</sup>, 2024 of R\$8,717 (and, for comparison purposes, the net loss on December 31<sup>st</sup>, 2023 was R\$11,437).

**c. Relevant impacts of inflation, changes in prices of key inputs and products, exchange and interest rates on operating results and financial results of the issuer**

Brazil's Gross Domestic Product (GDP) experienced an estimated growth exceeding 3% in 2024, propelled by the manufacturing and service sectors' recovery. Inflation, as measured by IPCA (Broad Consumer Price) Index, ended the year at 5.08%, above the target range, reflecting price pressures on items such as food and energy, aggravated by climatic factors that damaged part of the harvests. In response, the Brazilian Monetary Policy Committee (Copom) raised the Selic rate to 12.25% per year, seeking to control inflation and anchor market expectations.

With respect to the external sector, the current account deficit expanded to 2.55% of GDP, a rise from 1.32% recorded in 2023.

In the foreign exchange market, the Real currency faced volatility throughout the year, mainly influenced by the external scenario, restrictive monetary policy in the United States, and domestic fiscal uncertainties. The US dollar fluctuated between R\$4.80 and R\$5.30 throughout 2024, reflecting the Fed's decisions and expectations about global growth, while the Central Bank maintained specific interventions to contain sudden movements in the exchange rate.

As for financial results, the debentures issued in 2024 are pegged to the CDI rate variation. In the fiscal year ended on December 31<sup>st</sup>, 2024, interests incurred related



to loans, financing, and debentures represented 63% of financial expenses.

The Company's debt is exposed to the following indicators in each period stated below:

Transaction	Risk	Indicators
Debentures	CDI	100% of CDI rate + spread 0.95% p.a.

The Company and its subsidiaries have financial investment policies that determine that investments should focus on low-risk securities and investments in top-tier financial institutions and are substantially remunerated based on percentages of the CDI rate variation. The financial income from such investments, which are linked to the interest rate, accounted for 90.9% of the Company's financial income in the fiscal year ended on December 31<sup>st</sup>, 2024.

In addition, revenues of some subsidiaries that operate internationally are exposed to exchange rate risk arising from exposures in certain currencies such as the Dollar of the United States of America (USD), Argentine Peso (ARS), Mexican Peso (MXN), Chilean Peso (CLP), and Colombian Peso (COP). The Company and its subsidiaries act so that their net exposure is maintained at an acceptable level in accordance with the policies and limits defined by Management. As of December 31<sup>st</sup>, 2024, revenues of subsidiaries in the international market represented 2.5% (2.9% as of December 31, 2023) of the Company's consolidated revenue.





**2.3. The executive officers should comment on the following topics:**

**a. Changes in accounting practices that have resulted in significant effects on the information provided for in sections 2.1 and 2.2**

There have been no changes in accounting practices that have resulted in significant effects.

**b. Modified opinions and emphases in the auditor's report**

The independent auditors issued an auditor's report with no modified opinions or emphases in the financial statements as of December 31<sup>st</sup>, 2024.



**2.4. The Executive Officers are required to provide their comments on the impact that the events listed below have had or are expected to have on the Company's financial statements and results:**

**a. Introduction or disposal of operating segment**

The year 2024 showed no introduction or sale of operating segments.

Aiming at contributing to achieve its strategic goals, the Company constantly assesses investment and divestment opportunities. The major transactions carried out by the Company are shown in paragraph (b) of this section.

**b. Establishment, purchase, or disposal of equity interest**

Acquisition of Interior Paulista Franchise ("IP")

On October 30<sup>th</sup>, 2023, the Company's subsidiary, TTS, entered into the Purchase and Sale Agreement to buy 100% of the capital stock of the franchise IP São Paulo Sistemas de Gestão Empresarial Ltda. The transaction was completed on January 31<sup>st</sup>, 2024, after approval by the Brazilian Antitrust Agency (CADE), in addition to the satisfactory fulfillment of other customary prerequisites for this type of transaction. The total cash payment, after adjustments, was R\$139,613, which included R\$7,000 withheld for potential indemnity.

On July 1<sup>st</sup>, 2024, IP was merged into TTS, for the net assets of R\$13,604, which was appraised by experts who issued the accounting appraisal report of shareholders' equity on the base date of May 31<sup>st</sup>, 2024. The equity variations that occurred after the base date until the date of the effective merger were absorbed by TTS.

Acquisition of Quiver

On February 1<sup>st</sup>, 2024, the Company's subsidiary Dimensa entered into the Sale and Purchase Agreement for the purchase of 100% of the capital stock of Quiver Desenvolvimento e Tecnologia Ltda. The cash payment totaled R\$113,083; R\$15,000 of this was withheld for potential indemnity. Said Agreement also provides for the payment of a complementary purchase price subject to meeting certain conditions.

In the market since 1992, Quiver serves insurers, brokers, and banks for policy sales and management. Its portfolio is divided into software for insurance and benefits brokers, calculation solutions, and data sales.

Acquisition of AHGORA

On November 30<sup>th</sup>, 2023, the Company's subsidiary TTS entered into the Sale and Purchase Agreement for the purchase of 100% of the shares of Ahgora HCM S.A. ("HCM") and Webtraining Ltda. ("Webtraining" and, together with HCM, "Ahgora") The closing of this transaction depended on the approval of the anti-trust authorities, the completion of the corporate restructuring, and the verification of other usual conditions for this type of transaction, which were completed on March 28<sup>th</sup>, 2024.



The cash payment totaled R\$372.000; R\$10,000 of this was withheld for potential indemnity.

Ahgora's software integration significantly enhanced TOTVS's standing as a leading HR platform within its Management business unit.

On October 31<sup>st</sup>, 2024, HCM and its subsidiary Webtraining were purchased and merged into TTS, for the net assets of R\$19,117 and R\$3,516, respectively. These companies were appraised by experts who issued the accounting appraisal reports of shareholders' equity on the base date of September 30<sup>th</sup>, 2024. The equity variations that occurred after the base date until the date of the effective merger were absorbed by TTS.

#### Acquisition of VarejOnline

On November 6<sup>th</sup>, 2024, the Company's subsidiary, TOTVS Gestão, entered into the Sale and Purchase Agreement for the purchase of 100% of the share capital of VarejOnline Tecnologia e Informática S.A. ("VarejOnline")

The transaction was completed on December 30<sup>th</sup>, 2024, after approval by the Brazilian Antitrust Agency (CADE) and the fulfillment of other conditions precedent. The cash payment totaled R\$47.000; R\$7,000 of which was withheld for potential indemnity. Said agreement also provides for the payment of a complementary purchase price subject to meeting certain conditions.

With VarejOnline, TOTVS has taken another step in building a complete "Retail Suite", focused on transforming the management of retailers through the integration of cutting-edge technologies.

#### Sale of the subsidiaries IPSP Sorocaba and Neopenso, arising from the acquisition of the "IP" - Interior Paulista Franchise

On July 1<sup>st</sup>, 2024, the wholly-owned subsidiaries of Interior Paulista Franchise (IP), IPSP Sorocaba and Neopenso, were divested. This transaction resulted in a net gain of R\$24,943, recorded as other operating revenue.

#### **c. Unusual events or transactions**

There were no unusual events or transactions for the year 2024.



**2.5. If the issuer has disclosed, during the last fiscal year, or wishes to disclose in this form non-accounting measurements, such as EBITDA (earnings before interest, taxes, depreciation and amortization) or EBIT (earnings before interest and taxes), the issuer must:**

**a. Report the amount of the non-accounting measurements**

**EBITDA** (*Earning Before Interest, Tax, Depreciation and Amortization*), is a non-accounting measurement calculated by the Company.

EBITDA is a non-accounting measurement prepared by the Company under CVM Resolution No. 156, of June 24, 2022 ("CVM Resolution 156/22"), reconciled with its financial statements, and EBITDA consists of net income (or loss) for the year, adjusted for financial income and expenses, income tax and social contribution, and depreciation and amortization expenses.

The **EBITDA Margin** is calculated by the EBITDA divided by the total net revenue.

**Adjusted EBITDA** is a non-accounting measure prepared by the Company and corresponds to EBITDA added by the Techfin Business Unit's EBITDA, Operational Restructuring Adjustment, M&A Adjustments to Fair Value, Loss (Gain) on Asset Write-off, Acquisition Transaction Expenses (M&A), Tax Credits, and Payroll Reinstatement Adjustment that, in the opinion of Management, are not part of the normal operations of the business and/or distort the analysis of the Company's performance, among other non-recurring revenues and expenses that are not part of the Company's operations. The adjustments to the Company's operations are described below:

**(i) EBITDA of the Techfin business unit:** represents 50% of the EBITDA of the Techfin business unit arising from the *Joint Venture* formed with Itaú. This operation has shared control; therefore, it is not consolidated in the Company's results;

**(ii) Operational restructuring adjustment:** extraordinary expenses related to the restructuring of some operations of the Management Business Unit;

**(iii) Fair value M&A adjustment:** it refers to the adjustment to fair value of contingent payments/receipts related to M&A transactions;

**(iv) Loss (gain) on asset write-off:** gain or loss generated by the write-off of fixed and intangible assets;

**(v) Expenses with M&A transactions:** fees and other costs arising from the process of purchasing companies (M&A);

**(vi) Tax credit:** it refers to the constitution of extemporaneous tax credit of PIS and COFINS by excluding ICMS from the calculation basis, presented net of the cost of attorney's fees to get a legal opinion on the subject.

**(vii) Payroll reinstatement adjustment:** it refers to the provision for social security contribution for payroll reinstatement resulting from the end of the



"Brasil Maior" program. Companies in 17 industry sectors will resume paying social security contributions through payroll deductions. Starting in January 2025, the rate became 5%, increasing to 10% in January 2026, 15% in January 2027, and 20% in January 2028. Conversely, the Social Security Contribution on Gross Revenue (CPRB), previously 4.5% in our industry sector until December 2024, will drop to 3.6% in 2026, declining further over the next three years to 0% by January 2028.

The **Adjusted EBITDA Margin** corresponds to Adjusted EBITDA divided by Total Net Revenue.

The **Adjusted EBITDA of Management + RD Station** and the **Management + RD Station Adjusted EBITDA Margin** is a non-accounting measure prepared by the Company and corresponds to the adjusted EBITDA and the Adjusted EBITDA Margin, disregarding the EBITDA and Techfin Business Unit EBITDA Margin.

The EBITDA and the EBITDA Margin, the Adjusted EBITDA, the Adjusted EBITDA Margin, the Management + RD Station Adjusted EBITDA, and the Management + RD Station Adjusted EBITDA Margin are not measures recognized by the Accounting Practices Adopted in Brazil (BR GAAP) or by the *International Financial Reporting Standards* ("*IFRS*") issued by the *International Accounting Standard Board* ("*IASB*"), neither represent the cash flow for the periods presented, and should not be considered as a substitute for the net profit (loss) for the fiscal year, as operating performance indicators, as liquidity indicators, nor as a basis for distribution of dividends or other measures of operating performance or liquidity set forth under the BR GAAP or IFRS. The Company uses EBITDA, EBITDA margin, Adjusted EBITDA, and Adjusted EBITDA Margin as performance measures for management purposes and for comparison with similar companies. Although EBITDA has a standard meaning pursuant to article 3, subparagraph I of CVM Resolution 156/22, the Company cannot guarantee that other companies, including privately held companies, adopt this standard meaning. In this regard, if the standard meaning set forth by CVM Resolution 156/22 is not adopted by other companies, the EBITDA disclosed by the Company may not be comparable to the EBITDA reported by other companies. Furthermore, companies that were not required to correct disclosures made before the implementation of CVM Resolution 156/22 cannot adopt the standardized interpretation set by the standard.

Please see below the amounts of EBITDA, EBITDA Margin %, Adjusted EBITDA, and Adjusted EBITDA Margin % for the fiscal year ended on December 31, 2024 and 2023:

In thousands of Reais	On December 31 <sup>st</sup> ,	
	2024	2023
EBITDA	1,203,538	983,495
EBITDA Margin %	23.0%	22.1%
Adjusted EBITDA	1,290,941	1,089,913



Adjusted EBITDA Margin %	24.0%	23.8%
Management + RD Station Adjusted EBITDA	1,274,611	1,076,234
Management + RD Station Adjusted EBITDA Margin %	24.9%	24.2%

### Gross Debt and Net Debt (Net Cash)

**Gross Debt** corresponds to the sum of the balances of loans (except leases), debentures, and obligations for acquired investments, both current and non-current.

**Net Debt (Net Cash)** is calculated as Gross Debt deducted from the balances of cash and cash equivalents and investment guarantees.

To determine the extent of its indebtedness compared to its cash position, the Company utilizes Net Debt (Net Cash) and Gross Debt.

Gross Debt and Net Debt (Net Cash) are not measures of financial performance, liquidity or indebtedness recognized by the Accounting Practices Adopted in Brazil or by the *International Financial Reporting Standards (IFRS)* issued by the *International Accounting Standard Board (IASB)*, so they do not have standard meanings and are not comparable to the definitions of Gross Debt, Net Debt (Net Cash), or other measures with similar names used by other companies.

Please see below the amounts of Gross Debt and Net Debt (Net Cash) on December 31<sup>st</sup>, 2024:

In thousands of Reais	On December 31 <sup>st</sup> ,	
	2024	2023
Gross Debt	1,879,039	2,272,724
Net Debt (Net Cash)	(265,942)	(986,372)

### Techfin Net Revenue (Non-GAAP)

The Techfin net revenue (Non-GAAP) is composed of Techfin Revenue, deducted from the Funding cost, which is formed by the remuneration of the FIDC's senior and mezzanine shares, in addition to the cost of any bank lines.

(In thousands of Reais)	On December 31 <sup>st</sup> ,	
	2024	2023
Revenue net of funding, Techfin (50%)	153,753	136,427

The Company uses the Techfin net revenue (Non-GAAP) to evaluate the margin of the operation from the net revenue of the funding cost.

The Techfin net revenue (Non-GAAP) is not a measure recognized in accordance with the accounting practices adopted in Brazil or *International Financial Reporting Standards (IFRS)*, issued by the *International Accounting Standard Board (IASB)*, it



does not have a standard meaning and may not be comparable to the Net Revenue prepared by other companies. The Techfin net revenue (Non-GAAP) has limitations that may impair its use as a performance measure.

**b. Make reconciliations between the amounts disclosed and the amounts of the audited financial statements**

The reconciliation between these non-accounting measurements and the financial statements is shown below:

**EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Management + RD Station Adjusted EBITDA, and Management + RD Station Adjusted EBITDA Margin**

(In thousands of Reais)	On December 31 <sup>st</sup> ,	
	2024	2023
Total Net Revenue	5,224,007	4,440,443
<b>Net income (loss)</b>	<b>735,443</b>	<b>764,435</b>
(+/-) Financial Revenues and Expenses	49,326	17,409
(+) (Current and deferred) Income Tax and Social Contribution	91,415	146,620
(+) Depreciation and Amortization	326,269	282,800
(+/-) Net Profit/Loss from discontinued operation	1,085	(227,769)
<b>EBITDA</b>	<b>1,203,538</b>	<b>983,495</b>
<b>EBITDA Margin %</b>	<b>23.0%</b>	<b>22.1%</b>
(-) Equity pickup	1,571	(3,195)
(-/+ ) Adjustment of M&A at Fair Value	40,077	72,928
(-/+ ) Extraordinary Adjustment, Oper. Restructuring	8,342	12,539
(-/+ ) Loss (Gain) on asset write-off	(7,158)	-
(+) Expenses with M&A transactions	12,762	9,837
(-) Tax credit	-	630
(-) Payroll Reset Adjustment	15,479	-
<b>Management + RD Station Adjusted EBITDA</b>	<b>1,274,611</b>	<b>1,076,234</b>
<b>Management + RD Station Adjusted EBITDA Margin %</b>	<b>24.4%</b>	<b>24.2%</b>
Techfin Business Unit EBITDA	16,330	13,679
<b>Adjusted EBITDA</b>	<b>1,290,941</b>	<b>1,089,913</b>
<b>Adjusted EBITDA Margin %</b>	<b>24.0%</b>	<b>23.8%</b>

**Gross Debt and Net Debt (Net Cash)**

In thousands of Reais	On December 31 <sup>st</sup> ,	
	2024	2023
Loans and leases (current and non-current)	-	32,083
Debentures (current and non-current)	1,535,131	1,546,703
Obligations from acquired investments	343,908	693,938
<b>Gross Debt</b>	<b>1,879,039</b>	<b>2,272,724</b>





(-) Cash and cash equivalents	(1,942,162)	(3,129,162)
(-) Investment guarantees	(202,819)	(129,934)
<b>Net Debt (Net Cash)</b>	<b>(265,942)</b>	<b>(986,372)</b>

### Indebtedness Ratio to Total Assets

	On December 31 <sup>st</sup> ,	
(In thousands of Reais)	2024	2023
Gross Debts	1,879,039	2,272,724
Total Assets	8,531,721	8,828,860
<b>Indebtedness ratio</b>	<b>0.2</b>	<b>0.3</b>

### Techfin Net Revenue (Non-GAAP)

	On December 31 <sup>st</sup> ,	
(In thousands of Reais)	2024	2023
Techfin Net revenue	225,717	221,773
Cost of funding	(71,964)	(85,346)
<b>Techfin Revenue - Net of funding (50%)</b>	<b>153,753</b>	<b>136,427</b>

**c. Explain why it is considered that such measurement is more appropriate for the correct understanding of its financial condition and the result of its operations**

**EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Management + RD Station Adjusted EBITDA, and Management + RD Station Adjusted EBITDA Margin**

The Company understands that EBITDA and EBITDA Margin are measures that best reflect the cash generation from the Company's operating results. Accordingly, they contribute to the Company's comparability with other companies in the same industry in which it operates in Brazil and abroad, since companies in the same industry may have different capital structures and different levels of amortization expenses, especially for intangibles arising from acquisitions.

The Company understands that Adjusted EBITDA, Adjusted EBITDA Margin, Management + RD Station Adjusted EBITDA and Management + RD Station Adjusted EBITDA Margin are more appropriate performance measures for the correct understanding of its financial condition and the result of its operations, in addition to allowing a comparison with other Companies in the same industry sector, although other companies can calculate it differently.

The Company believes that Adjusted EBITDA portrays its performance without the influence of factors related to: (i) Techfin Business Unit's EBITDA; (ii) Operational restructuring adjustment; (iii) M&A adjustment at fair value; (iv) loss (gain) on asset write-off; (v) acquisition transaction (M&A) expenses; and (vi) Payroll reinstatement



adjustment. Such characteristics, in the Company's opinion, make the Adjusted EBITDA a more practical and more appropriate measure of its actual performance.

#### **Gross Debt and Net Debt (Net Cash)**

The Company understands that the measures of Net Debt (Net Cash) and Gross Debt are useful to assess the degree of indebtedness in relation to its cash position.

#### **Indebtedness Ratio to Total Assets**

The Company understands that the measurement of the Indebtedness Ratio on Total Assets is useful in assessing its liquidity, that is, its ability to pay short- and long-term liabilities, since it shows the size of the Company's debt in multiples of Total Assets, and also shows the Company's debt repayment ability. This indicator is one of the references for compliance with the obligations described in the *covenants* of the debentures issued in July 2024, within the scope of the Company's 5<sup>th</sup> issuance of debentures.

#### **Techfin Revenue - Net of funding (Non-GAAP)**

The Company understands that Techfin Revenue - Net of funding (Non-GAAP) is the metric that best represents the Net Revenue generated in the credit operation of the Techfin Business Unit, deducting the funding costs generated by the remuneration of the FIDC's senior and mezzanine shareholders.



**2.6. Please identify and comment on any event subsequent to the last financial statements at the end of the fiscal year that substantially changes them**

There was no event subsequent to the financial statements for the year ended on December 31<sup>st</sup>, 2024 that substantially changes them.



**2.7. The officers should comment on the allocation of social results, mentioning:**

Fiscal year ended on December 31 <sup>st</sup> , 2024	
<b>a. standards on retained earnings</b>	<p>The Company does not have a policy setting forth retention rules besides those provided for in the law. Pursuant to Brazilian Corporations Act, the Company may allocate at least five percent (5%) for the legal reserve, up to a limit of twenty percent (20%) of its capital stock. In the fiscal year in which the legal reserve balance plus the capital reserve amounts exceeds thirty percent (30%) of the capital stock, the allocation of part of the net profit to the fiscal year for the legal reserve is not mandatory. Further, also pursuant to the Brazilian Corporations Act, the Company may retain the amount related to the capital budget, submitted by the management bodies with a justification for the retained earnings, including the sources of the funds and capital investments, whether fixed or current, for up to five (5) consecutive years, except in case an investment project is carried out over a longer period.</p> <p>The budget may be approved by the Annual General Meeting that resolves on the balance sheet for the fiscal year, and reviewed annually, when it has a duration of more than one fiscal year.</p>
<b>a.i. amounts of retained earnings</b>	<p>The Management proposes the following allocation of the Net income, to be resolved at the Company's Annual General Meeting to be held on April 23<sup>rd</sup>, 2025: Legal reserve R\$35,876 and Retained Earnings Reserve R\$415,930.</p>
<b>a.ii percentages in relation to total profits stated</b>	<p>R\$415,930 reversed from the Retained Earnings Reserve account to 58% of the net profit stated by the Company.</p>
<b>b. rules on dividend distribution</b>	<p>The portion corresponding to twenty-five percent (25%) of the adjusted annual net profit, as provided for in Article 202 of the Brazilian Corporations Act, and in article 37 of the Company's Bylaws, will be allocated to pay for the required minimum dividend.</p>
<b>c. periodicity of dividend distributions</b>	<p>As a rule, at the end of each fiscal year. Notwithstanding, the Company's Bylaws, in its art. 39 sets forth a provision on the possibility of distributing dividends in shorter periods.</p>
<b>d. any restrictions on the distribution of dividends imposed by special legislation or regulations applicable to the issuer, as well as contracts, court, administrative, or arbitration orders</b>	<p>Currently, there are no restrictions on the dividend distribution imposed by any special legislation or regulation applicable to the Company.</p>
<b>e. if the issuer has a formally approved income allocation policy informing the body responsible for the approval, the date of approval and, if the issuer discloses the policy, any websites on the world wide web where the document can be read</b>	<p>The Company does not have a formally approved specific policy dealing with the allocation of results.</p>

**2.8. The Executive Officers must describe the relevant items not evidenced in the Company's financial statements, pointing out:**

**a. The assets and liabilities held by the issuer, directly or indirectly, that do not appear in its balance sheets (*off-balance sheet items*), such as:**



**(i) Portfolios of receivables written off over which the entity has neither retained nor transferred substantially the risks and benefits of ownership of the transferred asset, specifying the corresponding liabilities**

Not applicable, since there are no assets or liabilities held by the Company and its subsidiaries that are not shown in its consolidated financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.

**(ii) Agreements for future purchase and sale of products or services**

Not applicable, since there are no assets or liabilities held by the Company and its subsidiaries that are not shown in its consolidated financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.

**(iii) Unfinished construction agreements**

Not applicable, since there are no assets or liabilities held by the Company and its subsidiaries that are not shown in its consolidated financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.

**(iv) Agreements for future receipt of financing**

Not applicable, since there are no assets or liabilities held by the Company and its subsidiaries that are not shown in its consolidated financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.

**b. other items not shown in the financial statements**

Not applicable, since there are no items not shown in the Company's consolidated financial statements.



**2.9. Regarding each of the items not shown in the financial statements referred to in section 2.8, the Executive Officers should comment:**

**a. How such items change or may change revenues, expenses, operating results, financial expenses or other items in the issuer's financial statements**

Not applicable, considering that there are no relevant items of this nature not shown in the Company's financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.

**b. Nature and purpose of the transaction**

Not applicable, considering that there are no relevant items of this nature not shown in the Company's financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.

**c. Nature and amount of obligations undertaken and rights generated in favor of the issuer as a result of the transaction**

Not applicable, considering that there are no relevant items of this nature not shown in the Company's financial statements for the fiscal year ended on December 31<sup>st</sup>, 2024.



**2.10. The Executive Officers should point out and comment on the major elements of the Company's business plan, specifically exploring the following topics:**

**a. investments, including:**

**(i) quantitative and qualitative description of ongoing investments and planned investments**

The Company keeps its strategy of seeking inorganic growth through mergers and acquisitions of companies that develop management software or companies that can expand the Company's value-added service offerings in the Brazilian and/or in the international market.

The Company makes investments in *Corporate Venture Capital as a Service* ("CVC") through an equity investment fund ("EIF", or "*FIP*" in Brazil), a new concept that has an external and independent manager and that has allowed us to create an investment mechanism aimed at startups with high growth and innovation potential. On December 31<sup>st</sup>, 2024, the amount invested totaled R\$47,025.

Research and Development (R&D) is another relevant line in the investment plan, because of its strategic importance for the economic industry sector in which the Company operates. Such investments allow us to offer solutions that are more and more adherent to the needs of clients and add technological innovations that provide greater productivity for the users of our solutions. Research and Development (R&D) expenses on the Financial Statements for the period ended on December 31<sup>st</sup>, 2024 totaled R\$1,007,951, of which R\$945,253 impacted the Company's result on the Research and Development expense line and R\$62,698 that were capitalized according to the accounting criteria for innovation.

The major initiatives in the Company's Research and Development investment line in the last year were focused on Artificial Intelligence (AI), with the purpose of consolidating and exponentiating products aimed at the Management and RD Station Business Units, with the expansion and modernization of the product portfolio, compliance with new regulations, in addition to the continuity in facilitating our customers' access to financial services in a more technological, agile and economical way (Techfin Business Unit):

- Projects aimed at bringing innovation to the financial market, generating better operational results for users of *financial service* tools.
- Investments in a project to meet the needs of the manufacturing markets, integrating the various solutions with agility and always seeking the best practices of industry 4.0.
- Projects focused on platform integration and productivity, aimed at facilitating the management and use of cloud infrastructure.
- Research and development applied to promote efficiency gains and best practices in the management of carriers, logistics operators, ports,





bonded areas and construction material business.

- Project to increase the scalability of the artificial intelligence platform through changes in the platform's storage architecture.
- Innovation projects focused on the digital transformation of HR through a portfolio of solutions and offers that incorporate the innovative concept "*HXM - Human Experience Management*".
- Development of skills to capture, store, analyze, and generate business *insights* from large volumes of data.
- Projects aimed at a better customer experience with access to information and with the company's solutions.
- Development of Digital Marketing, Sales/Digital Commerce, and CX | Customer Experience solutions focused on increasing sales, competitiveness, and client performance.
- Project to modernize the Company's major ERP lines.

**(ii) Sources of investment financing**

R&D investments have as a source of financing the funds generated in the Company's operating activities, issuances of shares and/or Debentures [see section 2.1.(f)]. In addition to the resources generated in operating activities, mergers and acquisitions of companies can also be made feasible through structured transactions involving both own and third-party resources according to the size of the transaction.

**(iii) relevant divestitures in progress, and planned divestitures**

Not applicable, considering that there are no relevant divestment items on the base date of December 31<sup>st</sup>, 2024.

**b. As long as it has already been disclosed, please report the purchase of factories, equipment, patents, or other assets that should materially influence the Company's productive capacity**

Not applicable.

**c. New products and services, detailing:**

**(i) description of ongoing research already disclosed**

Not applicable.

**(ii) total amounts spent by the issuer on research to develop new products and services**

Not applicable.

**(iii) projects under development already disclosed**

Not applicable.

**(iv) total amounts spent by the issuer to develop new products or services**

The total expenses with Research and Development reached R\$ 945.253 and represented 18.1% of the net revenue of the Company and its subsidiaries for the fiscal year ended on December 31<sup>st</sup>, 2024. In addition,



throughout 2024, the Company and its subsidiaries capitalized expenses with the development of some projects, with clear prospects of return in the medium/long term, which totaled R\$62.698, representing 1.2% of the Company's total net revenue.

**d. Opportunities that are part of the issuer's business plan related to ESG issues**

TOTVS's sustainability strategy has been constantly evolving to address the challenges and opportunities of today's scenario. Therefore, our commitment goes beyond incorporating ESG (Environmental, Social and Governance) principles into our operations. We seek to ensure the longevity and resilience of the business, anticipating trends and proactively responding to changes that impact the economy and society.

In this sense, we understand that sustainability means efficiency, ethics, and innovation. As a consequence, we are expanding our analysis of risks and opportunities to include the already visible impacts of climate change and its implications for our clients and the market. We believe that an approach based on data and market intelligence will allow us not only to mitigate risks, but also to explore sustainable opportunities that strengthen our business ecosystem.

This strategic evolution is directly reflected in the development of our technological solutions. We work in developing tools to boost companies' operational efficiency, improve resource utilization, and speed up market digitalization. Thus, we contribute to foster a business environment better equipped to meet future challenges. In addition, we remain committed to supporting companies in their growth journey, ensuring that digitalization is simple and generates positive impacts throughout the economy.

In the social field, this commitment translates into continuous investments in talent development, diversity and inclusion, and the strengthening of strategic partnerships. The “*Instituto da Oportunidade Social*” (IOS) serves as a vital pillar, as it reflects our vision and provides support to our social performance goals, consistent with our vision; it provides workforce development training for young people and vulnerable populations. With this, we increase the positive impact of TOTVS on society and contribute to reducing inequalities.

Hence, for 2025, our goal remains the same: to be a *Trusted Advisor* for our clients. Our vision for the future is reinforced by operational strategies that meet present needs, bolster resilience, and foster a long-term sustainable impact. We will continue to innovate and build solutions that make TOTVS and its ecosystem increasingly prepared for the challenges and opportunities that lie ahead.

**2.11 Comment on other factors that had relevant influence on the operating performance and have not been identified or mentioned on other items in this section**



There are no other factors with relevant influence other than those already mentioned in the previous items.



## **SECTION 3 – PROJECTIONS**

### **3.1. Disclosed projections and assumptions**

The information disclosed in this section represents an estimate and involves market factors and others beyond TOTVS' control. Therefore, it does not constitute a promise of performance by its administrators and, as such, may be subject to changes.

#### **a. Subject matter of the projection**

The Company does not have any current projections for the ongoing period.

#### **b. Projected period and validity period of the projections**

The Company does not have any current projections for the ongoing period.

#### **c. Projections assumptions, indicating which ones can be influenced by the issuer's management and which ones are beyond its control**

The Company does not have any current projections for the ongoing period.

#### **d. Values of the indicators that are the subject of the forecast**

The Company does not have any current projections for the ongoing period.



3.2. Monitoring and changes to published projections

a. Inform which ones are being replaced by new projections included in the form and which ones are being repeated in the form

No projections are being replaced, as the Company does not have any current projections for the ongoing period.

b. Regarding the projections related to periods already elapsed, compare the projected data with the actual performance of the indicators, clearly indicating the reasons that led to deviations in the projections

As disclosed in the Material Fact on August 7, 2024, the Company changed the projections for operating costs and expenses (“OPEX”) of TOTVS TECHFIN S.A. (“TOTVS TECHFIN”) for the fourth quarter of 2024 (“4Q24”), replacing the projection previously reported in the Material Fact disclosed by the Company on August 8, 2023.

Projections for 3Q23

The variation between the actual values and the projections of Operating Costs and Expenses (OPEX) for TOTVS Techfin for the third quarter of 2023 is mainly due to the slower-than-expected pace of hiring new resources for the operation.

TOTVS TECHFIN	3Q23	
	Actual <sup>(1)</sup>	Projected
Operating Costs and Expenses (OPEX) <sup>(2)</sup>	R\$20.2 million	R\$24 to 30 million
<sup>(1)</sup> Realized value (not a projection) reflected in the published results.		
<sup>(2)</sup> OPEX consists of the lines of Operating Costs, Research and Development, Sales and Marketing Expenses and Administrative and Other Expenses.		

Projections for 4Q24

The revision of the projection for 4Q24 was due to the progress made and already achieved from the integration of operations between TOTVS TECHFIN and Supplier Administradora de Cartão de Crédito S.A., as observed in the second quarter of 2024, when the OPEX exclusively of TOTVS TECHFIN (i.e., excluding the OPEX of Supplier) amounted to R\$23.4 million. This integration has allowed TOTVS TECHFIN greater fluidity and efficiency in operational investments for developing the new solution portfolio, which considers the ERP Banking thesis with differentiators related to the integrated B2B digital journey with management software and extensive use of the data available in these software systems.



TOTVS TECHFIN	4Q24	
	Projected (previous)	Projected (reviewed)
Operating Costs and Expenses (OPEX) <sup>(1)</sup>	R\$32 to 40 million	R\$20 to 30 million
<sup>(1)</sup> OPEX consists of the lines of Operating Costs, Research and Development, Sales and Marketing Expenses and Administrative and Other Expenses.		

Techfin's OPEX closed 4Q24 at R\$21.3 million, in line with the revised financial projection estimated for 4Q24, mainly due to the continued investments made to expand the product portfolio.

TOTVS TECHFIN	4Q24	
	Actual <sup>(1)</sup>	Projected
Operating Costs and Expenses (OPEX) <sup>(2)</sup>	R\$21.3 million	R\$20 to 30 million
<sup>(1)</sup> Realized value (not a projection) reflected in the published results. <sup>(2)</sup> OPEX consists of the lines of Operating Costs, Research and Development, Sales and Marketing Expenses and Administrative and Other Expenses..		

**c. Regarding projections related to periods still in progress, inform whether the projections remain valid on the date of delivery of the form and, when applicable, explain why they were abandoned or replaced**

The Company does not have any current projections for the ongoing period.



## **SECTION 4 – RISK FACTORS**

### **4.1 Risk factors description**

Investing in securities issued by the Company involves the investor's exposure to certain risks. Before taking any decision to invest in any security issued by the Company, potential investors should carefully assess all information in this Reference Form, including the risks mentioned below, and in the Company's financial statements and their corresponding explanatory notes. The Company's business, financial condition, results of operations, reputation, cash flow, liquidity, and/or future business may be adversely affected by any of the risk factors described below. The market price of the securities issued by the Company may decrease because of these and/or other risk factors, in which cases potential investors may lose a substantial part or all of their investment in the securities issued by the Company. The risks described below are those that the Company is aware of and believes that, as of the date of this Reference Form, may adversely affect the Company and its subsidiaries. Moreover, additional risks not known or considered to be irrelevant by the Company on the date of this Reference Form may also adversely affect the Company.

For the purposes of this section "4. Risk Factors", unless expressly provided for otherwise or if the context so requires, the mention of the fact that any risk, uncertainty, or problem may cause (or have) or will cause (or will have) any "adverse effect" or "negative effect" for the Company, or similar expressions, means that such risk, uncertainty, or problem may or could have a material adverse effect on market share, reputation, business, financial condition, operating results, cash flow, liquidity, and/or future business of the Company and its subsidiaries, as well as on the price of securities issued by the Company. Similar expressions included in section "4. Risk Factors" must be understood in this context.

Notwithstanding the subdivision of this section "4. Risk Factors", certain risk factors that are in one section may also apply to other sections.

#### **a. Risks related to the Company**

**The Company's success depends on its ability to develop new products and services, integrate acquired products and services, and improve its existing products and services.**

The management systems market, which is the key market in terms of revenue in which the TOTVS operates, is characterized by constant technological advances, the evolution development of software and communication infrastructure, increasing complexity of customer needs, frequent improvements on users' experience, and constant new product and services releases. If the Company cannot develop technological improvements, to improve and enhance its products and services in a timely manner, to properly identify and translate the needs of its customers/clients or to position or correctly price its products and services in order to meet market demand, the Company's customers may stop acquiring new software licenses, subscribing for the use of software and contracting services, or the Company may





lose its competitiveness when it comes to attracting new customers and, as a result, suffer a relevant impact on its results.

The Company's ability to remain competitive depends, in part, on its capacity to meet the demands of its customers and the management and data analysis sector through innovative technological solutions. If the Company fails to keep up with these demands or is unable to partner with entities that timely and adequately address the technological needs of the sector, the Company's business, financial condition, and operating results may be materially adversely affected, potentially impacting the Company's competitiveness in the markets in which it operates.

The potential failure to make progress regarding the adopted programming languages, simplification of structures, or convergence of solutions, inadequate or insufficient use of data for the development of new products and updating of its portfolio, as well as delays or failure to adopt new technologies, including, but not limited to, the use of artificial intelligence in product development may have a material impact on the Company's business strategy and, consequently, on its financial results.

**The Company may not be able to compete efficiently in the credit market through its Techfin Business Unit.** An important part of the Company's strategy is to expand its business within the Techfin Business Unit by offering financial products and services through ERP Banking.

The Company's success in the Techfin Business Unit will depend on its ability to extract, process, and use data from its ERPs (Enterprise Resource Planning) for the development of new products and offerings. The Company may also be impacted by a low volume and quality of data.

TOTVS may also lack sufficient distribution channels and a salesforce with specialized technical knowledge in the financial product portfolio, which may adversely affect penetration and expansion capacity in these markets. The growth and ability to expand the customer base may also be affected by the low level of awareness of the Techfin Business Unit as a credit market player. The Techfin Business Unit's expansion strategy may also be negatively affected if the Company is not successful in efforts to achieve synergy and integration, including distribution, product development, and sales aspects.

A possible increase in default levels, due to failures in credit granting, credit portfolio concentration in certain segments or customer groups, or external factors, may also negatively impact this operation, resulting in increased provisions and a contraction in the supply of credit. The operation may also be affected by macroeconomic variables that significantly alter interest rates, as well as by low economic growth, which could inhibit customer demand for credit, change the conditions for credit granting, and affect the Company's competitiveness.

Funding is a key element for the success of the Techfin Business Unit. If the Company is unable to raise funds in sufficient volume and under favorable and competitive conditions, it may not be able to maintain and/or expand its credit offering, and its growth strategy may be adversely affected. The Company is subject to mismatches between its funding obligations and the loans granted, with respect to interest rates and the maturity of its credit portfolio. Therefore, the profitability of its



credit operations depends on its ability to balance the cost of funds with the interest rates charged to clients. Furthermore, any mismatch between the maturity of credit operations and the amortization period of funding may impact the liquidity risk of this operation.

Moreover, potential legislative changes may hinder and/or require significant operational and conceptual adjustments in the Company's new business models, particularly regarding data handling and specific financial sector regulations. If these factors materialize and the Company is unable to develop, execute, integrate, and scale the Techfin Business Unit as planned, the investments made in this Business Unit may not yield the expected returns, adversely impacting the Company's financial results and growth strategy.

**The Company may not be able to compete efficiently in the digital marketing and sales segment with the RD Station Business Unit.**

The RD Station Business Unit, aimed at supporting clients in increasing their sales and competitiveness in the market, is fundamental to the Company's growth strategy. If the Company is unable to develop products and services that meet the needs of its clients in this Business Unit, its strategic goals and operational results may be adversely affected.

The RD Station Business Unit's expansion strategy may be negatively impacted if the Company is not successful in efforts to achieve synergies and integration with the Management and Techfin Business Units, including distribution, product development, and sales aspects. Additionally, if the RD Business Unit is unable to expand its partner ecosystem, its performance may be limited. The Company may also lack sufficient distribution channels and a salesforce with specialized technical knowledge in the products and services of this Business Unit, which may negatively impact its penetration and expansion capacity in these markets.

The growth rate of this Business Unit may also be adversely affected if RD is unable to expand its product portfolio. If these factors materialize and the Company fails to develop, execute, integrate, and scale the RD Station Business Unit as planned, the investments made may not generate the expected return, negatively impacting the Company's financial results and growth strategy.

**Acquisitions present risks, and the Company may not achieve the strategic goals envisioned at the time of any transaction**

Mergers and acquisitions are an important element of the Company's strategy, and it expects to continue acquiring companies, products, services, and technologies. Without limitation, the Company is subject to the following risks in such acquisitions:

- (i) the acquisition may not contribute to the Company's commercial strategy;
- (ii) it may pay more than fair value, or fail to achieve estimated profitability from the intangible assets and businesses acquired;
- (iii) the Company may have difficulty integrating acquired technologies or products into its product lines, failing to maintain uniform standards, controls, procedures, and policies;
- (iv) relationships with current and new professionals, customers, and distributors may



be negatively impacted;

(v) due diligence may not identify technical problems, such as product quality or structural issues, as well as governance shortcomings or unknown liabilities;

(vi) the Company may face contingencies related to product liability, intellectual property, financial disclosures, accounting practices, or internal controls;

(vii) acquisitions may lead to lawsuits from terminated employees or third parties;

(viii) the acquisition process may face setbacks, and management's attention may be diverted to transition or integration matters;

(ix) the Company may not obtain regulatory approvals in a timely manner under antitrust laws;

(x) cultural differences between acquired companies and the Company may complicate integration and talent retention;

(xi) acquisitions may result in the loss of key personnel with specific business knowledge.

Additionally, the integration process of acquired operations may not yield the expected benefits, which could adversely affect the Company's business. Beyond the risks mentioned above, the Company may face:

- Higher-than-expected costs to expand the distribution network;
- Difficulty managing a larger and geographically dispersed workforce;
- Inability to establish and implement uniform standards, controls, and policies, potentially leading to non-compliance with the Company's Code of Conduct;
- Resistance or delays in spreading and unifying corporate culture;
- Regulatory constraints imposed by antitrust authorities.

The inability to coordinate and integrate sales and development efforts to communicate cross-sell opportunities, successfully manage bundled sales, and integrate development activities may limit expected synergies.

Other unknown and undisclosed liabilities associated with the acquisition and integration of operations may also exist. These factors may materially and adversely impact the Company's business, operating results, financial condition, or cash flows, especially in the case of large or numerous acquisitions. Furthermore, future equity issuances in connection with acquisitions may dilute current shareholders and impact earnings per share.

**Interruptions or failures in information systems or cybersecurity incidents, including attacks on the infrastructure required to maintain IT systems, may significantly and adversely affect the Company.**

The Company's operations rely on the functionality, availability, integrity, and operational stability of its information technology systems, and require a highly complex technological structure dependent on the uninterrupted and efficient operation of its software systems, data centers, internet, telecommunications, and third-party systems. As such, the Company depends on its IT systems to process,



transmit, and store information and personal electronic data, as well as to communicate with customers, suppliers, partners, and distribution channels.

The Company may be adversely affected if these systems are interrupted, damaged by unforeseen events, or experience failures for extended periods, including due to third-party actions, natural disasters, cyberattacks, information security failures in the development, operation, and maintenance of its products, telecommunication issues, viruses, lack of information security assessments in vendor hiring, insufficient vulnerability testing, as well as security failures in companies acquired by the Company, among others. Furthermore, the Company may be unable to prevent or timely identify breaches of its internal information security guidelines, including in the use of artificial intelligence in product and service development and internal processes.

Although the Company maintains cyber insurance to mitigate the impacts of potential information security incidents in its cloud and corporate environments, its operations could be negatively affected by any incident involving its IT systems, especially if such an incident is not covered by its cyber insurance policy.

Information security incidents may disrupt the Company's operations, resulting in reduced performance and increased operational costs, which could adversely affect its business, financial condition, and operating results. Moreover, security breaches may lead to the misuse of the Company's confidential information and/or its customers', employees', or third parties' personal data, which could materially and adversely affect its reputation.

Any security breach involving malware, phishing, ransomware, or similar mechanisms may result in unauthorized access, loss or unauthorized disclosure of data, unavailability of systems, and could negatively impact the Company's data security. This could also expose the Company to significant litigation, regulatory fines and penalties, customer losses, and/or damage to its reputation, potentially causing a material adverse effect on its business, financial condition, results of operations, cash flows, liquidity, reputation, and/or future business.

Therefore, the Company's business success significantly depends on the performance of its IT systems, and any failure to prevent breaches affecting the confidentiality, integrity, availability, or traceability of the data it stores and processes may harm its reputation and materially impact its business and operating results.

**The Company is subject to risks related to non-compliance with data protection laws (both national and international) and may be adversely affected by fines and other penalties.**

The Company is subject to the Brazilian Federal Constitution, Civil Code (Law No. 10.406/02), Consumer Protection Code (Law No. 8.078/90), the Brazilian Internet Civil Rights Framework (Law No. 12.965/14), Decree No. 8.771/16, and the Brazilian General Data Protection Law (Law No. 13.709/2018 – "LGPD"), which came into force on September 18, 2020. These laws govern practices related to the processing of personal data in Brazil.



The LGPD establishes rules for the processing of personal data across all sectors of the economy, for organizations of all sizes, in both digital and physical environments. Among other legal requirements, in order for the Company to collect, use, store, or otherwise process personal data, there must be a lawful basis for each processing activity, and all principles and rights of data subjects established by law must be observed, including the duty to inform data subjects about the Company's data processing practices. The LGPD also provides for administrative sanctions in case of non-compliance, ranging from warnings and orders to delete irregularly processed data, to the imposition of fines.

The security measures adopted in the Company's networks and internal platforms may not function as expected or may not be sufficient to protect against certain attacks. Additionally, techniques used to sabotage or gain unauthorized access to networks evolve frequently. As a result, the Company may not be able to anticipate these techniques or implement appropriate preventive measures in a timely manner.

The Company may be adversely affected by failures in its internal processes related to data protection, including data mapping and classification, data subject rights handling, LGPD compliance functionalities in its products, and communication of incidents to the National Data Protection Authority (ANPD), as well as by vulnerabilities in the environment and controls of acquired companies, among other factors.

On February 27, 2023, the ANPD published a Resolution regulating the Dosimetry and Application of Administrative Sanctions, making such sanctions and fines enforceable, even for ongoing proceedings opened before the Resolution's publication.

If the Company fails to comply with this legislation, it may be subject to the following penalties, individually or cumulatively:

- (i) warnings, with a deadline for corrective action;
- (ii) obligation to disclose the incident, after proper investigation and confirmation;
- (iii) temporary blocking or deletion of the personal data processed in violation;
- (iv) fines of up to 2% of the Company's or group's gross revenue in Brazil for the previous fiscal year (excluding taxes), up to a total of BRL 50 million per violation.

In the case of repeat offenses, stricter administrative penalties may apply, such as:

- (i) partial suspension of the database or processing activities for up to six months, extendable for an equal period;
- (ii) partial or total prohibition of processing activities.

The Company may also be held judicially liable for material or moral damages, individually or collectively, caused to data subjects, including when caused by subsidiaries, service providers, or partners acting as data processors or joint controllers. Administrative sanctions or legal judgments could cause significant financial impacts and damage the Company's reputation.

**The Company may fail to prioritize investments for the development of new products and/or in the modernization and lifecycle management of existing products.**



There is no guarantee that the Company will be able to maintain a portfolio aligned with the various business models in the market or meet the needs of its clients, nor that new products, including those from acquired companies, will achieve the expected results and returns.

If the Company invests in new products that do not generate the expected financial return, maintains low-profitability products in its portfolio, or fails to allocate the necessary resources to the development of new technologies and product modernization, its competitiveness and financial performance may be adversely affected.

**The Company is subject to risks associated with the use of artificial intelligence in its systems and operations.**

The use of artificial intelligence ("AI") has significantly contributed to innovation in the technology sector and is used as a tool to develop, enhance, and promote disruptive innovations in products and services.

Given the rapidly evolving technological landscape, the Company may fail in implementing and sustaining the use of AI in its systems and operations or may be unable to adopt AI in its products with the same speed and efficiency as its competitors, potentially affecting its market competitiveness, both in retaining existing clients and acquiring new ones.

The use of AI also entails risks related to data security, considering the need to collect and store large volumes of data to feed AI systems. AI-based systems are also exposed to cyberattacks and exploitation of security flaws in the developed and/or utilized models. If the Company does not adopt adequate, sufficient, and timely security measures to protect its systems from AI-related vulnerabilities, stored data may be improperly exposed, compromising client privacy, causing a loss of trust and damage to the Company's reputation, and exposing it to financial and legal risks.

**The Company is subject to risks related to errors and malfunctions in its products that may be difficult or even impossible to correct.**

The Company offers technically complex products that, when introduced to the market for the first time or launched as new versions, may contain defects not previously identified during testing or whose correction is complex. The existence of defects, errors, and potential delays or the inability to fix them may result in negative consequences, including:

- (i) order cancellations;
- (ii) additional warranty costs;
- (iii) delays in receivables collection;
- (iv) contract cancellations;
- (v) loss of market acceptance of the Company's products;
- (vi) redirection of R&D resources that could have been used for new product development;
- (vii) potential lawsuits; and
- (viii) reputational damage in the market.





Such defects, delays, and the inability to correct them may adversely affect the Company's results and market reputation.

**The Company may be unable to compete effectively in the highly competitive software sector.**

The Company competes in markets characterized by high competitiveness, rapid technological evolution, changing customer needs, sector standards, and frequent introductions of new products, technologies, and services.

With the emergence and growing use of artificial intelligence in the technology market, the Company may lose competitiveness if it fails to adopt this technology promptly or implements it incorrectly in its products. Additionally, the Company competes with various global, regional, and local companies in the software and related services market, including enterprise resource planning (ERP) software providers, open-source software developers, consulting firms, and tech startups.

Some current or potential competitors operate a broader range of businesses, have a larger installed client base, or possess significantly more financial, technical, sales, and other resources than the Company, increasing their competitiveness.

Moreover, competition may intensify due to mergers between potential clients of the Company's products, as well as between competitors, or as a result of strategic alliances between competitors and other companies. In response, the Company may be required to offer discounts, grace periods, or price reductions, or modify its pricing models to remain competitive.

The Company may also lose market share or fail to enter new markets if it does not advance its digital sales and distribution channels at the same pace or faster than competitors, or if competing firms introduce or acquire products with similar functionalities.

Furthermore, due to signs of slowing growth in the large enterprise ERP software market, some of the Company's competitors may explore the small and medium business market to increase revenue, which could significantly and adversely affect the Company's business, financial condition, operating results, and cash flows.

**The Company has a data center located near Campo de Marte Airport in São Paulo (SP), which may lead to interruptions and failures due to aviation accidents.**

One of the Company's data centers, a facility designed to house servers and store data, is located near the Campo de Marte air base in São Paulo (SP), an area with potential risk for aviation accidents.

If these risks materialize, due to factors beyond the Company's control, including but not limited to natural disasters causing damage, interruption, or failure of data center operations, such as an accident in the region, the stored data may be temporarily affected, harming the Company's image and business.





If the Company is required to spend significant financial or other resources to protect against security threats or to remedy problems caused by data center failures or IT system unavailability, its business and revenue may be negatively impacted.

**The Company may be unable or fail to protect its intellectual property rights, which may negatively impact its operating results.**

The success of the Company's business depends on its ability to protect its current and future intellectual property assets, such as trademarks, source codes, domain names, and other IP rights.

Events such as the definitive denial of trademark registration by the Brazilian National Institute of Industrial Property (INPI), unauthorized use of its IP, or administrative nullification of the Company's trademark registrations may diminish the value of its intellectual property assets and adversely affect its business or reputation.

Additionally, the Company may fail to renew its trademark registrations on time or face challenges from competitors regarding registered or pending assets. Third parties may also claim that the Company's products or services infringe on their IP rights. Legal action may be necessary to defend the Company's rights. Such disputes can be costly and lengthy due to the uncertainty of IP litigation.

The Company may also be forced to modify some of its brands or pay substantial penalties, royalties, or license fees for the use of third-party IP. Unauthorized access to physical or digital media may increase the risk of IP theft or misuse. Moreover, third parties may reverse-engineer or otherwise unlawfully obtain and use the Company's IP, harming its competitive position and diminishing the value of its brands and products.

Any dispute over the right to use and exploit the Company's trademarks may adversely affect its reputation and negatively impact results. These matters may also require management attention or lead to additional expenses, including legal costs, potentially affecting the Company's financial and operating performance.

**Unfavorable legal or administrative decisions may adversely affect the Company's operating results.**

The Company is or may become a party to investigations, legal proceedings, and administrative or arbitration cases, including civil, tax, labor, data protection, and criminal matters, including ongoing fact-finding procedures.

Unfavorable decisions or settlements may harm the Company's business, financial condition, and reputation, potentially resulting in the loss of rights to contract with public entities, receive tax benefits or financing. Provisions made for such proceedings may not be sufficient, depending on subjective factors and management judgment.

The Company may also face other contingencies requiring significant disbursements and may be impacted by decisions in cases in which it is not a party, but that affect its activities or applicable regulations.



Adverse decisions, especially involving significant amounts or preventing planned business activities, may negatively impact the Company's results, business, financial condition, or market value of its shares.

**The Company is subject to risks related to its sales channels, including exclusive franchises, partner agencies, and other complementary channels, as well as implementation, support, and customer service activities provided by them.**

The Company conducts business through direct sales and via a network of exclusive franchises, partner agencies, and other channels that sell and implement its solutions, especially in the small and medium-sized business (SMB) market. Consequently, the Company's business and results may be negatively affected by their performance, particularly that of franchisees, which are significant revenue contributors.

These channels are involved in client acquisition, sales, and implementation of the Company's solutions. The loss of channels may harm customer relationships in the affected regions, reducing new sales and service delivery, and affecting the Company's financial condition and operating results.

Additionally, these channels may lack adequate expertise to sell in a fast-evolving technology market, considering the specialized portfolios of the Techfin and RD Station Business Units. This may hinder distribution and affect the Company's commercial strategy and results.

Implementation services provided by third-party franchisees may not match the quality offered by the Company's proprietary channels, leading to financial and operational losses for clients, resulting in fines, legal action, or the need for the Company to provide corrective implementation services, which could adversely affect its business, competitive position, market reputation, financial condition, operating results, and cash flows.

**The Company may fail to detect behavior contrary to applicable laws, regulations, and its ethical standards, which may result in material adverse effects on its business, financial condition, operating results, reputation, and share price.**

The Company's anti-corruption and internal controls may not be sufficient to ensure that all directors, employees, suppliers, business partners, and third parties acting on its behalf comply with internal policies and applicable anti-corruption laws.

Any investigation into misconduct or breach of anti-corruption laws in Brazil or abroad may damage the Company's reputation and subject it to fines or other penalties. The Company is also exposed to the risk of individuals violating such laws, including:

- (i) breaches of the Brazilian Administrative Improbability Law or Anti-Corruption Law;
- (ii) fraudulent or dishonest conduct by managers, employees, or representatives;
- (iii) failure to manage identified compliance/integrity risks; or
- (iv) ethical violations, harming the Company's reputation, business, financial condition, or results, as well as its stock price.



The Anti-Corruption Law establishes strict liability for companies for acts of corruption, fraud, bid rigging, or obstruction of investigations. Companies found liable may be fined up to 20% of their prior year gross revenue, or between BRL 6,000 and BRL 60 million if revenue cannot be estimated.

Under the Administrative Improbability Law, the Company and its managers may face sanctions including asset forfeiture, full compensation of damages, political rights suspension (8–10 years), civil fines of up to 3x the benefit obtained, and bans on contracting with the government for 10 years.

Ongoing or past investigations or legal actions involving violations of such laws may result in:

- (i) administrative, civil, or criminal penalties;
- (ii) loss of operational licenses;
- (iii) suspension of business;
- (iv) bans on public contracts, incentives, or funding;
- (v) publication of adverse decisions;
- (vi) asset seizures or illegal benefit forfeiture; and/or
- (vii) dissolution of the Company.

These could have a material adverse effect on the Company's reputation, financial results, and strategy, particularly in the public sector.

The Company may also be jointly liable for fines and damages due to anti-corruption violations by controlled, affiliated, or consortia companies, or under contracts with third parties, adversely affecting its reputation, business, financial condition, results, or market value.

**If the Company fails to complete strategic acquisitions essential to its business strategy and growth plan, its results may be adversely affected, and it may lose competitiveness.**

In recent years, the Company has made acquisitions to achieve its planned growth and complement its product and service portfolio. The M&A market remains highly active, leading to strong competition for deals, especially in technology, financial services, payments, digital marketing, and e-commerce sectors.

As a result, the Company may be unable to execute certain strategic M&A transactions or may be forced to pay higher prices than initially expected, which could negatively impact its financial results and competitiveness, including in entering new markets.

**The Company may need additional capital in the future, which may be raised through the issuance of securities, resulting in shareholder dilution.**

The Company may issue more shares or convertible securities to raise capital for acquisitions or other purposes. Additional issuances may occur through conversion of debt, warrants, stock options, or other equity incentives. Such issuances may not include preemptive rights in certain cases under Brazilian Corporate Law, potentially diluting shareholder participation.



Moreover, the Company may conduct mergers or similar operations that dilute investor holdings. Any strategic partnership or placement of equity or convertible securities may affect the share price and result in ownership dilution.



## **b. Risks Related to the Company's Shareholders, Especially Controlling Shareholders**

**Shareholders of the Company may not receive dividends or interest on equity.**

Pursuant to the Company's bylaws, shareholders must receive at least 25% of the annual net income, calculated and adjusted in accordance with the Brazilian Corporation Law ("Law of Corporations"), as mandatory annual dividends, interim dividends, or interest on equity. The Law of Corporations allows for the suspension of the mandatory dividend payment in a given fiscal year if the Company's Board of Directors determines that such payment is inadvisable due to the Company's financial condition. Furthermore, as provided in the Law of Corporations, the Company's net income may be (i) capitalized, (ii) used to offset losses, or (iii) retained and allocated to a special reserve, and therefore may not be available for dividend or interest on equity payments. If such events occur, holders of the Company's common shares may not receive dividends or interest on equity.

Additionally, the payment of interest on equity may be impacted by changes in tax legislation, and certain financing agreements may restrict the payment of dividends.

**The Company does not have a controlling shareholder or control group holding more than 50% of the voting capital, which may increase exposure to shareholder alliances and conflicts, and such events may occur in the absence of a majority control group.**

The Company does not have a controlling shareholder or control group holding the absolute majority of voting shares. However, alliances or agreements among shareholders may occur, potentially resulting in a de facto control group.

Should a control group arise and obtain decision-making power, the Company could experience unexpected changes in its corporate policies and strategies, including through mechanisms such as the replacement of its management. Furthermore, the Company may be more vulnerable to hostile takeover attempts and conflicts arising from such situations. The Company could also become a target for investors attempting to circumvent provisions in the Bylaws requiring a tender offer upon acquisition of more than 20% of the Company's share capital. The absence of a shareholder or control group holding more than 50% of the voting capital may hinder decision-making processes that require a minimum quorum under the law. Any unexpected change in management, corporate policy or strategic direction, takeover attempts, or shareholder disputes over rights may adversely affect the Company's business and operational results.

## **c. Risks Related to the Company's Subsidiaries and Affiliates**

**Unfavorable judicial or administrative decisions involving the Company's subsidiaries may adversely affect its operating results.**

The Company's subsidiaries may be or become defendants in investigations, lawsuits, and administrative or arbitration proceedings of various natures, including



but not limited to civil, tax, labor, data protection, and criminal cases, including those resulting from ongoing fact-finding procedures.

Unfavorable rulings or settlements involving the Company's subsidiaries could negatively affect their businesses, financial condition, and reputation, potentially resulting in the loss of rights to contract with public authorities or receive tax benefits or public funding. Furthermore, there is no guarantee that provisions established by the Company based on subjective factors and critical judgment by management to assess potential losses will be accurate or sufficient to cover the total cost of judicial or administrative proceedings.

**The Company may incur joint and several liability in legal proceedings involving its subsidiaries.**

The Company may also be held jointly liable for fines and full compensation for damages resulting from anti-corruption law violations by its controlled, affiliated, or consortium companies, or under contracts signed with third parties, which could materially and adversely affect its reputation, business, financial condition, and operating results or the market value of its shares.

**Negative results from subsidiaries may adversely affect the Company's operational results.**

The Company holds direct and indirect stakes in various companies. Therefore, part of its financial performance depends on the results of these companies, and their poor performance may negatively affect the Company's results. Additionally, worsening sectoral or market conditions in these businesses may negatively impact the Company's consolidated results.

**d. Risks Related to the Company's Management**

**The Company's growth depends on potential successors for key positions and on its ability to attract, train, and retain qualified professionals with specific technological expertise.**

The Company's growth and success largely depend on the qualifications of its professionals and its ability to develop and retain potential successors for management and other strategic positions, particularly regarding the definition and implementation of strategies and the development of operations, products, and services. Additionally, in the case of acquired companies, entrepreneurs may not remain in charge of the business after the earn-out period, and the Company may lack prepared successors. If the Company is unable to ensure proper succession in these companies, it may lose critical business knowledge (know-how) and see its operational results and growth strategy negatively impacted.

Thus, the loss of any key person could significantly harm the Company's business and results if its succession plan is not effective. The Company also relies on the continued services of key professionals with specific technological expertise, which is scarce in the current market, given the shortage of specialized labor and increasing global competition for such talent.

Additionally, the adoption of remote work models across the market increases competition for hiring these professionals, as geographic barriers become less



relevant. Furthermore, there is intense and ongoing competition in the IT sector for highly skilled professionals in sales, technical roles, software implementation, and other areas, and the Company competes globally for such talent. As a result, the Company may struggle to attract qualified professionals or may need to offer higher compensation, leading to additional costs that may not be offset by productivity gains or higher pricing.

The Company may also be unable to develop and train internal talent quickly enough to reduce reliance on external hires or may face difficulties attracting and retaining professionals if it cannot offer compensation and benefit packages compatible with the sector and market standards.

**Unfavorable judicial or administrative decisions involving the Company's managers may adversely affect its operating results.**

The Company's managers may be, or become, parties in investigations, lawsuits, and administrative or arbitration proceedings, including but not limited to civil, tax, labor, data protection, and criminal cases, including those related to ongoing fact-finding.

Unfavorable rulings or settlements involving the Company's managers may harm the business, financial condition, and reputation, possibly resulting in the loss of rights to contract with public authorities, receive tax benefits or public funding, or operate telecom services. The Company cannot guarantee that provisions made—based on subjective factors and management's critical judgment—will be sufficient to cover total legal or administrative liabilities.

Unfavorable rulings involving directors and officers, especially in cases involving substantial values or related matters, may negatively affect the Company's results, business, financial condition, and share price. Such rulings may also prevent managers from performing their roles within the Company.

**e. Risks Related to the Company's Suppliers**

**The loss of relationships with and/or bankruptcy of service providers, including those providing information technology services or support services necessary to maintain the Company's products and services, may affect the continuity of the Company's operations.**

The Company has suppliers that are essential for the continuity of its operations and the provision of services to its customers. Services and products provided by its partners, such as telecommunications systems, internet, and data centers, are fundamental components of its infrastructure.

Interruptions or fluctuations in the service levels of these suppliers, including those resulting from information security or data protection failures, may affect the Company's products and services offered to its customers and harm the market's perception of the quality and reliability of such products and services.

The concentration of essential services in the hands of a few suppliers may create a harmful level of dependency and, in case of service failure, interruption or inadequacy, adversely affect the quality of the Company's products and services.

If any of the Company's suppliers or service providers encounter issues that impact the delivery time, quality, or continuity of products and services, or undergo





insolvency or bankruptcy that compromises contractual compliance, the Company's operations, product and service offerings, results, reputation, and customer retention rate may be adversely affected.

**The Company licenses language and/or technology platform providers that may not meet evolving delivery expectations or that depend on product-specific technical specifications, potentially hindering technology convergence initiatives.**

Dependency on these providers, along with insufficient or flawed prioritization of products and solutions, may negatively influence the Company's costs and decision-making processes regarding whether to maintain, discontinue, or transform its technology in alignment with people, processes, and systems. Furthermore, there is no assurance that such suppliers will keep pace with changes in the external environment, strategic business objectives, or the requirements of innovative solutions. In such cases, the Company's business and operational results may be negatively impacted

#### **f. Risks Related to the Company's Customers**

**If customers lose confidence in the security and use of their data due to risks of leakage or misuse, the Company's revenues may be negatively affected.**

Attempts by experienced programmers or hackers to breach client networks or online systems to misappropriate confidential information are widespread in the industry, affecting computers and networks across all platforms.

Actual or perceived security vulnerabilities in the Company's products (or in the Internet more broadly) could lead some customers to delay or cancel purchases or to turn to competitor offerings not based on Internet applications. Customers may also invest more in cybersecurity, delaying the adoption of new technologies.

Any such responses by customers could negatively impact the Company's business and revenues.

The Company's customer base may be negatively impacted if its support and customer success processes are inadequate.

Given the Company's growth strategy across three business units, either organically or through acquisitions, an increase in its product portfolio and customer base is expected. This expansion may hinder the digitalization and integration of support and service processes, as well as the implementation and upkeep of customer success initiatives.

If the Company is unable to deliver timely and effective support and service, and fails to contribute to customer success through efficient processes and tools, its customer satisfaction and retention rates, as well as its results, may be adversely impacted



### **g. Risks Related to the Economic Sectors in which the Company Operates**

**Unfavorable conditions in the Company's industry or in the global economy, as well as reductions in IT spending, may limit the Company's ability to grow and impact its operating results.**

The Company's operating performance is subject to the effects of changes in its industry and in the broader global economy. Revenue growth and profitability depend on demand for its software and services, as well as the expansion of the RD Station and Techfin business units, which may also be influenced by macroeconomic variables such as interest rate changes and low economic growth. These factors could reduce credit demand, alter credit conditions, and impair the Company's competitiveness.

Since the Company is a service provider, part of its revenue is tied to the number of new software users per client, which is influenced by clients' hiring policies. Adverse economic conditions that lead to stagnation or reduced service demand from clients may negatively affect the Company's revenue.

Historically, economic crises have caused global reductions in IT spending and longer billing cycles, such as during the 2016 recession and the COVID-19 crisis in 2020.

### **h. Risks Related to the Regulation of the Sector in Which the Company Operates**

**Changes or differing interpretations of tax and labor legislation may adversely affect the Company's strategy and results.**

Tax authorities frequently modify tax regimes, such as by changing rates or creating new taxes, whether temporary or permanent, which may impact the Company's strategy. Some of these changes may increase the Company's tax burden, which could restrict its ability to operate in current markets and adversely and materially impact profitability.

The Company currently benefits from certain tax incentives and/or special tax regimes. There is no guarantee that these benefits will be maintained or renewed, especially considering the current political and economic environment in Brazil and the tax reform approved in 2024, which altered fiscal and tax criteria. Such changes may not be favorable to the Company's business and may negatively affect its operational results. If the Company is unable to renew its tax benefits, or if such benefits are modified, limited, suspended, or revoked, the Company may be adversely affected. Additionally, tax laws are subject to divergent interpretations by the authorities. If the tax authorities interpret the tax laws differently from the Company's understanding, this may result in adverse impacts.

The Company's activities are subject to direct or indirect taxation, including taxes, fees, and contributions, which may change and adversely affect its business, financial condition, operating results, and cash flow.

Such changes may result in increased taxation on: (i) the Company's gross revenue; (ii) royalties paid to partners in Brazil and abroad; (iii) financial income; (iv) gross profitability; and (v) personnel costs. The adverse impact of such changes in tax and



labor legislation may negatively affect the Company's strategy and competitiveness, particularly against foreign competitors if such changes apply only to Brazilian companies.

**Changes in financial sector regulation may hinder or render new business models unfeasible.**

The Techfin Business Unit, a joint venture between the Company and Banco Itaú Unibanco under TOTVS Techfin, is one of the pillars supporting the Company's growth strategy, alongside the Management and RD Station units. This unit operates in the financial segment, which is highly regulated by the Central Bank of Brazil ("Bacen"), within a historically dynamic regulatory environment due to the constant emergence of new business models and products.

Any changes in current regulation or new regulatory requirements by Bacen may limit the expansion of credit products currently offered, render new product launches unfeasible, or affect the business model itself. Compliance with new regulatory requirements may also demand significant financial investment. If such events occur, the Company's strategy and results may be adversely affected.

**i. Risks Related to the Foreign Countries in Which the Company Operates**

Since the Company's activities outside Brazil did not have a material impact on the Company's total net revenue in the last fiscal year, the Company believes it is not subject to significant risks in the foreign countries in which it operates.

**j. Risks Related to Social Issues**

**A potential worsening of the COVID-19 pandemic and/or the emergence of any new pandemic or public health emergency may result in a materially adverse effect on the Company's business, financial condition, operating results, and cash flows.** On March 11, 2020, the World Health Organization ("WHO") declared the COVID-19 outbreak a global pandemic. In response, many governments implemented policies aimed at containing or slowing the spread of the disease, including travel restrictions and social isolation. The COVID-19 outbreak led the Company to modify some of its business practices, including adopting WHO-recommended health protocols, workplace hygiene measures, implementation of remote work systems, and cancellation of in-person events, meetings, and conferences.

In March 2022, with the global and local easing of the pandemic, the Company, in line with legal requirements and health protocols, facilitated the return of its employees to office environments under a predominantly hybrid work model. Although the WHO declared the end of the global public health emergency in May 2023, COVID-19 is still classified as a pandemic, and uncertainties remain regarding its possible worsening.

If COVID-19 escalates again or if another pandemic arises, the Company may need to take additional measures, either mandated by authorities or determined by management. The Company may be materially and adversely affected due to global



or Brazilian economic impacts, including recession, economic slowdown, or rising unemployment, which could affect customer purchasing power. Additionally, the effects of the COVID-19 pandemic may trigger or exacerbate other risks outlined in item 4.1 of this Reference Form.

#### **k. Risks Related to Environmental Issues**

The Company's activities do not entail material risks related to environmental issues.

#### **l. Risks Related to Climate Issues, Including Physical and Transition Risks**

No material climate-related risks have been mapped that could cause significant financial or strategic impacts on the business.

#### **m. Other Issues Not Covered in the Items Above**

**The Brazilian federal government has exerted, and continues to exert, significant influence over the country's economy. Such influence, along with the prevailing economic and political conditions in Brazil, may have a material adverse effect on the Company.**

The Brazilian federal government has exerted, and continues to exert, significant influence over the country's economy. Such influence, along with the prevailing economic and political conditions in Brazil, may have a material adverse effect on the Company.

The federal government may introduce significant changes to its monetary, credit, tariff, tax, and other policies that significantly influence the Brazilian economy. Government measures to control inflation, as well as changes in public policies and regulations that impact the economic environment, may result in increased interest rates, fiscal policy shifts, price controls, exchange market interventions, capital controls, and import restrictions, among others.

The Company has no control over and cannot predict what policies or measures the government may adopt in the future. It may be materially and adversely affected by changes in policies or regulations involving or impacting factors such as:

- growth or contraction of the Brazilian economy (as measured by GDP);
- inflation;
- exchange rates;
- interest rates;
- unemployment;
- changes to tax and labor laws;
- liquidity in financial and capital markets;
- restrictions on the remittance of funds abroad; and
- other political, social, and economic developments in Brazil.

Uncertainty regarding the implementation of political or regulatory changes by the Brazilian government contributes to instability in the domestic economy and increases capital market volatility. Combined with recession and slow recovery, such developments may adversely affect the Company's business, operating results, and the market price of its shares.



**Political instability may adversely affect the Brazilian economy, the Company's business, and its operating results, as well as the trading price of its shares.**

The Brazilian political environment has historically influenced the country's economic performance and investor and public confidence, which can result in economic slowdowns, recession, and increased market volatility.

The Company cannot predict the potential impacts of public policy or economic policy changes to be adopted by the federal government.

Uncertainties regarding monetary, fiscal, and social security policy changes and related legislation contribute to economic instability and may increase volatility in Brazilian securities markets.

The President of Brazil holds the power to influence economic policy, which may affect business operations and financial performance, including that of the Company. The Company cannot predict what policies will be adopted, or if current policy changes will have adverse effects on it or the Brazilian economy.

**Inflation and government efforts to combat it may contribute to economic uncertainty, adversely affecting the Company and the market price of its shares.**

Brazil has experienced high inflation in the past, which, along with government countermeasures and public speculation regarding future actions, has negatively impacted the economy.

The General Market Price Index (IGP-M) ended 2024 with an accumulated increase of 6.54%, compared to -3.18% in 2023, signaling a sharp acceleration. Historically, inflation control measures included strict monetary policies and high interest rates, which restricted credit availability and curbed economic growth. The Monetary Policy Committee (COPOM) frequently adjusts interest rates during times of economic uncertainty to meet government targets. Inflation, anti-inflationary measures, and speculation regarding potential policies have all contributed to relevant economic uncertainty and capital market volatility in Brazil, which may adversely affect the Company.

Any measures taken by the Brazilian government in the future, including a reduction in interest rates, intervention in the foreign exchange market and the implementation of mechanisms to adjust or determine the value of the Real, may trigger inflation, adversely affecting the overall performance of the Brazilian economy. If Brazil faces high inflation in the future, the Company may not be able to adjust the prices it charges its customers to compensate for the effects of inflation on its cost structure, which could increase costs and reduce the Company's operating and net margins.

In addition, in the event of an increase in inflation, the Brazilian government may choose to significantly increase interest rates. An increase in interest rates may affect not only the cost of our new loans and financing, but also the cost of the Company's current indebtedness, as well as its cash and cash equivalents, marketable securities and leases payable, which are subject to interest rates. Thus, fluctuations in Brazilian interest rates and inflation may adversely affect us because the Company has loans and financing indexed to the variation of the Interbank Deposit Certificate ("CDI") and the Official Long-Term Interest Rates ("TJLP"). On the other hand, a significant



reduction in the CDI, TJLP or inflation rates could adversely affect the income from the Company's financial investments.

**Exchange rate instability may adversely affect the Brazilian economy and, consequently, the Company.**

The Brazilian currency has experienced significant fluctuations against the U.S. Dollar and other major foreign currencies over the past four decades. Throughout this period, the Federal Government has implemented various economic plans and adopted different exchange rate policies, including sudden devaluations, periodic devaluations, floating exchange rate regimes, capital controls, and dual exchange markets. Since 1999, Brazil has adopted a floating exchange rate system with interventions by the Central Bank in the purchase or sale of foreign currency. From time to time, there have been significant fluctuations in the exchange rate between the Real and the U.S. Dollar and other foreign currencies.

As a recent historical reference, in 2021 the BRL/USD exchange rate closed the year at R\$5.57, compared to R\$5.19 in 2020. By the end of 2022, it was R\$5.28, and closed 2023 at R\$4.85. In 2024, there was a sharp increase in the U.S. Dollar, reaching R\$6.18, representing a 27.3% rise over the year. There is no assurance that further devaluation or appreciation of the Real against the U.S. Dollar or other foreign currencies will not have an adverse effect on the Company's operations. In addition, some service costs linked to the U.S. Dollar may impact the Company's results.

A devaluation of the Real may create additional inflationary pressures in Brazil and lead to increases in interest rates, which could negatively impact the Brazilian economy as a whole and the Company's results due to a decline in consumption and increased costs for the Company. Conversely, an appreciation of the Real may lead to a deterioration in Brazil's current account and trade balance, as well as to a slowdown in export-driven GDP growth.

The Company has no influence over Brazil's exchange rate policy and is not able to predict future changes. The Company's financial condition, operating results, and prospects may be adversely affected by changes in exchange rate policies.

**Credit ratings affect the perception of investment risk.**

Rating agencies regularly assess Brazil and its sovereign credit ratings based on several factors, including macroeconomic trends, fiscal and budgetary conditions, debt metrics, and expectations of changes in any of these factors.

Rating agencies began to revise Brazil's sovereign credit rating in September 2015. Subsequently, Brazil lost its investment grade status with the three major rating agencies.

- **Standard & Poor's:** initially downgraded Brazil's credit rating from BBB- to BB+, and subsequently from BB+ to BB, maintaining a negative outlook, citing a deteriorating credit profile since the initial downgrade. On January 11, 2018, Standard & Poor's downgraded Brazil once more from BB to BB- with a stable outlook, citing presidential elections and pension reform efforts. In December 2023, S&P upgraded Brazil's rating to BB with a stable outlook following the approval of the tax reform. As of the date hereof, Brazil's credit rating remains unchanged with this agency.





- **Moody's:** in February 2016, the agency downgraded Brazil's credit rating from Baa3 to Ba2 with a negative outlook, citing the potential for further deterioration in Brazil's debt indicators amid a low-growth environment and political challenges. The rating shifted a few times between Ba2 Negative and Ba2 Stable from March 2017 through April 2018, when it was last changed to Ba2 with a stable outlook, reflecting expectations for growth recovery and reform progress. As of the date hereof, the credit rating remains unchanged with this agency.
- **Fitch:** in May 2016, Fitch downgraded Brazil's rating to BB with a negative outlook, which was maintained through 2017. In February 2018, Fitch downgraded Brazil's sovereign credit rating again to BB-, citing, among other reasons, fiscal deficits, Brazil's high and rising public debt burden, and the inability to implement reforms to improve structural fiscal performance. The rating remained unchanged until July 2022, when the agency upgraded it to BB- with a stable outlook, reflecting better-than-expected short-term fiscal performance and a commitment by authorities to unwind pandemic-related stimulus and fight inflation. In July 2023, the agency further upgraded Brazil's rating to BB with a stable outlook, citing stronger-than-expected macroeconomic and fiscal performance. As of the date hereof, the credit rating remains unchanged with this agency.

In light of the rating updates since 2015, Brazil continues to hold non-investment grade ratings from the three major rating agencies.

Although Brazil currently has a stable outlook from two of these agencies, such ratings may negatively impact the trading prices of securities in the Brazilian debt and equity markets. A return to a recessionary scenario in Brazil could result in further downgrades. As of the date of this Reference Form, Brazil's sovereign credit ratings were BB- (Standard & Poor's), Ba2 Stable (Moody's), and BB Stable (Fitch), respectively.

There is no assurance that the rating agencies will maintain these ratings for Brazil's creditworthiness, and any downgrade of Brazil's sovereign credit rating could increase the perceived risk of investments.

As a result, it may raise the cost of future debt issuances and adversely affect the trading price of the Company's shares.

The relative volatility of the Brazilian capital markets may significantly limit investors' ability to sell the Company's shares at the desired price and time.

Investments in Brazilian securities, including the Company's shares, involve a higher degree of risk than investments in securities of issuers located in countries with more stable political and economic environments and are generally considered speculative in nature. These investments are subject to economic and political risks, such as:

- Changes in the regulatory, tax, economic, and political environment that may affect investors' ability to receive payment in full or in part for their investments;
- Restrictions on foreign investment and the repatriation of invested capital; and
- Unexpected events that may adversely affect the Brazilian or global economy, such as pandemics and large-scale natural disasters.





The Brazilian securities market is considerably smaller, less liquid, more volatile, and more concentrated than major international securities markets, such as that of the United States.

These market characteristics could significantly limit the ability of holders of the Company's shares to sell them at their desired price and timing, and may adversely affect the trading prices of the Company's shares.

**Risks related to the global economic environment may affect risk perception in other countries, particularly in the United States and emerging markets, which could negatively impact the Brazilian economy, including through fluctuations in the securities markets, potentially affecting the trading price of the Company's shares.**

The Company's growth is directly linked to the expansion of the domestic Brazilian market, with its business operations being closely tied to its clients' operations across various economic sectors. A slowdown in Brazil's economic growth or a potential recession scenario characterized by reduced wholesale and retail demand, decreased capital goods and infrastructure investments, and intensified sector competition may directly impact the Company's operating and financial results.

Additionally, the market value of securities issued by Brazilian companies is influenced, to varying degrees, by the economic and market conditions of other countries, including developed economies such as the United States, certain European countries, and emerging markets, which may also be affected by geopolitical issues such as wars and conflicts. Investor reactions to events in these countries may adversely impact the market value of securities issued by Brazilian companies, particularly those traded on stock exchanges. The trading prices of shares on B3, for example, have historically been affected by fluctuations in interest rates in the United States and by changes in major U.S. stock indices. Any increase in interest rates in other countries particularly in the United States may reduce global liquidity and investor interest in the Brazilian capital markets, negatively affecting the Company's shares.

Crises or significant developments in other countries and capital markets may decrease investor interest in Brazilian securities, including those issued by the Company, and their respective trading prices. This could hinder or even prevent the Company from accessing capital markets or financing its operations on acceptable terms in the future.



## **4.2 Description of the 5 Main Risk Factors**

Among the risk factors presented in item 4.1, the Company considers the following five (5) to be the main risk factors (listed according to their level of criticality):

- The Company's success depends on its ability to develop new products and services, integrate acquired products and services, and improve its existing products and services.
- Interruptions or failures in information systems or cybersecurity incidents, including attacks on the infrastructure required to maintain IT systems, could materially and adversely affect the Company.
- Acquisitions involve risks, and the Company may not achieve the strategic goals established at the time of any given transaction.
- The Company is subject to risks associated with non-compliance with data protection laws (both domestic and international), and may be adversely affected by the imposition of fines and other types of sanctions.
- The Company may not be able to compete efficiently in the credit market through its Techfin Business Unit.



### **4.3 Description of Main Market Risks**

The main market risks to which the Company and its subsidiaries are exposed in the course of their activities are: (i) Liquidity Risk; (ii) Credit Risk; (iii) Interest Rate and Inflation Risk; and (iv) Foreign Exchange Risk. There is no guarantee, however, that the Company will not be adversely affected by other market risks not described herein.

#### **Liquidity Risk**

This refers to the possibility that the Company may be unable to meet its current and future obligations due to insufficient cash availability, which could adversely impact its operations.

#### **Credit Risk**

Credit risk is the risk that a counterparty to a transaction will fail to fulfill an obligation under a given instrument, potentially resulting in a financial loss. The Company's exposure to credit risk is also influenced by the individual characteristics of each customer.

#### **Interest Rate and Inflation Risk**

Interest rate risk arises from portions of the Company's debt and financial investments that are tied to the Interbank Deposit Certificate rate (Certificado de Depósito Interbancário – "CDI"), which may adversely affect financial income or expenses in the event of unfavorable changes in interest or inflation rates.

The Company's and its subsidiaries' financial instruments are represented by cash and cash equivalents, accounts receivable and payable, loans and financing, in addition to debentures, which are recorded at cost plus accrued interest or charges, or at fair value when applicable, as of December 31, 2024 and December 31, 2023. The main risks associated with the Company's operations are linked to fluctuations in the CDI rate.

The Company's main costs and expenses are periodically adjusted. Examples of expenses that are adjusted based on predefined inflation indices include rent and communication expenses. Labor-related expenses, such as wages, benefits and charges which accounted for 54.8% and 53.9% of total operating costs and expenses for the fiscal years ended December 31, 2024 and December 31, 2023, respectively are subject to regional collective bargaining agreements that typically use inflation indices (generally close to the Broad Consumer Price Index – "IPCA") as a reference.

Contracts related to Recurring Software Gross Revenue, which accounted for 88.8% and 86.3% of Total Software Gross Revenue in the years ended December 31, 2024 and December 31, 2023, respectively, are also subject to annual inflation adjustments, primarily based on the General Market Price Index – "IGP-M" and the IPCA.

Historically, the Company also adjusts the pricing tables for software licensing fees, subscription access, and service hourly rates based on inflation indices. However, there is no guarantee that the Company will continue to pass on inflationary impacts to these revenue lines in the future.



Since the inflation indices used to adjust revenue lines differ from those used to adjust costs and expenses, inflation may have material effects on operations.

Investments measured at fair value through profit or loss consist of privately held startups. As they are not quoted in an active market, fair value is measured using multiple market valuation techniques, such as discounted cash flow or revenue multiples, within a reasonable valuation range. The selected fair value is the point within this range that best represents the fair value under the circumstances.

To assess the sensitivity of the interest rate index to which the Company's debt was exposed as of December 31, 2024, three different scenarios were defined. Based on the CDI rate in effect on this date, a base scenario (Scenario I) was defined for the year 2024, and 25% (Scenario II) and 50% (Scenario III) variations were calculated. For each scenario, gross financial expense was calculated without considering taxes or the maturity schedule of each agreement projected for 2024. The reference date for the debentures was December 31, 2024, with index projections over one year to assess sensitivity in each scenario.

Operation (in thousands of BRL)	Balances as of 12/31/2024	Risk	Probable Scenario I	Scenario II	Scenario III
		Increase in CDI	10.83%	13,54%	16,25%
Debentures	1,535,131		166,255	207,857	249,459
Estimated Financial Expenses			166,255	207,857	249,459

With respect to Financial Assets, gross financial income was calculated for each scenario, without considering the incidence of taxes on investment returns. The base date used for the portfolio was December 31, 2024, projecting one year ahead and assessing the sensitivity of the CDI under each scenario.

Operation (in thousands of BRL)	Balances as of 12/31/2024	Risk	Probable Scenario I	Scenario II	Scenario III
Consolidated financial investments	1,920,877	CDI reduction	10.83%	8.12%	5.42%
Estimated financial revenue			208,031	155,975	104,112

## Foreign Exchange Rate Risk

Foreign exchange rate risk arises from the possibility of losses due to exchange rate fluctuations, which may increase liabilities related to foreign currency purchase commitments or reduce assets related to foreign currency receivables.

Some subsidiaries operate internationally and are exposed to exchange rate risk arising from exposures in certain currencies, such as the U.S. Dollar (USD), Argentine Peso (ARS), Mexican Peso (MXN), Chilean Peso (CLP), and Colombian Peso (COP).



For the period ended December 31, 2024, asset balances exceeded liability balances exposed to such currencies, as demonstrated below:

			In December 2024 (in BRL thousand)			
Company	Accounts Payable	Cash and cash equivalents	Accounts receivable	Other assets (i)	Net exposure	Currency
RJ Consultores México	(39)	1,804	1,915	88	3,768	Peso (MXN)
CMNet Participações	(24)	467	116	18	577	Peso (CLP)
TOTVS Hospitality Argentina	(129)	732	594	6	1,203	Peso (ARS)
TOTVS S.A.	(101)	96	1,962	-	1,957	USD
TOTVS Large	-	-	29	-	29	USD
TOTVS México	(3,802)	3,110	7,113	737	7,158	Peso (MXN)
TOTVS Argentina	(4,687)	12,699	13,131	368	21,511	Peso (ARS)
TOTVS Colômbia	(1,731)	5,613	4,866	545	9,293	Peso (COP)
TOTVS Incorporation (Labs)	(950)	389	522	94,326	94,287	USD
RD Station	(255)	-	-	-	(255)	USD
Feedz	-	-	8	-	8	USD
Total	(11,718)	24,910	30,256	96,088	139,536	



#### **4.4 Relevant non-confidential processes**

The Company and its subsidiaries are involved in legal proceedings concerning tax, labor, and civil matters.

As of December 31, 2024, the Company and its subsidiaries were not parties to any legal or administrative proceedings of an environmental nature.

The assessment of the likelihood of loss includes an evaluation of the available evidence, the hierarchy of laws, current jurisprudence, the most recent court decisions on each matter, as well as evaluations by external legal counsel. The Company continuously reviews its estimates and assumptions.

The Company records provisions for contingencies in accordance with Brazilian accounting practices and IFRS, and recognizes provisions for claims for which the likelihood of loss is deemed probable, as assessed and classified by its legal advisors and Management. For proceedings for which the likelihood of loss is considered possible, the Company does not record any provision; however, it discloses in the notes to its financial statements the nature and amounts of the most material matters falling under this category.

The amount of provisions recorded as of December 31, 2024 is as follows:

Type (In thousands of Reals)	on 12.31.2024
<b>Tax</b>	<b>9,397</b>
<b>Labor</b>	<b>62,427</b>
<b>Civil</b>	<b>34,448</b>
<b>Environmental</b>	<b>-</b>
<b>Total</b>	<b>106,272</b>

As of December 31, 2024, the provision recognized for tax-related claims amounted to R\$ 9,396 thousand (R\$ 10,205 thousand as of December 31, 2023). There are no tax-related lawsuits with a probable loss assessment that the Company considers individually material.



Tax and social security proceedings classified as possible losses mainly relate to claims challenging ISS assessments and the offsetting of negative balances of CSLL and IRPJ.

As of December 31, 2024, the total amount under dispute in these proceedings, classified as possible losses, amounted to R\$ 196,125 thousand (R\$ 216,100 thousand as of December 31, 2023).

- List of Individually Material Tax/Social Security Proceedings – Classified as Possible Losses

Lawsuits numbers: 10880-957.117/2021-95	
a. Judgment	Brazilian Federal Revenue Service
b. Instance	1 <sup>st</sup> Instance
c. Date of establishment	08/12/2021
d. Parties in the lawsuit	Plaintiff: Receita Federal do Brasil  Defendant: TOTVS S/A
e. Amounts, assets, or rights involved (R\$ thousand)	R\$ 22,596 (updated to 12/31/2024)
f. Main facts	This is a decision that did not homologate offsets made with a negative balance of IRPJ for 2015.
g. Summary of decisions on the merits rendered	No decisions on the merits have been handed down to date.





h. Stage of the tax claim	First Administrative Instance
i. Chance of loss	Possible - R\$ 22,596
j. Reason why the process is considered to be relevant	Lawsuit in which the Company is a defendant and whose value exceeds R\$13,000, with a prognosis of possible loss.
k. Impact in case the company loses this lawsuit	Payment of the amount involved.

Lawsuits numbers: 0000756-14.0500.8.26.0090	
a. Judgment	Court of Justice of the State of São Paulo
b. Instance	First Administrative Instance
c. Date of establishment	02/27/2019
d. Parties in the lawsuit	Plaintiff: Municipality of São Paulo City Hall  Defendant: TOTVS S/A
e. Values, assets or rights involved (R\$ thousand)	R\$ 18,019 (updated to 12/31/2024)



f. Key facts	<p>This case refers to a tax enforcement action for the collection of ISS (Service Tax) on alleged services provided in the Municipality of São Paulo between 1996 and 2001, which, according to the Tax Authorities, were not duly paid. Due to the company's failure to present supporting documentation at the time, the Tax Authorities estimated the amount of tax owed. A motion to stay the execution was filed on February 18, 2015, under case number 0000557-86.2015.8.26.0090, arguing the statute of limitations for the claim and challenging the estimated tax assessment. A court-appointed expert analysis, which began in May 2019, was concluded in March 2024. With the parties' comments on the expert report already submitted, the case is now awaiting a ruling on the merits in the first instance.</p>
g. Summary of decisions on the merits rendered	<p>So far, no decisions on the merits have been handed down</p>
h. Stage of the tax claim	<p>First Administrative Panel</p>
i. Chance of loss	<p>Possible - R\$ 18,019</p>
j. Reason why the process is considered to be relevant	<p>Lawsuit in which the Company is a defendant and whose value exceeds R\$13,000, with a prognosis of possible loss.</p>
k. Impact in case the company loses this lawsuit	<p>Payment of the amount involved.</p>

Lawsuits numbers: 10880-942.958/2021-06	
a. Judgment	<p>Brazilian Federal Revenue Service</p>
b. Instance	<p>First Administrative Panel</p>
c. Date of establishment	<p>07/08/2021</p>
d. Parties in the lawsuit	<p>Plaintiff: Receita Federal do Brasil Defendant: TOTVS S/A</p>
e. Values, assets or rights involved (R\$ thousand)	<p>R\$ 17,080 (updated to 12/31/2024)</p>



f. Key facts	This refers to a decision ruling that denied the approval of offsetting operations carried out using a negative IRPJ balance for the 2016 period.
g. Summary of decisions on the merits rendered	So far, no decisions on the merits have been rendered.
h. Stage of the tax claim	First Administrative Panel
i. Chance of loss (R\$ thousand)	Possible - R\$17,080
j. Reason why the process is considered to be relevant	Proceeding in which the Company is listed as the defendant and the amount involved exceeds R\$13,000, with a likelihood of loss classified as possible.
k. Impact in case the company loses this lawsuit	Payment of the amount involved.

### **Cível**

As of December 31, 2024, the provision recognized for civil claims totaled R\$37,111 thousand (R\$37,111 thousand as of December 31, 2023). There are no civil proceedings with a probable loss outcome that the Company deems individually material.

Civil proceedings classified as possible losses mainly refer to lawsuits filed by customers alleging certain issues in the provision of services offered to clients, application of the standard increase, application of grace periods to terminated contracts, and undue charges.

- **List of Individually Material Civil Proceedings – Possible Loss Prognosis.**

Lawsuits numbers: 1057798-58.2021.8.26.0100	
a. Judgment	11ª Vara Cível do Foro Central da Comarca da Capital/SP
b. Instance	11 <sup>th</sup> Civil Court of the Central District of the Capital District of São Paulo/SP
c. Date of establishment	06/08/2021
d. Parties in the lawsuit	Plaintiff: Refinaria de Petróleos de Manguinhos S.A. Defendant: TOTVS S/A e TOTVS Large
e. Values, assets or rights involved (R\$ thousand)	R\$14,670 (updated to 12/31/2024)
f. Key facts	Civil action brought by the plaintiff company against TOTVS S/A and TOTVS Large, stating that after signing the commercial proposals the deadlines agreed for the delivery of the implementation of the services had not been met. The company claimed that new deadlines were agreed between the parties and soon after, TOTVS was surprised with the request for contractual termination. Finally, it claims contractual termination, damages and loss of profits. During the course of the action, there was a partial decision on the merits to exclude TOTVS S/A from liability and keep TOTVS Large. Regarding the main claim, which discusses the provision of services, it is still under discussion in the evidentiary phase.
g. Summary of decisions on the merits rendered	So far, no substantive decisions have been made that could change the risk of loss.
h. Stage of the tax claim	Evidentiary phase
i. Chance of loss (R\$ thousand)	Possible - R\$14,670



j. Reason why the process is considered to be relevant	Proceeding in which the Company is the defendant and the amount involved exceeds R\$13,000, with a possible loss prognosis.
k. Impact in case the company loses this lawsuit	Payment of the amount involved.

Lawsuits numbers: 10137750820138260100	
a. Judgment	39 <sup>th</sup> Civil Court of the Central Forum of the District of the Capital/SP
b. Instance	Second Instance
c. Date of establishment	03/25/2013
d. Parties in the lawsuit	Plaintiff: YURI GOMES DE OLIVEIRA. Defendant: Bematech S.A
e. Values, assets or rights involved (R\$ thousand)	R\$13,783 (updated to 31/12/2024)
f. Key facts	Civil lawsuit filed against Bematech (now TOTVS Large), stating that the plaintiff maintained a commercial representation contract with Bematech between 2004 and 2008. The plaintiff alleges disagreement with the contract termination and claims compensation for alleged material and moral damages arising from unpaid amounts and investments made. During the course of the lawsuit, a judgment was issued dismissing the claims. The case is currently awaiting the decision on the appeal filed by the plaintiff.



g. Summary of decisions on the merits rendered	So far, no substantive decisions have been rendered that could change the risk of loss.
h. Stage of the tax claim	Appeal phase
i. Chance of loss (R\$ thousand)	Possible - R\$13,783
j. Reason why the process is considered to be relevant	Proceeding in which the Company is the defendant and the amount involved exceeds R\$13,000, with a possible loss prognosis.
k. Impact in case the company loses this lawsuit	Payment of the amount involved.

### Labor

The Company has a provision related to lawsuits filed by former employees and service provider companies, alleging reduction of their commissions on sales and services, recognition of employment relationships, termination payments, overtime, etc. As of December 31, 2024, the provision established for these claims totaled R\$1,479 thousand (R\$64,269 thousand as of December 31, 2023).

There are no labor-related lawsuits with a possible or probable loss prognosis that the Company individually considers material.

### Environmental

There are no environmental lawsuits.



## **4.5 Total Provisioned Amount for Relevant Non-Confidential Lawsuits**

### **Tax**

As of December 31, 2024, the provision established for tax claims totaled R\$9,397 (R\$10,206 as of December 31, 2023). There are no tax-related lawsuits with a probable loss prognosis that the Company individually considers material.

Tax lawsuits classified as probable loss mainly refer to tax assessments or tax enforcement actions filed by the Federal, state, and municipal governments, alleging alleged underpayment of taxes.

### **Civil**

As of December 31, 2024, the provision established for civil claims totaled R\$34,448 (R\$37,111 as of December 31, 2023). There are no civil lawsuits with a probable loss prognosis that the Company individually considers material.

Civil lawsuits classified as possible loss mainly refer to claims filed by clients alleging certain issues in the provision of services offered to them, application of standard increments, application of grace periods to terminated contracts, and improper charges.

### **Labor**

As of December 31, 2024, the provision established for labor claims totaled R\$62,427 (R\$64,673 as of December 31, 2023).

Labor lawsuits classified as probable loss mainly refer to claims filed by former employees and service provider companies alleging reductions in their commissions on sales and services, recognition of employment relationships, termination payments, and overtime.



#### **4.6 Relevant Confidential Lawsuits**

The Company is not involved in any relevant confidential lawsuits.





#### **4.7 Other Relevant Contingencies**

In November 2011, the Company entered into a Conduct Adjustment Agreement ("TAC") with the Labor Public Prosecutor's Office of Minas Gerais, regarding labor obligations. Under the TAC, the Company committed to refrain from engaging in acts that could be considered non-compliant with labor legislation, under penalty of monetary fines. The Company has been making every effort to comply with the obligations assumed in the TAC, which is currently being monitored by the Labor Public Prosecutor's Office of Minas Gerais.



## **SECTION 5 – RISK MANAGEMENT AND INTERNAL CONTROLS POLICY**

### **5.1 Description of the risk management policy**

**a. Whether the issuer has a formalized risk management policy, highlighting, if affirmative, the approving body and the date of approval, and, if negative, the reasons why the issuer has not adopted such a policy**

The Company has a Risk Management, Internal Controls, and Compliance Policy (“Risk Management Policy”) aimed at regulating the process of identification, assessment, treatment, monitoring, and reporting of strategic, operational, and financial risks, including market, regulatory/compliance, and information technology risks. The update to this policy was approved by the Board of Directors on May 5, 2023, and it is under the responsibility of the Internal Controls, Risks, and Compliance department.

The Risk Management Policy is available on the Company's Investor Relations website (<https://ri.totvs.com/esg/estatuto-politicas-e-regimento/>) and on the CVM website (<http://www.cvm.gov.br/>).

**b. The objectives and strategies of the risk management policy, when applicable, including:**

The objective of the Risk Management Policy is to establish the principles, guidelines, and responsibilities to be observed in the corporate risk management process, internal controls, and compliance, as well as to disseminate the risk management culture and the Integrity Program throughout all levels of the Company.

The risk management methodological approach applied is based on the components described by COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) and the guidelines of ISO 31000, comprising six essential steps, as well as aspects of culture and governance in risk management, as detailed below:

#### **Governance and Risk Management Culture:**

The risk management culture must be disseminated at all levels of the Company, and risk management and monitoring must be carried out in a decentralized manner by the respective areas responsible for the risks. Managers are primarily responsible for the day-to-day management of risks associated with their area and/or business process and for spreading the risk management culture among their subordinates, managing risk exposure through action plans.



## **Identification, analysis, assessment, treatment, monitoring, and reporting:**

Risks must be periodically identified, analyzed, assessed, and documented in a structured manner to be properly treated and reported to the competent bodies.

The Risk Matrix is reviewed annually by the Internal Controls, Risks, and Compliance area and validated by the Company's Vice Presidents and President. The Statutory Audit Committee is responsible for evaluating and recommending its approval to the Board of Directors.

According to the criteria defined in the Policy, the areas responsible for the respective risks define action plans to mitigate the risks mapped in the matrix. These action plans are properly monitored and reported by the Internal Controls, Risks, and Compliance area to the Statutory Audit Committee and the Board of Directors, together with key risk indicators and the level of risk exposure.

### **(i) Risks for which protection is sought:**

The Risk Management Policy aims to protect the Company against the main types of risks that may affect the course and achievement of its business objectives. The Company considers, among other factors, internal and external elements and categorizes its risks according to the following guidelines:

**Strategic Risks:** Events related to decisions affecting the Company's business strategy or strategic objectives, considering internal and external environments.

**Operational Risks:** Possible losses resulting from failures, deficiencies, or inadequacies in internal processes, personnel, technological environment, or caused by external events.

**Financial Risks:** Exposure to potential financial losses, including market risks.

**Regulatory/Compliance Risks:** Risks of legal or regulatory sanctions, financial loss, or reputational damage resulting from non-compliance with laws, agreements, regulations, the Code of Ethics and Conduct, among others.

**Information Technology Risks:** Risks related to the IT environment (infrastructure, access management, information security) that may impact the Company's business, such as cyberattacks, data breaches or loss of data integrity, IT system unavailability, and technological obsolescence.

**Credit Risk:** Risk that a counterparty fails to fulfill its contractual obligations, causing financial losses to the Company. Exposure to credit risk is also influenced by individual client characteristics.

**Interest Rate and Inflation Risk:** Market risk arising from the portion of debt and financial investments linked to the Interbank Deposit Certificate (CDI), which may negatively impact financial income or expenses if unfavorable interest rate or inflation movements occur. Credit rights generated by Credit Products – Supplier, classified as assets held for sale, are short-term and therefore not subject to interest rate fluctuations.

**Exchange Rate Risks:** Market risks arising from financial instruments and operations in foreign currencies, leading to losses due to fluctuations in exchange rates that increase liabilities from loans and purchase commitments in foreign currencies or reduce assets from receivables in foreign currencies. Additionally, some subsidiaries operate internationally and are exposed to currency risk from exposures in US Dollar (USD), Argentine Peso (ARS), Mexican Peso (MXN), Chilean Peso (CLP), and Colombian Peso (COP).



**(ii) Instruments used for protection:**

The Company has the following practices:

**Strategic Risks (Business):**

Strategic risks are mapped by the Internal Controls, Risks, and Compliance area based on evaluations of internal and external environments and interviews with the respective "owners" of each risk, who are responsible for jointly assessing risk factors, impact, and probability, as well as implementing action plans to mitigate risks. Improvement actions (action plans) are monitored by the Internal Controls, Risks, and Compliance area and reported to the Statutory Audit Committee and Board of Directors.

**Operational and Information Technology Risks:**

Identified and documented through mapping of critical processes by the Internal Controls, Risks, and Compliance area. After identification, impacts and probabilities are assigned to determine necessary improvement actions (action plans), which are implemented by responsible areas. These plans are monitored by Internal Controls, Risks, and Compliance and reported to governance and management bodies such as the Statutory Audit Committee and Board of Directors.

**Financial Risks:**

The Company and its subsidiaries adopt a prudent approach to mitigate credit risk related to financial institutions by diversifying exposure among multiple market institutions. Financial investments must be made in institutions with a minimum risk rating equivalent to Sovereign Risk (Brazil Risk) as assigned by Standard & Poor's, Moody's, or Fitch. For investments in funds, the required rating is "Investment Grade" as per ANBIMA. The amount allocated to each issuer, except the Federal Government and federal public securities, cannot exceed 30% of total combined balances in current accounts and financial investments, nor exceed 5% of the issuer's or investment fund's equity.

In addition to credit risk management related to cash, the Company and its subsidiaries also consider credit risk exposure in accounts receivable, influenced by individual client characteristics. To mitigate this, a structured credit policy is applied, where each new client's financial capacity is individually assessed before defining payment terms and conditions.

In the software segment, accounts receivable comprise a widely diversified client portfolio with low concentration. The Company and its subsidiaries maintain a loss provision estimate based on incurred losses, with the main component being specific and related to significant individual risks.

Specifically, for the subsidiary Supplier, credit product portfolio risk assessment is based on statistical methodologies such as Application and Behavior Scoring. Mitigating instruments include credit insurance and intervening guarantees, monitoring reports, risk committees, credit limit adjustments, portfolio monitoring, and system improvements. If necessary, potential credit losses are mitigated through issuer-backed insurance, subject to approval by the credit card committee.



Additionally, portfolio turnover is fast, with an average term of 65 days or asset sales in the short term, ensuring greater liquidity and reduced credit risk exposure.

### **Regulatory/Compliance Risks:**

The Company monitors new regulations applicable to its business and changes in the regulatory environment. After impact assessment, necessary measures are identified and the responsible areas ensure compliance with legal requirements with legal support from the Legal Department. From an anti-corruption perspective, the Company maintains an Integrity Program to prevent, detect, and remediate illicit acts and/or violations of conduct guidelines or applicable laws. The Internal Controls, Risks, and Compliance area interacts continuously with the Institutional and Government Relations area to anticipate potential regulatory impacts on the business.

### **Inflation:**

The Company understands that the impact and volatility of inflation indices, such as IGP-M and IPCA, on its operating results are mitigated by annual adjustments to maintenance and subscription contracts and periodic price table adjustments for new sales, including licensing fees, recurring subscription contract charges, and hourly rates for sold service projects. However, as noted in item 4.3, this natural hedge strategy does not address residual risk from mismatch between cost and expense inflation and inflation indices applied in maintenance and subscription contracts. Based on history, the Company believes these inflation indicators tend to converge in the medium to long term. Therefore, the Company uses revenue adjustments based on price indices as a protective instrument.

### **Interest Rate:**

The Company is exposed to interest rate risk due to its debt indexed to post-fixed rates, which may impact financial costs in rising interest rate scenarios. This exposure is mitigated by cash investments also linked to post-fixed rates and operational cash flow, contributing to net debt management and maintaining financial solidity.

Continuous monitoring of leverage through indicators, including projections, allows assessment of payment capacity and supports strategic decisions to optimize capital structure, ensuring efficient financial risk management.



## **Foreign Exchange Variation**

The Company adopts a strategic approach to managing foreign exchange risk, aiming to align its cost and expense structures with their respective revenue sources, both in the domestic market and in its international operations. To mitigate exposure to foreign exchange variation, the Company structures its operations to balance revenues and expenses in the same currency whenever possible, maintaining net exposure to foreign exchange at acceptable levels, in accordance with the guidelines and limits established by Management. In this context, it monitors the relationship between revenues and expenses denominated in U.S. dollars or sensitive to exchange rate fluctuations, enabling the adoption of strategies that reduce the impact of exchange rate volatility on its financial structure and ensure greater predictability in the management of its results.

### **(iii) Organizational Risk Management Structure**

**Board of Directors:** A deliberative body that, among other responsibilities, aims to monitor the Company's operations and periodically assess its exposure to risks, as well as to:

- Approve the Company's strategic objectives and risk management methodology;
- Approve the Risk Management, Internal Controls, and Compliance Policy;
- Establish the levels of risk appetite and tolerance proposed by Management and recommended by the Statutory Audit Committee;
- Annually approve the Priority Risk Matrix, acknowledging the corresponding management actions adopted and their outcomes, as well as the key risk indicators to be monitored;
- Approve the public disclosure documents related to the risk management model and the transparency of information provided to internal and external audiences;
- Ensure adequate resources for the effective operation of the Integrity Program and guarantee the autonomy of the Internal Controls, Risk, and Compliance area;
- Approve the annual communication and training plan prepared by the Internal Controls, Risk, and Compliance area;
- Monitor and deliberate on the recommendations of the Statutory Audit Committee regarding Risk Management results; and
- Approve the assumption of High and Critical risks.

**Statutory Audit Committee:** An advisory body to the Board of Directors, with responsibilities including:

- Evaluate the Risk Management, Internal Controls, and Compliance Policy and submit a recommendation to the Board of Directors;
- Assist Management in defining risk management guidelines and methodology, as well as in establishing risk appetite and tolerance metrics, submitting recommendations to the Board of Directors for approval;
- Assess Risk Management efforts and the development of the Priority Risk Matrix, submitting recommendations to the Board of Directors;



- Recommend to the Board of Directors the risk appetite and tolerance levels;
- Periodically monitor and supervise the results of control testing, mitigation action plans, and key risk indicators, reporting significant deviations and occurrences to the Board of Directors;
- Discuss and approve the Annual Compliance Schedule;
- Evaluate and monitor the action plans resulting from the Integrity Program audits;
- Periodically report to the Board of Directors on critical misconduct cases related to the Code of Ethics and Conduct and the Risk Management, Internal Controls, and Compliance Policy, as well as any disciplinary measures taken; and
- Make recommendations to the Board of Directors regarding the assumption of High and Critical risks.

**Vice Presidencies and Executive Boards:** Their responsibilities include:

- Conduct business practices in compliance with applicable laws, regulations, and the Internal Normative Structure;
- Support and demonstrate commitment to the Integrity Program;
- Manage the risks under their responsibility and assist in the creation of controls and mitigation actions; and
- Ensure that the Company's conduct guidelines are communicated to and understood by partners, franchisees, channels, third parties, and clients.

**Internal Controls, Risk, and Compliance Area:** Structured under an executive management reporting to the Chief Executive Officer. The structure also includes two internal controls and insurance coordinators and one risk management and compliance manager. Its main responsibilities include:

- Propose changes and submit the Risk Management, Internal Controls, and Compliance Policy for approval by the Board of Directors upon recommendation of the Statutory Audit Committee;
- Structure, implement, manage, and disseminate the risk management methodology;
- Monitor and report action plans and key risk indicators defined for risk management;
- Raise awareness among managers and other employees on the importance of risk management, internal controls, and the integrity program;
- Conduct the annual internal controls cycle as outlined in the Risk Management Policy;
- Act independently and autonomously to ensure impartiality in all its activities, and report to the Statutory Audit Committee if anything compromises its independence; and
- Report the Risk Matrix to the Executive Board, the Statutory Audit Committee, and the Board of Directors.

**Internal Audit:** Reports to the Board of Directors through the Statutory Audit Committee and is responsible for:





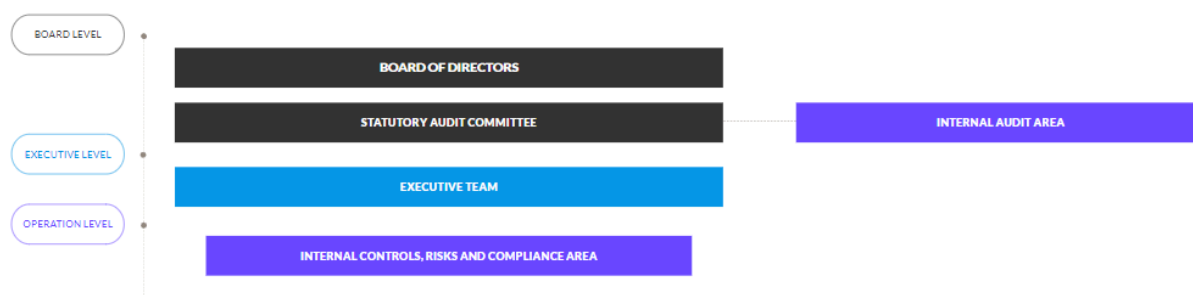
- Monitoring the internal control environment and assessing the effectiveness of risk management;
- Verifying the implementation, timeliness, and effectiveness of action plans;
- Issuing a formal opinion on the internal controls tested during the annual audit cycle;
- Acting independently and autonomously to ensure impartiality in all its activities and reporting to the Statutory Audit Committee if its independence is compromised; and
- Reporting risks and nonconformities identified during audit work to the Internal Controls, Risk, and Compliance area.

**“Risk Owners” / Operational Business Areas:** According to the Risk Management, Internal Controls, and Compliance Policy, they are responsible for:

- Continuously identifying and documenting risks under their management;
- Annually conducting the Control Self-Assessment (CSA);
- Informing the Internal Controls, Risk, and Compliance area about newly identified risks and any significant changes to their business processes;
- Implementing, monitoring, and periodically reporting key risk indicators to the Internal Controls, Risk, and Compliance area; and
- Implementing controls and action plans within their processes, ensuring their effectiveness and resulting in the reduction of risk exposure to acceptable levels.



## **Organizational Chart of the Risk Management Organizational Structure**



### **c. Adequacy of the Operational Structure and Internal Controls to Verify the Effectiveness of the Adopted Policy**

The Company has an Internal Controls structure, whose activities include mapping processes, identifying risks, updating and/or creating corresponding mitigation controls, monitoring and suggesting control improvements, and ultimately reporting inconsistencies or outdated process flow designs, standards, and procedures whose changes may impact the control environment. The internal controls structure is periodically evaluated in order to verify the effectiveness of existing controls and assess possible impacts resulting from potential changes in the Company's internal and/or external environment.

The risk management structure continuously monitors risks and their associated risk factors, in order to track the evolution of risk levels in light of the mitigation measures adopted (action plans) and ensure timely identification of any deviations or developments that could increase the Company's risk exposure or threaten business continuity. The Internal Controls, Risk, and Compliance area periodically reports the status of actions and the evolution of risk classifications to the Statutory Audit Committee and the Board of Directors. Finally, during the Company's strategic planning process, a systematic review of the risk management process is conducted to ensure proper risk mapping and prioritization in accordance with the Company's strategy.



## **5.2 Internal Controls**

### **a. Main internal control practices and the efficiency level of such controls, indicating any deficiencies and corrective measures adopted**

The Company, consistently aligned with the best market practices in internal control management, has an Internal Controls, Risk, and Compliance area, whose main responsibilities include leading and establishing guidelines for activities related to internal controls, as well as ensuring the proper functioning of the control environment. The goal is to mitigate risks in accordance with the complexity of the Company's business and ensure good governance practices, market standards, and compliance with applicable laws and regulations.

The established process aims to provide reasonable assurance regarding the reliability of accounting information and the preparation of disclosed financial statements, operational efficiency, and adherence to internal policies, rules, and procedures.

#### **Scope and role of the area:**

Internal controls contribute to risk mitigation, providing a safer and more effective environment regarding operational efficiency and the integrity of records and information, taking into account the following aspects:

- (i) The Company's strategic objectives;
- (ii) Composition and nature of accounting balances;
- (iii) Possibility of losses arising from errors and fraud;
- (iv) Complexity of transactions in the accounting records.

To achieve its objectives, the Company's internal control management is structured according to the **Three Lines Model**, as follows:

- **First Line:** Business areas, responsible for identifying and reporting risks within their operations, ensuring the achievement of their objectives, and maintaining an effective internal control structure.
- **Second Line:** Represented by the Internal Controls, Risk, and Compliance area, which uses supporting documentation provided by the first line to review the control environment. It acts in a consultative role, supporting business areas in process development and improvement, as well as implementing internal controls.
- **Third Line:** Represented by the Internal Audit area, responsible for independently analyzing and assessing the internal control environment based on the work carried out by the first and second lines. It may also perform additional tasks, as needed, and reports directly to the Company's Statutory Audit Committee.

The Internal Controls area is responsible for process mapping within the Company, updating the risk and control matrix, and performing design testing of existing controls. This aims to confirm understanding of the mapped processes and ensure proper implementation and operation of those controls.

Once these steps are completed, process owners must annually perform a control self-assessment and complete a questionnaire, indicating any newly identified risks



in their processes or activities. The area also oversees the execution of effectiveness tests carried out by an independent third-party firm.

Although the third-party firm issues an independent opinion on the results, the Internal Controls area monitors the progress and follow-up on findings to ensure that the responsible business areas implement the necessary corrective actions. The purpose of this process is to assess the correct execution and operational effectiveness of internal controls in preventing or detecting material misstatements.

Therefore, following the tests, any deficiencies identified are promptly evaluated and addressed through the creation of action plans and are reported to the Statutory Audit Committee.

Management has reviewed the results of the tests included in the report issued by the independent firm and has concluded that such deficiencies did not compromise the financial statements for the fiscal year 2024, nor the effectiveness of its internal control environment.

#### **b. Involved organizational structures**

**Board of Directors:** Responsibilities are outlined in section 5.1(iii) above, in accordance with the Risk Management, Internal Controls, and Compliance Policy.

**Governance and Nomination Committee:** Responsibilities are also described in section 5.1(iii), in line with the Risk Management, Internal Controls, and Compliance Policy.

**Statutory Audit Committee:** Advisory body to the Board of Directors whose responsibilities include, in addition to those outlined in section 5.1(iii), in accordance with the Risk Management, Internal Controls, and Compliance Policy:

Supervising and periodically monitoring the results of control testing and mitigation action plans, reporting to the Board of Directors any deviations and relevant occurrences.

**Vice Presidents and Executive Directors:** Their responsibilities are outlined in item 5.1(iii) above, in accordance with the Risk Management Policy.

**Internal Controls, Risk and Compliance Department:** This department reports to the Chief Executive Officer and, in addition to the responsibilities described in item 5.1(iii) above, in accordance with the Risk Management, Internal Controls, and Compliance Policy, has the following responsibilities:

- Monitor and suggest improvements to internal controls implemented by operational areas;
- Map processes and assist in identifying risks and developing the respective mitigation controls;
- Monitor the implementation of internal controls for risk management;
- Perform and report the results of the Control Self-Assessment and executed tests to the Statutory Audit Committee.



**Internal Audit:** Reports to the Statutory Audit Committee and, in addition to the responsibilities described in item 5.1(iii) above, in accordance with the Risk Management, Internal Controls, and Compliance Policy, has the following responsibilities:

- Monitor the internal control environment and assess the effectiveness of risk management;
- Verify the implementation of action plans, including their timeliness and effectiveness;
- Issue a formal opinion on the internal controls tested during the annual audit cycle.

**Operational Business Areas:** In accordance with the Risk Management, Internal Controls, and Compliance Policy, the responsibilities of the operational business areas include:

- Continuously identifying and documenting the risks under their management;
- Performing the annual Control Self-Assessment and providing the necessary supporting evidence;
- Notifying the Internal Controls, Risk and Compliance Department of newly identified risks or any significant changes in their business processes; and
- Implementing controls and action plans within their processes, ensuring their effectiveness in reducing the level of risk exposure to acceptable levels.

**c. Whether and how the efficiency of internal controls is monitored by the issuer's management, including the positions of those responsible for such oversight**

The process of mapping, reviewing, and testing the Company's internal controls is carried out by the Executive Management of Internal Controls, Risk and Compliance. The results of this process are analyzed by Management and reported to the Statutory Audit Committee, which periodically monitors the efficiency of internal controls, the development of action plans, and their implementation. The Board of Directors is also responsible for monitoring and deliberating on the recommendations made by the Statutory Audit Committee.

**d. Deficiencies and recommendations regarding internal controls presented in the detailed report prepared and submitted to the issuer by the independent auditor, pursuant to CVM regulations on the registration and performance of independent audit activities**

The report issued by the independent auditor did not identify any significant deficiencies in internal controls related to the financial statements. However, it is worth noting that other deficiencies and recommendations indicated in the report are subject to action plans and are being monitored by Management, as well as being reported to the Statutory Audit Committee.



**e. Comments from executive officers regarding the deficiencies identified in the detailed report prepared by the independent auditor and the corrective measures adopted**

The report issued by the independent auditor did not identify any significant deficiencies in internal controls. However, it is worth noting that the other deficiencies and recommendations indicated were addressed through action plans, are being monitored by Management, and have been reported to the Statutory Audit Committee.



### 5.3 Internal Integrity Mechanisms and Procedures Adopted by the Issuer

a. Whether the issuer has rules, policies, procedures or practices aimed at the prevention, detection, and remediation of fraud and unlawful acts committed against the public administration, and if so, identify:

i. key compliance mechanisms and procedures adopted and their adequacy to the issuer's profile and identified risks

The Company has an Compliance Program through which it establishes and adopts mechanisms and procedures aimed at preventing, detecting, and appropriately addressing acts of corruption, fraud, and any type of unlawful or unethical conduct committed against national or foreign public administrations, as well as within the private sector, considering the countries where the Company operates.

The Compliance Program is structured around five (5) interrelated pillars:

- **Integrity Culture:** Aims to strengthen and disseminate a culture aligned with the Company's ethical and integrity standards across all hierarchical levels, through the engagement and continuous support of the Company's President, Vice Presidents ("Senior Management"), and key leadership.
- **Risk Assessment:** Seeks to identify and evaluate the main risks from an anti-corruption and compliance perspective to which the Company is exposed, measure their impact, and recommend mitigating measures particularly in sensitive processes taking into account the applicable anti-corruption laws in the countries where the Company operates and the behavioral guidelines established in the Company's Code of Ethics and Conduct and other normative documents of the Integrity Program.
- **Code of Ethics and Conduct, Policies and Procedures:** Aims to establish and formalize the internal guidelines, rules, and procedures that must be followed by employees and third parties under the Integrity Program. The Code of Ethics and Conduct, Policies, Standards, and Procedures that comprise the Integrity Program form the foundational reference for implementing and/or optimizing integrity mechanisms and controls.
- **Communication and Training:** Seeks to raise awareness and facilitate employees' understanding of the guidelines, rules, and responsibilities under the Integrity Program through communication initiatives and general and specific training on the Company's ethics and conduct guidelines, as defined in the Annual Communication and Training Plan, which is reviewed and approved by the Statutory Audit Committee and the Board of Directors.
- **Detection and Remediation:** Aims to identify the occurrence of irregular, illegal, fraudulent, or any other non-compliant behavior with applicable laws, regulations, and the Company's internal rules. It also ensures the cessation of such behaviors and the application of disciplinary and/or corrective measures. The primary tool used is an (**Ethics and Conduct Channel**), managed by an independent and specialized third party, available to both internal and external audiences for receiving and handling reports.

The Compliance Program and its controls are re-evaluated annually to ensure their effectiveness. Improvements or implementation of new controls may occur at any time due to changes in regulations, processes, or the risk environment. Corporate Policies are subject to a mandatory review every three (3) years, without prejudice to





any necessary interim adjustments. For further details on the Company's risk management and methodology, refer to item 5.1 of this Reference Form.

### **Set of Mechanisms and Policies of the TOTVS Integrity Program**

**Code of Ethics and Conduct ("Code of Ethics and Conduct"):** Aims to establish conduct rules and ethical principles that guide the Company's, its controlled and subsidiary entities' whether directly or indirectly commitment to the integrity of its business and internal and external relationships. It applies to all board members, officers, employees, service providers, suppliers, and partners. The current version was approved by the Board of Directors on August 30, 2023.

**Risk Management, Internal Controls and Compliance Policy:** Aims to establish the principles, guidelines, and responsibilities to be observed in the corporate risk management, internal control, and compliance processes, as well as to promote a Risk Management culture and disseminate the Integrity Program throughout all levels of the TOTVS Group. The current version was approved by the Board of Directors on May 5, 2023.

**Policy on Commercial and Institutional Relationship with Public Entities:** Aims to define guidelines and conduct rules for the Company's interactions with public agents and entities, ensuring that employee behavior adheres to current legislation, corporate policies, and the Company's Code of Ethics and Conduct. The current version was approved by the Board of Directors on March 18, 2025.

**Policy on Contributions, Donations and Sponsorships:** Aims to define the guidelines and rules to be followed for corporate and institutional contributions, donations, and sponsorships. The current version was approved by the Board of Directors on March 16, 2022.

**Third-Party Compliance Due Diligence:** Refers to the processes and procedures aimed at identifying, evaluating, and mitigating compliance risks in the Company's relationships with suppliers, business partners, charitable institutions receiving donations, and other applicable third parties. It ensures that the Company does not conduct business with entities engaged in illegal or irregular practices under current laws, especially anti-corruption legislation, and adheres to ethical principles and internal policies.

**Registry of Commercial and Institutional Interactions with Public Entities:** A procedure for registering and monitoring face-to-face or virtual commercial and/or institutional interactions with public entities, in line with the mandatory guidelines of the Policy on Commercial and Institutional Relationship with Public Entities. The Company provides an electronic tool for employees to fully log their interactions with public agents, promoting transparency in public sector relations.

**Compliance Workshop:** A monthly virtual training session for new employees, covering ethical and integrity principles, anti-corruption topics, and an introduction to the Integrity Program, including key rules from the Code of Ethics and Conduct and the Company's Ethics and Conduct Channel.

**Code of Ethics and Conduct Training:** Mandatory e-learning training for all employees in Brazil and abroad, including franchise units, covering the full content of



**Code of Ethics and Conduct:** A minimum score of 70% on the final test is required for certification. Employees who do not use computers in their daily tasks receive training either in person or virtually. In 2024, this training achieved a 99% participation rate among employees.

**Public Entity Interaction Training:** Mandatory e-learning training for employees in areas with potential interactions with public agents. It provides guidance on appropriate conduct and procedures during such interactions, aligned with applicable laws, the Code of Ethics and Conduct, and the relevant Policy. In 2024, the training achieved 100% participation among the target audience. A new e-learning version will be launched in 2025 to update the content and format and reflect recent policy changes.

**Thematic Training:** Specific training sessions for areas exposed to particular compliance risks.

**Anti-Corruption Training for Senior Management:** In-person or virtual training conducted by an external specialized consulting firm for Board members, the CEO, Vice Presidents, Directors, and Executive Managers, covering corporate integrity, anti-corruption, legal and reputational risks, and the responsibilities of leadership regarding these topics.

**Anti-Corruption and Code of Ethics and Conduct Clauses:** Contracts with third parties include clauses requiring compliance with applicable anti-corruption laws and the Company's Code of Ethics and Conduct, along with a recommendation to adopt an integrity program if they do not already have one. Employment contracts also contain clauses mandating compliance with the Code of Ethics and Conduct.

**Franchise Agreement:** Franchisees are contractually obligated to comply with anti-corruption provisions, including Law No. 12.846/2013 (Brazilian Anti-Corruption Law) and the TOTVS Group's Code of Ethics and Conduct.

**Integrity Program Audit:** The Integrity Program is periodically audited by the Internal Audit function to evaluate the implementation of planned actions under each pillar and identify opportunities for improvement. The results are reported to the Statutory Audit Committee, and any resulting action plans are monitored by the Company's Management.

**Pro-Ethics Seal:** TOTVS was recognized with the Pro-Ethics Seal 2022–2023, an initiative by the Office of the Comptroller General of Brazil (CGU), which highlights companies with corruption, fraud, and bribery prevention programs in line with market best practices.

## **ii. Organizational structure involved in monitoring the functioning and effectiveness of internal integrity mechanisms and procedures**

As part of the Integrity Program, the main responsibilities of the governance structures and bodies involved are listed below:

### **Board of Directors:**

- Approve the Company's strategic objectives and Integrity Program;
- Approve the Risk Management, Internal Controls, and Compliance Policy;



- Monitor the actions of the Integrity Program and reinforce with the Executive Board the commitment to its implementation;
- Ensure the availability of adequate resources for the effective operation of the Integrity Program and guarantee the autonomy of the Internal Controls, Risk, and Compliance area;
- Approve the annual communication and training plan prepared by the Internal Controls, Risk, and Compliance area; and
- Monitor and decide on the recommendations of the Statutory Audit Committee regarding the outcomes of the Integrity Program.

#### **Governance and Nomination Committee:**

- Evaluate and decide on certain cases involving conflicts of interest, as defined in the Company's Code of Ethics and Conduct.

#### **Statutory Audit Committee:**

- Evaluate the Risk Management, Internal Controls, and Compliance Policy and present recommendations to the Governance and Nomination Committee for approval by the Board of Directors;
- Discuss and approve the annual compliance schedule;
- Evaluate and monitor action plans resulting from Integrity Program audits;
- Evaluate the results of the Integrity Program and present recommendations to the Board of Directors; and
- Periodically report critical cases of misconduct related to the Code of Ethics and Conduct and the Risk Management, Internal Controls, and Compliance Policy to the Board of Directors, along with any disciplinary measures taken.

#### **Ethics and Conduct Committee:**

- Assess and provide opinions on the validity and severity of reported violations of the Code of Ethics and Conduct and other conduct-related policies;
- Recommend and monitor the application of disciplinary measures; and
- Interpret the Code of Ethics and Conduct in cases of doubt.

#### **Vice Presidents and Executive Directors:**

- Conduct business practices in compliance with applicable laws, regulations, and the Company's normative structure;
- Support the implementation of and demonstrate commitment to the Integrity Program; and
- Ensure that the Company's conduct guidelines are communicated and understood by partners, franchisees, channels, third parties, and clients.

#### **Internal Controls, Risk, and Compliance Area (reporting to the CEO):**



- Propose changes to and submit the Risk Management, Internal Controls, and Compliance Policy for approval, as well as disseminate its guidelines within the Company;
- Structure, implement, manage, and disseminate the Integrity Program;
- Raise awareness among managers and employees about the importance of the Integrity Program;
- Coordinate the periodic review of the Code of Ethics and Conduct;
- Manage the Ethics and Conduct Channel and report received complaints to the Ethics and Conduct Committee, the CEO, and other applicable governance bodies;
- Conduct investigations related to complaints and report findings to the Ethics and Conduct Committee, when applicable;
- Operate independently and autonomously to ensure impartiality in all activities and report to the Statutory Audit Committee if anything interferes with its independence;
- Share with the Internal Audit team any information or facts subject to internal investigation; and
- Report the results of the Integrity Program to the Executive Board, the Statutory Audit Committee, and the Board of Directors.

#### **Legal Department:**

- Advise the Company on regulations issued by authorities and on legislative changes at the federal, state, and municipal levels;
- Report any administrative, civil, or criminal misconduct to the Executive Board and the Board of Directors; and
- Support the Internal Controls, Risk, and Compliance area in interpreting applicable anti-corruption laws.

#### **Internal Audit:**

- Conduct investigations into complaints and report the findings to the Ethics and Conduct Committee, as applicable;
- Operate independently and autonomously to ensure impartiality in all activities and report to the Statutory Audit Committee if anything interferes with its independence; and
- Report to the Internal Controls, Risk, and Compliance area any risks or non-conformities identified during audit procedures.

#### **Human Relations (HR):**

- Promote and ensure that the principles of the Integrity Program are embedded in the Company's organizational culture.

#### **Other Departments:**

All Company employees, regardless of position, have the following responsibilities within the scope of the Integrity Program:



- Comply with the Company's internal normative framework, applicable laws, and regulations;
- Report, through the Ethics and Conduct Channel, any violations or suspected violations of laws, regulations, or the Company's internal rules that they become aware of;
- Participate in mandatory training programs; and
- Provide all requested corporate information and/or documents in their possession to (i) Internal Audit, (ii) the Internal Controls, Risk, and Compliance area, or (iii) the Ethics and Conduct Committee during internal investigations.

### **iii. Code of Ethics or Conduct**

**Applicability to directors, fiscal council members, board members, employees, and third parties such as suppliers, service providers, intermediaries, and associates**

The Company has a Code of Ethics and Conduct filed with the Brazilian Securities and Exchange Commission (CVM) since 2012. The current version, approved by the Board of Directors on August 30, 2023, applies to all board members, officers, employees, service providers, suppliers, and partners.

**Sanctions applicable in the event of violations of the code or other related regulations, and the document where such sanctions are defined**

The Company has an Ethics and Conduct Committee responsible for reviewing complaints and formally determining whether a violation of the Code of Ethics and Conduct, other internal rules, or applicable legislation has occurred. If confirmed, the Committee recommends appropriate measures to the CEO, in accordance with the rules and criteria established in the Company's Consequence Management Policy. These measures may include disciplinary actions, ranging from warnings to termination for cause, as well as applicable legal actions. Based on the Committee's recommendation, the CEO makes the final decision on the matter.

**Approving body, date of approval, and public availability of the code**

The current version of the Code of Ethics and Conduct was approved by the Board of Directors on August 30, 2023. It is publicly available on the Company's Investor Relations website (<https://ri.totvs.com/>), the Ethics and Conduct Channel ([www.canalconfidencial.com.br/totvs/](http://www.canalconfidencial.com.br/totvs/)), and on the CVM website (<https://www.gov.br/cvm/pt-br>).

### **b. Whistleblowing Channel**

#### **i. Whether the whistleblowing channel is internal or outsourced**

The Company operates an Ethics and Conduct Channel managed by an independent, specialized third-party provider.

#### **ii. Whether the channel is open to third parties or limited to employees**



The Ethics and Conduct Channel is available to both employees and third parties, including suppliers, service providers, business partners, and clients. Reports can be submitted via phone at (i) 0800 721 5966 (Brazil) and (ii) +55 11 3232-0766 (other regions), Monday to Friday, from 9:00 a.m. to 5:00 p.m., or at any time through the website [www.canalconfidencial.com.br/totvs/](http://www.canalconfidencial.com.br/totvs/). Alternatively, reports may be submitted directly to the Human Relations department or the Internal Controls, Risk, and Compliance area.

### **iii. Mechanisms for anonymity and protection of good-faith whistleblowers**

The Ethics and Conduct Channel allows reports to be submitted anonymously or with identification. It guarantees the confidentiality of information and protects the identity of those who choose to identify themselves. The Company prohibits retaliation and ensures that whistleblowers acting in good faith will not suffer any harm for reporting suspected misconduct.

### **iv. Internal body responsible for investigating reports**

The Internal Audit and Internal Controls, Risk, and Compliance areas are responsible for analyzing and investigating received reports, according to their respective scopes. The Internal Controls, Risk, and Compliance area is also responsible for managing the Ethics and Conduct Channel and reporting cases to the Ethics and Conduct Committee, which determines and applies the appropriate measures. The CEO of the Company is responsible for the final decision on the measures to be applied, based on the Committee's determinations.

### **c. Number of confirmed cases in the last three fiscal years of misconduct, fraud, irregularities, or illegal acts against public administration, and corrective measures adopted**

There were no confirmed cases of misconduct, fraud, irregularities, or illegal acts committed against public administration in the fiscal years ended December 31, 2024, 2023, and 2022, nor in previous years, as identified by the Company.

### **d. If the issuer does not have rules, policies, procedures, or practices for the prevention, detection, and remediation of fraud and unlawful acts against public administration, provide reasons**

Not applicable. The Company has in place rules, policies, procedures, and practices for the prevention, detection, and remediation of fraud and unlawful acts committed against public administration.



#### **5.4 Comments on Significant Changes and Expectations**

**Inform whether, in relation to the last fiscal year, there were significant changes in the main risks to which the issuer is exposed or in the risk management policy adopted, and comment on any expectations regarding a reduction or increase in the issuer's exposure to such risks.**

The Company expects a reduction, or at least the maintenance, of the current level of exposure to the risks identified in its risk matrix, due to the mitigation actions implemented for this purpose, in accordance with the guidelines and methodologies established in its Risk Management, Internal Controls, and Compliance Policy, as described in item 5.1 of this Form.





### **5.5 Other Relevant Information**

As of December 31, 2024, the Company had 19 employees involved in internal audit, internal controls, compliance, and corporate risk management activities.



## SECTION 6 - STOCKHOLDING POSITION

### 6.1/2 – Shareholder structure

SHAREHOLDER					
SHAREHOLDER'S CPF/CNPJ	NATIONALITY - STATE	PARTICIPATES IN A SHAREHOLDERS' AGREEMENT	CONTROLLING SHAREHOLDER	LAST AMENDED ON	
SHAREHOLDER RESIDING ABROAD	NAME OF THE LEGAL REPRESENTATIVE OR PROXY OF A SHAREHOLDER RESIDING ABROAD			CPF/CNPJ OF THE LEGAL REPRESENTATIVE OR AGENT	
NUMBER OF COMMON SHARES (UNITS)	COMMON SHARES	NUMBER OF PREFERRED SHARES (UNITS)	PREFERRED SHARES	TOTAL NUMBER OF SHARES (UNITS)	TOTAL SHARES
BLACKROCK, INC					
-	United States	No	No	06/02/2022	
Yes	CITIBANK DISTRIBUIDORA DE TITULOS E VALORES MOBILIARIOS S.A.			33.868.597/0001-40	
31,632,336	5.277%	0	0.000%	31,632,336	5.277%
LAÉRCIO JOSÉ DE LUCENA COSENTINO					
032.737.678-39	Brazil	No	No	11/27/2023	
No	-			-	
1,050,306	0.175%	0	0.000%	1,050,306	0.175%
HG SENTA PUA FIA					
08.613.315/0001-16	Brazil	No	No	09/24/2021	
No	-			-	
144,800	0.024%	0	0.000%	144,800	0.024%
LC EH PARTICIPAÇÕES E EMPREENDIMENTOS S/A					
02.986.755/0001-32	Brazil	No	No	12/06/2023	
No	-			-	
50,682,639	8.456%	0	0.000%	50,682,639	8.456%
CANADA PENSION PLAN INVESTMENT BOARD					
-	Canada	No	No	09/24/2021	
Yes	TANIA SZTAMFATER CHOCOLAT			278.583.348-16	
32,754,201	5.464%	0	0.000%	32,754,201	5.464%



LAZARD ASSET MANAGEMENT LLC					
-	United States	No	No	04/17/2025	
Yes	LAZARD ASSET MANAGEMENT LLC			14.406.534/0001-27	
30,096,376	5.021%	0	0.000%	30,096,376	5.021%
OTHER					
441,217,000	73.610%	0	0.000%	441,217,000	73.610%
TREASURY SHARES					
11,823,923	1.973%	0	0.000%	11,823,923	1.973%
TOTAL					
599,401,581	100.000%	0	0.000%	599,401,581	100.000%



### 6.3 Distribution of Capital

Date of last meeting / Date of last change	April 23, 2025
Number of individual shareholders (Units)	37,684
Number of corporate shareholders (Units)	351
Number of institutional investors (Units)	1,150

### Outstanding Shares

Outstanding shares corresponding to all shares of the issuer with the exception of the shares held by the controlling shareholder, people bound to he/she/it, by the issuer's managers, and the shares held in treasury.

Number of common shares (units)	533,214,830	88.958%
Number of preferred shares (units)	0	0.000%
Total	533,214,830	88.958%

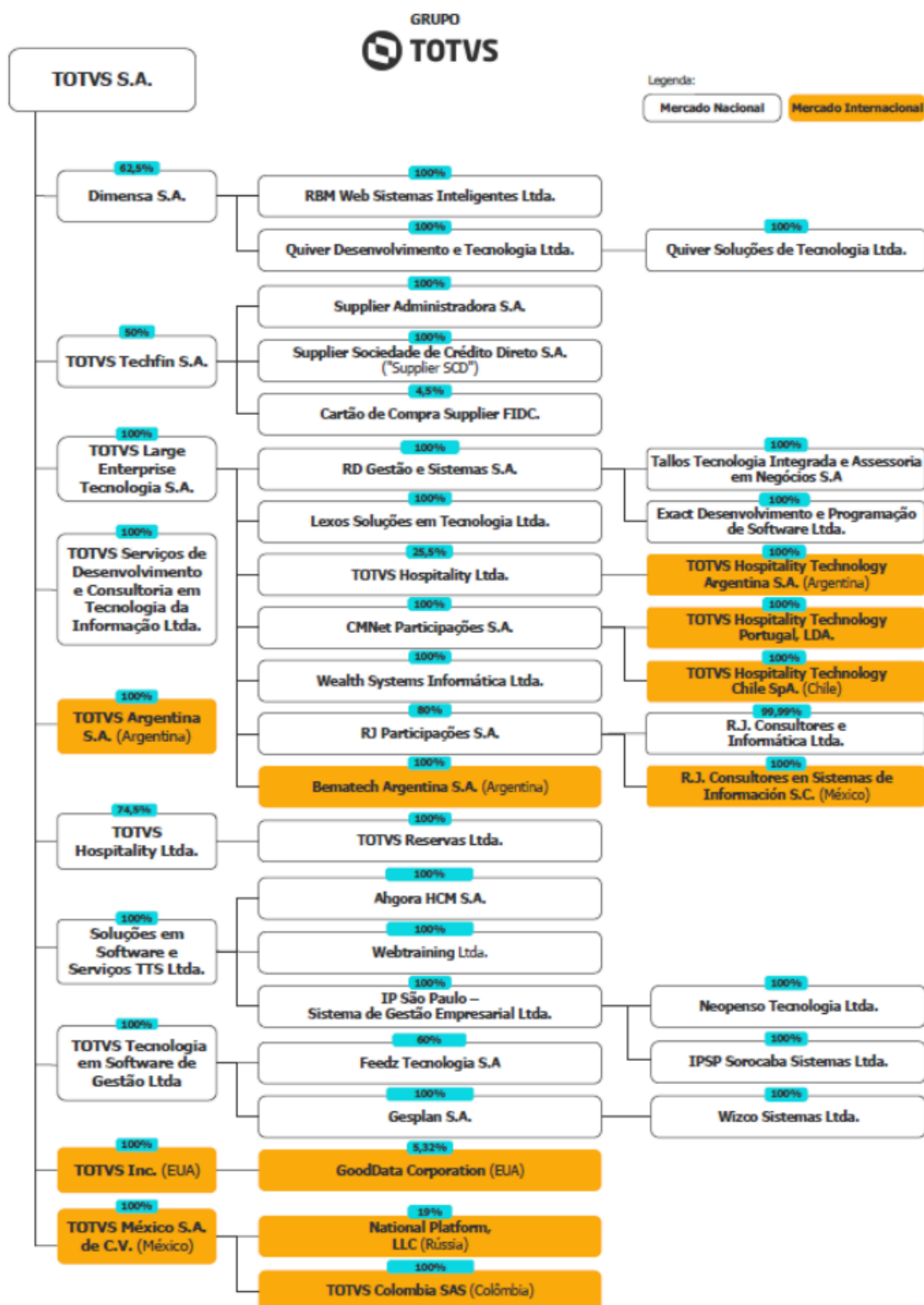


## 6.4 Interests in companies

Corporate Name	Tax Id. (CNPJ)	Issuer's Share
<b>RD Gestão e Sistemas S.A.</b> ("RD Station")	13.021.784/0001-86	100%
<b>TOTVS Large Enterprise Tecnologia S.A.</b> ("TOTVS Large")	82.373.077/0001-71	100%
<b>TOTVS Tecnologia em Software de Gestão Ltda.</b> ("TOTVS Tecnologia")	07.577.599/0001-70	100%
<b>Dimensa S.A.</b> ("Dimensa")	27.231.185/0001-00	62.5%
<b>Soluções em Software e Serviços TTS Ltda.</b> ("TTS")	07.363.764/0001-90	100%



## 6.5 Organizational Chart of Shareholders and of the Economic Group





### **6.6 Other Relevant Information**

There is no other relevant information, in addition to that presented in the items above.





## **SECTION 7 – GENERAL MEETINGS AND MANAGEMENT**

### **7.1 Main characteristics of the management bodies and the fiscal council**

#### **a. Key features of the policies for appointing and filling positions, if any, and, if any, the issuer discloses it, locations on the world wide web where the document can be consulted**

As an integral part of the nomination and appointment process for the Board of Directors, the Company has a Governance and Nomination Committee, which acts as an advisory body to the Board of Directors. Its duties are set forth in Article 25 of the Bylaws and Article 40 of the Board of Directors' Internal Rules.

On November 29, 2023, the Board of Directors approved the revision of the Nomination Policy for Members of the Board of Directors, its Advisory Committees, and the Executive Officers ("Nomination Policy"). This policy establishes the process and minimum criteria for selecting and nominating members to the Board, the Committees, and the Executive Officers of the Company.

According to the Nomination Policy, the composition of the Board of Directors must consider aspects related to diversity, including but not limited to: academic background, professional experience, cultural aspects, age group, and gender, as well as the complementarity of competencies. This approach enables the Company to benefit from a plurality of perspectives, enhancing its business strategies and aiming for a higher quality and safer decision-making process.

The nomination of Board members must align with the best interests of the Company and observe the following criteria:

- i. the roles of Chair of the Board and CEO, or the Company's principal executive officer, may not be held by the same person;
- ii. the Company's executives (executive officers and managers, except for the CEO) may not be Board members;
- iii. members must have an unblemished reputation and may not be elected, unless waived by the Shareholders' Meeting, if they: (a) hold positions in companies that may be considered competitors of the Company; or (b) have or represent a conflict of interest with the Company;
- iv. highly qualified professionals with notable and appropriate professional, technical, and academic experience compatible with the position to which they are nominated, with knowledge of best corporate governance practices and experience in areas such as finance, sustainability, technology, and information security being advisable;
- v. alignment and commitment to TOTVS Group's principles, values, and culture, as well as its Code of Ethics and Conduct (CODEC);
- vi. strategic vision and understanding of the business; and
- vii. availability of time to adequately perform the duties and responsibilities of the position.



Regarding the Executive Officers, as set forth in the Nomination Policy, it is the responsibility of the Board of Directors to select, elect, and evaluate the CEO. For this, the Board is supported by the People and Compensation Committee and the Governance and Nomination Committee, with the objective of ensuring the existence, effectiveness, and implementation of a succession plan for executive officers, which is reviewed annually by the aforementioned committees.

The CEO, after evaluation and approval by the People and Compensation Committee, must nominate candidates for the other Executive Officer positions to the Board of Directors. Candidates must have the competencies and qualifications necessary to fulfill the Company's business goals and plans.

The nomination of Executive Officers must align with the best interests of the Company and follow objective criteria that demonstrate the candidates' qualifications, including technical knowledge and professional experience, tenure in leadership roles, academic background compatible with the role, and an unblemished reputation.

Additionally, individuals who are 62 years of age or older at the time of election may not be appointed CEO, and those who are 60 years or older may not be appointed to other Executive Officer positions. No Executive Officer positions may be reserved for direct nomination by shareholders.

The Company's Bylaws, Board of Directors' Internal Rules, and Nomination Policy are available on the Company's Investor Relations website ([ri.totvs.com/esg/estatuto-politicas-e-regimento/](http://ri.totvs.com/esg/estatuto-politicas-e-regimento/)) and on the CVM's website.

**b. Whether there are performance evaluation mechanisms, informing, if so:**

- the frequency of evaluations and their scope
- methodology adopted and the main criteria used in the evaluations
- whether external consultancy or advisory services have been contracted

There are established performance evaluation mechanisms for the Board of Directors, its Advisory Committees, and the Executive Officers, in addition to performance analysis at the Company level.

According to the Internal Rules of the Board of Directors and its Committees, as revised and approved in the Board meeting held on March 18, 2025:

a) The Board of Directors must establish mechanisms to evaluate the performance of the Board and its Committees as collegiate bodies, the Chair of the Board, each Board member individually, and the Corporate Governance Secretariat;



b) The Chair of the Board, with support from the Corporate Governance Secretariat and based on the Governance and Nomination Committee's recommendations, is responsible for leading a structured and formal evaluation process of the Board and its Committees as collegiate bodies, the Chair, the Board members individually, and the Corporate Governance Secretariat. The evaluation results are disclosed to all Board members;

c) The Governance and Nomination Committee is responsible for supporting the Chair in organizing a formal and periodic performance evaluation process for the Board and its Committees, the Chair, the Board members, and the Corporate Governance Secretariat, to be conducted annually;

d) The People and Compensation Committee is responsible for monitoring the annual evaluation process of the Company's executive officers, based on defined performance targets, both financial and non-financial (including ESG criteria), aligned with the Company's values and ethical principles, and recommending its approval by the Board.

The Board of Directors may choose to conduct the evaluation internally or hire a specialized consulting firm. In either case, the process is led by the Chair of the Board with support from the Corporate Governance Secretariat and in accordance with the guidelines defined by the Governance and Nomination Committee.

In 2024, the evaluation was conducted internally using a digital questionnaire completed via a specific application. Topics included strategy, overall Board dynamics, performance of the Committees, Corporate Governance Secretariat, and the Chair, in addition to self and peer evaluations. Results were presented and discussed in the December 16, 2024 Board meeting, following one-on-one feedback sessions between the Chair and each Board member.

In 2023, the Board hired LFG Assessoria em Gestão Empresarial to conduct the evaluation, including questionnaires and individual interviews. The consultant presented the evaluation report to the Governance and Nomination Committee on November 23, 2023, and to the Board on November 29, 2023. Afterward, the Chair held individual feedback sessions and defined actions for improving Board operations to be implemented in 2024.

Additionally, the Statutory Audit Committee conducts an annual self-assessment as a collegiate body and of its members, and evaluates the work of Internal Audit and the Independent Auditor. This process, defined in the Committee's Internal Rules (approved on November 4, 2021), is conducted internally by its Coordinator with support from the Corporate Governance Secretariat using a digital questionnaire. The 2025 results were discussed in the March 14 meeting and reported to the Board on March 18, 2025.

The Executive Officers are evaluated based on individual goals and Company performance, reviewed semiannually by the People and Compensation Committee and approved by the Board. Behavioral aspects are also considered, such as decision-making, professionalism, interpersonal relationships, and alignment with the Company's values.



Since 2019, the Corporate Governance Secretariat has maintained a development program for Board and Committee members called “Knowledge Trail.” This initiative promotes deeper understanding of the Company’s business and strategic themes. In addition, Board members have access to “TOTVS University,” the Company’s corporate university, with curated development courses.

### **c. Rules for identification and management of conflicts of interest**

As established in the Bylaws, Board members must not access information or participate in meetings regarding matters in which they have or represent a conflict of interest with the Company.

According to the Board and Committee Internal Rules, if a conflict of interest or personal interest in a matter arises, the Board member must promptly inform the others. If a member with a potential conflict does not disclose it, any other Board member aware of the situation may do so. Failure to disclose a confirmed conflict will be considered a violation of the Rules.

Once identified, the conflicted individual must withdraw from discussions and deliberations and will be restricted from accessing any related documents. They must also temporarily leave the meeting while the matter is addressed but may, before leaving, provide information and clarify any doubts.

Additionally, under the Company’s Related Party Transactions Policy, any individual with a potential or actual conflict must immediately declare themselves as impeded and refrain from participating in discussions, assessments, negotiations, or approvals of the matter.

Such declarations must be recorded in the minutes of the meeting or in the Board’s resolution. The Board’s competence does not override that of the Shareholders’ Meeting as established by law.

### **e. If any, specific goals that the issuer has regarding gender, color, or race diversity or other attributes among the members of its management bodies and its fiscal council**

The Board of Directors, alongside the relevant Committees, continuously monitors the Company’s diversity and inclusion strategy.

In 2024, the People and Compensation Committee received updates during its eight meetings on diversity indicators for underrepresented groups, including women, people with disabilities, and racial/ethnic matters.

The Governance and Nomination Committee oversees the Board Competency Matrix (see item 7.8) to ensure the Company benefits from diverse perspectives in strategic



planning and decision-making, with inclusion of varied knowledge, cultural backgrounds, age, gender, and ethnicity.

#### **f. Role of management bodies in the assessment, management ,and supervision of climate-related risks and opportunities**

TOTVS recognizes that business resilience and long-term value generation are directly linked to the understanding and management of climate-related risks and opportunities. The Company is advancing in integrating sustainability criteria into its risk governance, reinforcing strategic approaches to mitigate impacts and capture climate-related opportunities.

Key ESG-related risks currently mapped include regulatory issues and reputational impacts.

In light of the growing importance of the topic, TOTVS is expanding its risk matrix to structurally incorporate sustainability and climate dimensions. This initiative aims to align governance practices with market best practices, allowing for more precise monitoring and robust strategic planning to address the challenges and opportunities of transitioning to a more sustainable economy.

The Company's governance bodies play a central role in ensuring climate risks are assessed from an integrated perspective and aligned with corporate strategy. The full risk matrix is subject to Board of Directors' approval, while specific Sustainability topics are also validated by the Governance and Nomination Committee (CGI).

The expanded matrix will enable a broader view of climate change impacts—from compliance with new regulations to effects on technology infrastructure and the value chain—reinforcing TOTVS' commitment to business longevity, sustainable innovation, and delivering solutions aligned with market evolution and stakeholder expectations.



## 7.1.D Description of the main characteristics of the management bodies and the board Supervisor

Total number of members, grouped by self-identified gender identity:

Managing area	Women	Men	Non-binary	Other	Prefer not to answer
Board of Executive Officers	1	6	0	0	0
Board of Directors - Sitting members	3	4	0	0	0
Board of Directors - Deputy members	N/A	N/A	N/A	N/A	N/A
Fiscal Council - Sitting members	N/A	N/A	N/A	N/A	N/A
Fiscal Council - Deputy members	N/A	N/A	N/A	N/A	N/A

Total number of members, grouped by self-identified color or race:

Managing area	Yellow	White	Black	Non-white (Mixed)	Indigenous	Other	Prefer not to answer
Board of Executive Officers	0	5	0	0	0	0	2
Board of Directors - Sitting members	0	7	0	0	0	0	0
Board of Directors - Deputy members	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiscal Council - Sitting members	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiscal Council - Deputy members	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Total number of members, grouped by self-identified disability status

Managing area	Person with a disability	Person without a disability	Prefer not to answer
Board of Executive Officers	0	7	0
Board of Directors - Sitting members	0	7	0
Board of Directors - Deputy members	N/A	N/A	N/A
Fiscal Council - Sitting members	N/A	N/A	N/A
Fiscal Council - Deputy members	N/A	N/A	N/A



## **7.2 Information related to the board of directors**

### **a. Órgãos e comitês permanentes que se reportem ao conselho de administração Comitê de Auditoria Estatutário**

#### **Statutory Audit Committee**

The Audit Committee has been included in the Company's Bylaws since April 5, 2018, as approved at the Extraordinary Shareholders' Meeting held on that date. On November 4, 2021, the Board of Directors approved the Internal Rules of the Statutory Audit Committee ("CAE") and its respective installation, in accordance with CVM Resolution No. 23/2021. The Internal Rules are filed at the Company's headquarters and are available on the Company's Investor Relations website, as well as on the CVM and B3 websites.

The Statutory Audit Committee is a permanent statutory and collegiate body directly linked to the Board of Directors, with the purpose of advising the Board in monitoring and controlling the quality of the financial statements and information, risk management, internal controls, and the analysis of related-party transactions. The specific duties, composition, and operating procedures of the CAE are detailed in its Internal Rules.

#### **People and Compensation Committee**

In accordance with Article 22 of the Company's Bylaws, the Company has a People and Compensation Committee ("CGR"), which advises the Board of Directors on matters related to compensation, benefits, and payments that may be granted to the Executive Officers and Board members of the Company. The CGR also addresses the Company's social practices as part of the ESG agenda, including work models, diversity and inclusion, workforce qualification, and professional education.

The responsibilities, duties, composition, and operating procedures of the CGR are set forth in the Internal Rules of the Board of Directors and its Advisory Committees, as revised and approved at the Board meeting held on March 18, 2025. This document is filed at the Company's headquarters and is available on the Company's Investor Relations website, as well as on the CVM and B3 websites, in accordance with the provisions of the Bylaws and applicable legislation in force.

#### **Strategy Committee**

The Company has a Strategy Committee ("CE"), which is not provided for in the Bylaws. Its duties, responsibilities, composition, and operating procedures are defined in the Internal Rules of the Board of Directors and its Advisory Committees, as revised and approved at the Board meeting held on March 18, 2025. The CE serves as an advisory body on matters related to the development, definition, and planning of the Company's strategy, including strategic guidelines involving environmental, social, and governance (ESG) aspects, mergers and acquisitions, and the Company's budget allocation.





### **Governance and Nomination Committee**

Pursuant to Article 24 of the Company's Bylaws, the Company has a Governance and Nomination Committee ("CGI"), whose responsibilities and duties are described in the Internal Rules of the Board of Directors and its Advisory Committees. The latest revision of these rules was approved at the Board meeting held on March 18, 2025, and the document is filed at the Company's headquarters and available on the Investor Relations website, as well as on the CVM and B3 websites. The CGI is responsible for monitoring the implementation of best corporate governance practices, selecting and nominating candidates for the Board and its Committees, assessing their independence, and supporting the organization of the Board's performance evaluation process.

#### **b. How the board of directors assesses the work of the independent auditors, pointing out whether the issuer has a policy for hiring extra-auditing services with the independent auditor and, if the issuer discloses the policy, please provide the links on the world wide web where the document can be read**

For information on how the Company's Board of Directors assesses the work of the independent auditors, please refer to section 9.3 of this Reference Form.

The Company has a Policy for Contracting and Relationship with the Independent Auditor, with the latest version approved by the Board of Directors on August 1, 2024. This policy establishes guidelines for the engagement of services and the relationship with the Independent Audit Firm. The current version of the policy is available on the Company's Investor Relations website and on the CVM's website.

As part of its annual self-assessment process, the Statutory Audit Committee conducts an evaluation of the Independent Auditor's activities. The results of this evaluation are submitted to the Board of Directors.

#### **c. If any, report channels available for critical issues related to ESG and compliance issues and practices to come to the attention of the board of directors**

The Company has a direct reporting channel, called the Ethics and Conduct Channel, through which any individual can report, anonymously or not, as they prefer, any situation that may represent a violation of TOTVS' Code of Ethics and Conduct, as well as any other acts that violate or may violate applicable laws and/or regulations, especially regarding compliance matters, including within the scope of Sustainability practices. The channel can be accessed by phone:

- 0800 721 5966 (Brazil)
- +55 11 3232 0766 (other locations) -Available Monday to Friday, from 9 a.m. to 5 p.m.
- Or online: <https://www.canalconfidencial.com.br/totvs/>.



### 7.3 - Composition of Board of Directors, Executive Officers and Fiscal Council, and members' professional background

#### EXECUTIVE OFFICERS

Name	Date of birth	Administrative body	Elected on	Term of office	Date of 1st termD
CPF [Tax Id.] #	Profession	Elective position held	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions performed in the Company					
Alexandre Haddad Apendino	Dec. 8, 1979	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	Mar. 16, 2017
292.459.418-92	Business Administrator	Vice President Officer / Superintendent	Apr. 23, 2025	No	N/A
Mr. Alexandre Haddad Apendino is Vice President of Customer Service and Relationship					
Dennis Herszkowicz	Nov. 6, 1974	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	Nov. 26, 2018
165.783.068-38	Advertising Executive	10 - Chief Executive Officer (CEO)	Apr. 23, 2025	No	N/A
Mr. Dennis Herszkowicz is Member of the Strategy Committee					
Gilsomar Maia Sebastião	Dec. 6, 1975	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	Apr. 23, 2009
174.189.288-07	Bachelor of Accounting Sciences	12 - Investor Relations Officer	Apr. 23, 2025	No	N/A
Mr. Gilsomar Maia Sebastião is Administrative and Financial Vice President and Investor Relations Officer					
Gustavo Avelar	Oct. 19, 1983	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	Nov. 06, 2023
057.922.966-18	Production Engineer	11 - Vice President Officer	Apr. 23, 2025	No	N/A



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Name	Date of birth	Administrative body	Elected on	Term of office	Date of 1st termD
CPF [Tax Id.] #	Profession	Elective position held	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions performed in the Company					
		/ Superintendent			
Mr. Gustavo Avelar is Vice President of RD Station Business Unit					
Gustavo Dutra Bastos	Mar. 19, 1976	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	May 06,2008
026.942.416-46	Business Administrator	11 - Vice President Officer / Superintendent	Apr. 23, 2025	No	N/A
Mr. Gustavo Dutra Bastos is Vice President of Platforms					
Marcelo Eduardo Sant'anna Cosentino	Jan. 6, 1983	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	Jan. 27, 2011
306.743.308-46	Business Administrator	11 - Vice President Officer / Superintendent	Apr. 23, 2025	No	N/A
Mr. Marcelo Eduardo Sant'Anna Cosentino is Vice President of Business for the Segments					
Vivian Broge	Apr. 4, 1976	He is a part of the Board of Executive Officers only	Feb. 7, 2025	2 years	Oct. 09, 2023
273.141.918-08	Social Communication	11 - Vice President Officer / Superintendent	Apr. 23, 2025	No	N/A
Ms. Vivian Broge is Vice President of Human Relations and Marketing					



**Professional background / Statement of any convictions**

**Alexandre Haddad Apendino - 292.459.418-92**

Over the past 5 years, Mr. Apendino served as the Company's Executive Director of Customer Service and Relationship, having joined the Company in 2013 as a sales and channel manager for the fluig offering, and later assuming the commercial areas of *Cloud* and *Analytics* (GoodData). Previously, he developed his career at SAP and Oracle, and has more than 18 years of experience in the Sales and Channel Management field, always focusing on small and medium-sized companies (SMB). Mr. Apendino graduated in Business Administration from Universidade Presbiteriana Mackenzie in 2001, holds an Executive MBA and Corporate MBA from INSPER and specialization in "Effective Sales Management" from Wharton University (USA). In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Furthermore, such management member is not considered to be a politically exposed person.

**Dennis Herszkowicz - 165.783.068-38**

Mr. Dennis Herszkowicz was, between 2003 and 2018, partner and Statutory Director of Linx SA, who held several Vice President positions, besides having been a Member of the Board of Directors from 2011 to 2014. Between 2012 and 2017, he was *Chief Financial Officer* and Investor Relations Officer, being responsible for the IPO in 2013 and the follow-on in 2016, besides conducting 20 acquisitions in the period. Between 2017 and 2018 he was Executive Vice President of New Markets, a Business Unit focused on *FinTech*. Prior to Linx, he was General Director of DeRemate.com in Brazil, founder and CEO of Gibraltar.com, besides stints at Unilever and Credicard S.A. Graduated in Advertising and Marketing from ESPM and currently sits, as an independent member, on the Board of Directors of Grupo Equatorial. In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Furthermore, such management member is not considered to be a politically exposed person.

**Gilsomar Maia Sebastião - 174.189.288-07**

In the last 5 years, Mr. Gilsomar Maia Sebastião served as Vice President, Director of Planning, Director of Corporate Finance, Director of Investor Relations and Director of Mergers and Acquisitions at the Company and served as Vice President of Human Relations during the period from June to October 2023. Previously, he was the Company's Process and Risk Manager, between 2006 and 2007. He is currently Financial Vice President and Investor Relations Director. He had a career at Ernst & Young Auditores Independentes as an audit manager, where he worked on external audit projects between 1996 and 2004. He graduated in Accounting Sciences from Mackenzie University in 2000 and has an MBA in Capital Markets from FIECAFI. In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Furthermore, such management member is not considered to be a politically exposed person.

**Gustavo Avelar - 057.922.966-18**

Gustavo Avelar has more than 15 years of professional experience, with a career marked by entrepreneurship and working as an executive in large companies. He started his career at Accenture, in the Strategy area, and worked at companies such as Cnova (casasbahia.com, Pontofrio.com and extra.com) and Linx. He was partner and CEO of Neemu (acquired by Linx), 1M2 (sold in a combined operation with Tok&Stok and a local real state player) and Domus Digital, where he worked on the Tok&Stok project leading the e-commerce, Performance Marketing and



### Professional background / Statement of any convictions

Technology. He has experience in forming and leading product and technology teams, retail and digital commerce performance projects. He has a degree in Production Engineering from the Federal University of Minas Gerais.

#### **Gustavo Dutra Bastos - 026.942.416-46**

Mr. Bastos is currently the Company's Vice President of Platforms and IT. With over 30 years of experience in the software and associated services market, he has been with the Company since 1998. He has previously been responsible for pre-sales, offers, projects, and software services. In 2013, he played an important role in structuring the Technical Service and Quality areas. Between 2013 and 2016, he led the Construction & Projects and Educational segments, later assuming leadership of all business segments. Since 2018, his role has been to lead Company initiatives related to Technology, Engineering, Support, Cloud, Integrations, Cybersecurity, Analytics, and Artificial Intelligence, as well as certain product lines such as ERP, HR Solutions, and Collaboration. The team under his leadership consists of more than 3,200 TOTVERS.

In the past 5 years, such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil), the Central Bank of Brazil, or the Superintendence of Private Insurance in administrative proceedings; (iii) any final and unappealable judgment, whether in court or at the administrative level, which has suspended or disqualified him from practicing any professional or business activity. Furthermore, such Management member is not considered to be a politically exposed person.

#### **Marcelo Eduardo Sant'anna Cosentino - 306.743.308-46**

Mr. Cosentino joined the Company in 2001 and has worked in various areas, such as information technology, product development, alliances, new businesses, corporate planning and development of the Company's products. For three years, he was responsible for the Company's international expansion, participating in the main M&A processes carried out over the years. He currently serves as Vice President of Business for Segments. He graduated in business administration from the Pontifical Catholic University (PUC-SP) in 2005 and holds an MBA from the Kellogg School of Management (USA). In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Furthermore, such management member is not considered to be a politically exposed person.

#### **Vivian Broge - 273.141.918-08**

Ms. Vivian Broge is currently the Vice President of Human Relations and Marketing at TOTVS since October 2023, she has more than 20 years of experience in Human Resources, Partnerships and Alliances (M&A), Commercial Innovation (Projects) and Relationship Marketing. She worked at Iguatemi as Human Resources and ESG Director from 2018 to 2023. She was HR Director at Danone Early Life Nutrition in Brazil and Executive Director of People and Culture at ISS Facility Service in Brazil. Between 2007 and 2014 she worked at Natura Cosméticos and previously developed her career in companies such as Grupo IBOPE, Atento and BCP Telecomunicações. She has a degree in Social Communication from FAAP, a postgraduate degree in Marketing Administration from the same institution and an MBA in People Development and Management from FGV. In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Furthermore, such management member is not considered to be a politically exposed person.



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Name	Date of birth	Management area	Date of election	Term of office	Date of 1st term
CPF [Tax Id.]	Profession	Elective position held	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions held in the issuer		Description of another position/function			
Independent member					
ANA CLAUDIA PIEDADE SILVEIRA DOS REIS	Nov. 10, 1971	She will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	Oct. 7, 2022
855.720.046-34	Consultant	Board of Directors Independent (Sitting member)	Apr. 23, 2024	No	N/A
Coordinator of the People and Compensation Committee		N/A			
Yes, she is deemed as an Independent Director according to the criteria set forth in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					
EDSON GEORGES NASSAR	Jun. 25, 1967	He will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	Apr. 23, 2024
114.581.988-55	Business Administrator	Board of Directors Independent (Sitting member)	Apr. 23, 2024	No	N/A
Coordinator of the Governance and Nomination Committee and Member of the People and Compensation Committee		N/A			
Yes, he is deemed as an Independent Director according to the criteria set forth in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					



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**Version: 1**



Name	Date of birth	Management area	Date of election	Term of office	Date of 1st term
CPF [Tax Id.]	Profession	Elective position held	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions held in the issuer		Description of another position/function			
Independent member					
GILBERTO MIFANO	Nov. 11, 1949	He will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	Apr. 20, 2017
566.164.738-72	Business Administrator	Board of Directors Independent (Sitting member)	Apr. 23, 2024	No	N/A
Coordinator of the Statutory Audit Committee, and Member of the Governance and Nomination Committee		N/A			
Yes, he is deemed as an Independent Director according to the criteria determined in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					
GUILHERME STOCCO FILHO	July 1, 1974	He will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	Apr. 5, 2018
176.649.438-25	Business Administrator	Board of Directors Independent (Sitting member)	Apr. 23, 2024	No	N/A
Member of the Strategy Committee		N/A			
Yes, he is deemed as an Independent Director according to the criteria determined in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					





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Name	Date of birth	Management area	Date of election	Term of office	Date of 1st term
CPF [Tax Id.]	Profession	Elective position held	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions held in the issuer		Description of another position/function			
Independent member					
LAÉRCIO JOSÉ DE LUCENA COSENTINO	Aug. 11, 1960	He will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	Nov. 26, 2018
032.737.678-39	Electrical Engineer	Chairman of the Board of Directors	Apr. 23, 2024	No	N/A
Member of the People and Compensation Committee, Member of the Governance and Nomination Committee and Member of the Strategy Committee		N/A			
He is not deemed as an Independent Director according to the criteria set forth in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					
MARIA LETÍCIA DE FREITAS COSTA	Mar 27, 1960	She will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	May. 04, 2018
050.932.788-58	Production Engineer	Vice-Chairman of the Board of Directors Independent	Apr. 23, 2024	No	N/A
Coordinator of the Strategy Committee		N/A			
Yes, she is deemed as an Independent Director according to the criteria determined in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					



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Name	Date of birth	Management area	Date of election	Term of office	Date of 1st term
CPF [Tax Id.]	Profession	Elective position held	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions held in the issuer		Description of another position/function			
Independent member					
TANIA SZTAMFATER CHOCOLAT	January 17, 1977	She will belong to the Board of Directors only	Apr. 23, 2024	2026 AGM	Apr. 19, 2022
278.583.348-16	Production Engineer	Board of Directors Independent (Sitting member)	Apr. 23, 2024	No	N/A
Member of the Statutory Audit Committee		N/A			
Yes, she is deemed as an Independent Director according to the criteria determined in the 'Novo Mercado' Regulation of B3 S.A. - Brasil, Bolsa, Balcão and adopted by TOTVS' Bylaws.					



**Professional background / Statement of any convictions**

**ANA CLAUDIA PIEDADE SILVEIRA DOS REIS - 855.720.046-34**

Ms. Ana Claudia Piedade Silveira dos Reis has a degree in computer science from the Pontifical Catholic University of Minas Gerais and a master's degree in information science from the Federal University of Minas Gerais. With more than fifteen years of experience in executive recruitment for the Technology, Media, Telecommunications, Services, E-Commerce, Private Equity, Venture Capital, Startups, Education and Real Estate sectors, she is a senior partner at Kingsley Gate Partners and responsible for company's operation in Brazil. At TOTVS S.A., she is an Independent Advisor and Coordinator of the People and Remuneration Committee. Additionally, she adds to the Company her solid experience in management and technology consultancy, working on issues related to attraction, recruitment, retention and management of people, having even advised the Company in the succession process that resulted in the hiring of the current CEO. Main Contributions to the Company: Executive Career in Public and/or Large Companies; Experience in the Technology Sector; Entrepreneurship; Human Capital and Culture Strategy; Diversity and Inclusion.

In the past 5 years, such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Said administrator is not considered a politically exposed person. Yes, he is characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

**EDSON GEORGES NASSAR - 114.581.988-55**

Mr. Edson has more than 41 years of experience in the financial segment of renowned national and multinational organizations, as CEO of banks, technology companies, President of an insurance brokerage and director in various positions. A graduate of IBGC, he has experience as a member of boards and governance committees. Global and integrated strategic view of the business, product portfolio, insurance, marketing, sales and operations, digital banks, as well as their impacts and metrics on the business and its results. He is currently a member of the Board of Directors of Banrisul Icatu Participações S.A. ("BIPAR"), Independent Consultant of Cresol Confederação, alternate member of the Fiscal Council of IRB-Brasil Resseguros S.A., member of the Advisory Council of Lighthouse Soluções em Informática Ltda and Advisor to Nassar & Nassar Consultoria Empresarial strategies. As an executive, he was Chief Executive Officer at Fiserv do Brasil Instituição de Paço, Chief Executive Officer at Banco Triângulo S.A., Executive Director of Products and Business and Chief Executive Officer at Banco Cooperativo Sicredi S.A., President of *Corretora de Seguros* and Executive Superintendent of Products and Retail Services at Citigroup - Global Consumer Bank, and Relationship Manager and Sales Manager at Banco Nacional S.A. Main Contributions to the Company: Experience on Boards; Executive Career in Public and/or Large Companies; Experience in the technology sector; Institutional Performance and Engagement; Entrepreneurship; Finance and/or Corporate Accounting; Risk management; Corporate governance; BAD; Disruptive Business Model; Human Capital and Culture Strategy; Diversity and Inclusion; Information Technology; Sales and Distribution.

In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty in CVM (Securities and Exchange Commission) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has **suspended or** disqualified him from practicing any professional or business activity. Such management member is not considered to be a politically exposed person. Yes, he is characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

**GILBERTO MIFANO - 566.164.738-72**

Mr. Gilberto Mifano has a degree in Administration from the São Paulo Business Administration School of Fundação Getúlio Vargas (1972). Currently, at TOTVS S.A., in addition to being an Independent Director, he is Coordinator of the Statutory Audit Committee and member of the Governance and Nomination Committee. Mr. Gilberto is an Independent Director and Coordinator of the Audit, Risk Management and Finance Committee of Natura & Co. Holding S.A., Independent Director and Coordinator of the Audit Committee of Construtora Pacaembu S.A., Advisory Director of Pragma Gestão de Patrimônio Ltda. and Fiscal Councilor of the Arapyaú Institute of Education



### Professional background / Statement of any convictions

and Sustainable Development. For the last 5 years, he was an Independent Board Member of Cielo S/A until 04/2022, of Ambar S/A. until 2017, Fiscal Councilor of Instituto Natura until 2017, of CIEB - Innovation Center for Brazilian Education until 2023 and Independent Member of the Sustainability and Governance Committee of Banco Santander Brasil S/A until 2016. Previously, he was: CEO of the Stock Exchange Securities of São Paulo (BOVESPA) and Companhia Brasileira de Liquidação e Custódia (CBLC), between 1994 and 2008, Chairman of the Board of Directors of BM&F BOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros (BVMF) from 2008 to 2009, and Advisor, Vice-President and President (pro-bono) of the Brazilian Institute of Corporate Governance (IBGC), between 2006 and 2012. At the international level, he was a member and Vice-President of the Executive Committees of the World Federation of Stock Exchanges (WFE) and the Ibero-American Federation of Stock Exchanges (FIAB), between 1999 and 2007. Main Contributions to the Company: Experience on Boards; Executive Career in Public and/or Large Companies; Institutional Performance and Engagement, Finance and/or Corporate Accounting; Risk management; Corporate governance; BAD; Human Capital and Culture Strategy; Cybersecurity and Capital Markets.

In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified him from practicing any professional or business activity. Such management member is not considered to be a politically exposed person. Yes, he is characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

#### **GUILHERME STOCO FILHO - 176.649.438-25**

Mr. Guilherme Stocco Filho has extensive experience in creating digital businesses and business transformation with more than 20 years of experience. Responsible for successful projects in Digital Banking (Banco Original), Mobile and E-commerce (Buscapé), Internet Platforms (Microsoft) and Advertising (TeRespondo). He is currently a member of the Board of Directors and Strategy Committee of TOTVS S.A., the Board of Directors of Vinci Partners, the Board of Directors of Falconi Consultoria and Co-founder of Futurum Capital. He was an Advisory Advisor at B3 S.A. - Brasil, Bolsa, Balcão, Grupo Carrefour Brasil, **Hapvida and Cielo S.A. Speaker on Trends and Innovation**, with more than 120 lectures in Brazil, LATAM, Canada, the United States, Denmark and the United Kingdom. Graduated in Business Administration from Fundação Armando Alvares Penteado - FAAP in 1997, with an MBA in Management from Insper in 2010; postgraduate degree in Marketing Management from FAAP in 2007 and Marketing certificate from Berkeley, University of California, in 1996. Main Contributions to the Company: Experience on Boards, Executive Career in Public and/or Large Companies; Experience in the Technology Sector; Entrepreneurship; BAD; Disruptive Business Models; Cybersecurity; Information Technology; Sales and Distribution. In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified him from practicing any professional or business activity. Such management member is not considered to be a politically exposed person. Yes, he is characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

#### **LAÉRCIO JOSÉ DE LUCENA COSENTINO - 032.737.678-39**

Mr. Laércio José de Lucena Cosentino is the founder and president of the Board of Directors of TOTVS and member of the Strategy Committee, Governance and Nomination Committee and People and Remuneration Committee, the largest technology company in Brazil. Graduated in Electrical Engineering from the Polytechnic School of the University of São Paulo (USP), his career and history were consolidated in the IT sector, especially with the founding of TOTVS in 1983. The company is the absolute leader in Brazil and present in 41 countries. Laércio Cosentino is President of the Board of Directors of the Brazilian Association of Information and Communication Technology Companies (Brasscom), president of the Board of Mendelics, advisor to the A.C. Camargo Cancer Center, among other activities. Main Contributions to the Company: Experience on Boards; Executive Career in Public and/or Large Companies; Reference businessman in the technology sector and in Brazil; Institutional Performance and Engagement; Entrepreneurship; Corporate governance; BAD; Disruptive Business Model; Human Capital and Culture Strategy; Cybersecurity; Diversity and Inclusion; Capital market; Information Technology; Sales and Distribution.

In the past 5 years, such Management member has not been subject to (i) any criminal conviction; (ii) any conviction



**Professional background / Statement of any convictions**

or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified him from practicing any professional or business activity. Such management member is not considered to be a politically exposed person. He is not characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

**MARIA LETÍCIA DE FREITAS COSTA - 050.932.788-58**

Ms. Maria Letícia de Freitas Costa has a degree in production engineering from the Polytechnic School of the University of São Paulo and an MBA from the Samuel Curtis Johnson School of Management at Cornell University. Currently, she is an Independent Advisor and Coordinator of the Strategy Committee at TOTVS S.A., a partner at SLP Consultoria e Estrutura Ltda., an independent Advisor, Coordinator of the Audit, Risks and Compliance Committee at Localiza S.A., an independent Advisor at Mapfre S.A., an independent Advisor at Auren Energia S.A, and Independent Advisor and Coordinator of the Audit Committee of Mobly S.A. From 2001 to 2010, Ms. Letícia served as President of the operations of Booz Allen Hamilton (now Strategy&). She also served as an Advisor to Embraer, Sadia, Gafisa, Technip, and Marcopolo, in addition to being a Board Committee Member at Votorantim Industrial, Votorantim Metais, CBA and Bematech. Main Contributions to the Company: Experience on Boards; Executive Career in Public and/or Large Companies; Experience in the Technology Sector; Entrepreneurship; Finance and/or Corporate Accounting; Risk management; BAD; Disruptive Business Models; Information Technology; Sales and Distribution.

In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Said administrator is not considered a politically exposed person. Yes, he is characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

**TANIA SZTAMFATER CHOCOLAT - 278.583.348-16**

Ms. Tania Sztamfater Chocolat has a degree in Production Engineering from the Polytechnic School of the University of São Paulo. She is currently Senior Director, responsible for the Active Equities area for Latin America and Head of the São Paulo Office at Canada Pension Plan Investment, where she has worked since 2017. At TOTVS S.A., she is an Independent Advisor and member of the Statutory Audit Committee. She is also an independent member of the Board of Directors and a member of the People and Sustainability Committee of Equatorial Energia, since April 2019. Tania is also a member of the board of LAVCA-Association for Private Capital Investment in Latin America. Previously, Tania was responsible for managing illiquid investments at Raiz Investimentos in 2016, and for investments in Private Equity in Brazil by Capital Group, between 2013 and 2016. She was an alternate member of the Board of Directors of STP (Sem Parar). Between 2004 and 2013, she worked in the Investment Banking, Private Banking and Equity Research areas of Banco Unibanco S.A. and Itaú Unibanco S.A. She was Head of the Solution Partners area at Itaú Private Bank, Senior Director at Itaú BBA, Director, Head and Senior Analyst at consumer and retail sector of the Equity Research area of Banco Unibanco S.A, having also worked in the Investment Banking area of Banco JP Morgan, between 1999 and 2002. Main Contributions to the Company: Experience on Boards; Executive Career in Public and/or Large Companies; Finance and/or Corporate Accounting; Risk management; Corporate governance; BAD; Cybersecurity; Capital market.

In the past 5 years such Management member has not been subject to (i) any criminal conviction; (ii) any conviction or application of any penalty by CVM (Securities and Exchange Commission of Brazil) administrative proceedings; (iii) any final and unappealable judgment, whether in court judicial or at administrative level, which has suspended or disqualified her from practicing any professional or business activity. Said administrator is not considered a politically exposed person. Yes, he is characterized as an Independent Director according to the criteria defined in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão and adopted by the Bylaws of TOTVS.

**Professional background / Statement of any convictions**

**Ricardo Grosvenor Breakwell - 273.621.938-40**

Ricardo Breakwell is an administrator and accountant, graduated in business administration from the Pontifical



**Professional background / Statement of any convictions**

Catholic University of São Paulo and in accounting sciences from Universidade Paulista, with an MBA in Finance from Fundação Getúlio Vargas. He has proven experience in finance, controlling, accounting and auditing in medium and large companies, having worked for 16 years at Deloitte Touche Tohmatsu, leading External Audit, Due Diligence and M&A projects, also including IPO processes and renegotiation of debts, was Financial Director at Cielo S.A. between 2010 and 2023, and responsible for the areas of treasury, accounting, tax, financial planning, economic management, credit and revenue guarantee. Since 2023, he has served as Chief Accounting Officer at dLocal Payment, a Uruguayan company listed on Nasdaq and active in the international payments segment and operating in more than 40 countries, being responsible for the areas of accounting, tax and business assurance. He has expertise in financial planning, budget management and economic scenario analysis. At TOTVS S.A. he holds the position of Independent External Member and Financial Specialist of the Statutory Audit Committee.

Note: The professional background of the Board of Directors and Audit Committee members team members are provided for in section 7.3 above.





Gilberto Mifano	Audit Committee	Committee President	Business Administrator	Apr. 23, 2024	2026 AGM	Nov. 4, 2011
566.164.738-72	Statutory Audit Committee adherent to CVM Instruction n° 23/21	Coordinator of the Statutory Audit Committee	Nov. 11, 1949	Apr. 23, 2024	No	N/A
Member of the Board of Directors, Coordinator of the Audit Committee, and Member of the Governance and Nomination Committee						





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Name	Committee type	Office held	Profession	Elected on	Term office	of	Date of 1st term
CPF [Tax Id.] #	Audit type	Description other positions held	Date of birth	Invested with office on:	He elected the controller	was by	Conviction Type
Other positions and functions performed in the Company							
Guilherme Stocco Filho	Other Committees	Member of the Committee (Sitting member)	Business Administrator	Apr. 23, 2024	2026 AGM		Apr. 28, 2017
176.649.438-25	-	Member of Strategy Committee	July 1, 1974	Apr. 23, 2024	No		N/A
Member of the Board of Directors and the Strategy Committee							
Laércio José de Lucena Cosentino	Other Committees	Committee Member (Sitting member)	Electrical Engineer	Apr. 23, 2024	2026 AGM		Apr. 28, 2016
032.737.678-39	-	Member of Strategy Committee	Aug. 11, 1960	Apr. 23, 2024	No		N/A
Chairman of the Board of Directors, Member of People and Compensation Committee, of the Strategy Committee and of the Governance and Nomination Committee.							
Ricardo Grosvenor Breakwell	Audit Committee	Member of the Committee (Sitting member)	Accounting Sciences	Apr. 23, 2024	2026 AGM		Apr. 23, 2024
273.621.938-40	Statutory Audit Committee adherent to CVM Instruction n° 23/21	External member of the Statutory Audit Committee	May 16, 1973	Apr. 23, 2024	No		N/A
-							
Maria Letícia de Freitas Costa	Other Committees	Committee President	Production Engineer	Apr. 23, 2024	2026 AGM		Mar. 16, 2017



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Name	Committee type	Office held	Profession	Elected on	Term office of	Date of 1st term
CPF [Tax Id.] #	Audit type	Description other positions held	Date of birth	Invested with office on:	He was elected by the controller	Conviction Type
Other positions and functions performed in the Company						
050.932.788-58	-	Coordinator of the Strategy Committee	Mar. 27, 1960	Apr. 23, 2024	No	N/A
Vice President of the Board of Directors and Coordinator of the Strategy Committee						
Tania Sztamfater Chocolat	Audit Committee	Member of the Committee (Sitting member)	Production Engineer	Apr. 23, 2024	2026 AGM	Apr. 20, 2022
278.583.348-16	Statutory Audit Committee adherent to CVM Instruction n° 23/21	Member of the Audit Committee	Jan. 17, 1977	Apr. 23, 2024	No	N/A
Member of the Board of Directors and Member of the Audit Committee						



**7.5 Existence of a marital relationship, common-law marriage, or kinship up to the 2<sup>nd</sup> degree related to the issuer's administrators, subsidiaries, and controlling companies**

Name	CPF [Tax Id.]	Corporate name of the issuer, subsidiary, or controlling company	CNPJ (Tax ID)	Type of kinship or relationship with the administrator of the issuer or subsidiary
Position				
<b><u>Management member of the issuer or subsidiary</u></b> <b>Marcelo Eduardo Sant’Anna</b> Cosentino Vice President of Business for Segments	306.743.308-46	TOTVS S.A.	53.113.791/0001-22	Son or daughter (1 <sup>st</sup> degree by consanguinity)
<b><u>Related person</u></b> <b>Laércio José de Lucena Cosentino</b> Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the Strategy Committee, and Member of the People and Compensation Committee.	032.737.678-39	TOTVS S.A.	53.113.791/0001-22	
<b>Note:</b> There is no marital relationship, common-law marriage, or kinship up to the second degree between the other Directors and (a) the other members of the Company's Management; (b) the managers of subsidiaries, direct or indirect, of the Company; (c) the direct or indirect controlling shareholders of the Company or its direct or indirect subsidiaries; or (d) the managers of the Company's direct and indirect parent companies.				



## 7.6. Subordination, Service Provision or Control Relationships between Administrators and Subsidiaries, Controllers and Others

Identification	CPF/CNPJ	Kind of relationship of the Management member with the related person	Kind of related person
<b>Position</b>			
<b>Fiscal year ended Dec. 31, 2023</b>			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> VIP IV EMPREENDIMENTOS E PARTICIPAÇÕES LTDA	07.951.381/0001-33		
Shareholder	N/A	Brazilian citizen - Brazil	
<b>Note</b> Property Lease Agreement, with TOTVS S.A. as lessor, and such related party as lessee			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Client
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> INSTITUTO DA OPORTUNIDADE SOCIAL	02.449.283/0001-89		
Management member holding shares in the company	N/A	Brazilian citizen - Brazil	
<b>Note</b> Management member holding shares in the company			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> BRAZILIAN ASSOCIATION OF INFORMATION AND COMMUNICATION TECHNOLOGY COMPANIES (BRASSCOM)	06.244.855/0001-44		
Member of the Deliberative Council	N/A	Brazilian citizen - Brazil	
<b>Note</b> Annual membership contribution			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian - Brazil	53.113.791/0001-22
<b>Related Person</b> GHT4 EMPREENDIMENTOS, SERVICES E PARTICIPAÇÕES S.A	43.317.413/0001-07		
Company controlled by a person related to the Management member	N/A	Brazilian - Brazil	
<b>Note</b> Company controlled by a person related to the Management member			



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<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Client
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related person</b> INSTITUTO DA OPORTUNIDADE SOCIAL	02.449.283/0001-89		
Management member holding shares in the company	N/A	Brazilian citizen - Brazil	
<b>Note</b> Management member holding shares in the company			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> BRAZILIAN ASSOCIATION OF INFORMATION AND COMMUNICATION TECHNOLOGY COMPANIES (BRASSCOM)	06.244.855/0001-44		
Member of the Deliberative Council	N/A	Brazilian citizen - Brazil	
<b>Note</b> Annual membership contribution			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> GHT4 EMPREENDIMENTOS, SERVIÇOS E PARTICIPAÇÕES S.A.	43.317.413/0001-07		
Company controlled by a person related to the Management member	N/A	Brazilian citizen - Brazil	
<b>Note</b> Company controlled by a person related to the administrator			



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Identification	CPF/CNPJ (tax id.)	Kind of relationship of the Management member with the related person	Kind of related person
<b>Position</b>			
<b>Fiscal year as of Dec. 31, 2021</b>			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> VIP IV EMPREENDIMENTOS E PARTICIPAÇÕES LTDA	07.951.381/0001-33		
Shareholder	N/A	Brazilian citizen - Brazil	
<b>Note</b> Property Lease Agreement, with TOTVS S.A. as lessor, and such related party as lessee			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Client
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> INOVALLI ADMINISTRAÇÃO DE OBRAS, ENGENHARIA E EMPREENDIMENTOS IMOBILIÁRIOS LTDA.	05.127.830/0001-06		
Company controlled by a person related to the Management member	N/A	Brazilian citizen - Brazil	
<b>Note</b> Company controlled by a person related to the Management member			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Client
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> INSTITUTO DA OPORTUNIDADE SOCIAL	02.449.283/0001-89		
Management member holding shares in the company	N/A	Brazilian citizen - Brazil	
<b>Note</b> Management member holding shares in the company			
<b>Issuer's Management member</b> LAÉRCIO JOSÉ DE LUCENA COSENTINO	032.737.678-39	Control	Supplier
Chairman of the Board of Directors, Member of the Governance and Nomination Committee, Member of the People and Compensation Committee, and Member of the Strategy Committee	N/A	Brazilian citizen - Brazil	53.113.791/0001-22
<b>Related Person</b> BRAZILIAN ASSOCIATION OF INFORMATION AND COMMUNICATION TECHNOLOGY COMPANIES (BRASSCOM)	06.244.855/0001-44		
Member of the Deliberative Council	N/A	Brazilian citizen - Brazil	
<b>Note</b> Annual membership contribution			

<sup>(2)</sup> The variable compensation comprises bonus + share-based compensation



## **7.7 Agreements, including insurance policies, for payment or reimbursement of expenses paid by management members**

Without prejudice to the validity of the arbitration clause, requests for urgent measures by the parties to the Judiciary, when applicable, shall comply with the provisions of the Arbitration Rules of the Market Arbitration Chamber. The Company and its subsidiaries maintain a Directors and Officers (D&O) Liability Insurance policy (world-class standard), which provides for the payment or reimbursement of expenses incurred by management members, arising from indemnification for damages caused to third parties or to the Company.

The current policy, number 23.10.0022910.28 (insurance plan registered with SUSEP under numbers 15414.900831/2017-45 and 15414.901145/2017-91), was contracted with CHUBB SEGUROS BRASIL S.A., is in force from July 1, 2024, to July 1, 2025, and has a maximum indemnity limit of BRL 200,000,000.00 (two hundred million Brazilian reais).

Although covered by the D&O policy issued in Brazil, the executive officers and directors of operations in Mexico, Argentina, and the United States of America are also covered by local policies issued in each country, each with a coverage limit of USD 1,000,000.00 (one million US dollars), to expedite the reimbursement of expenses resulting from potential claims.

Article 54 of the Company's Bylaws provides for the possibility of entering into an indemnity agreement with its Executive Officers and external members of Advisory Committees, without prejudice to the contracting of specific D&O policies to cover management risks. The conditions and limitations of such agreements are governed by the Indemnity Policy of the Company, approved by the Board of Directors on December 22, 2021, and amended on February 7, 2025. For further information, the Indemnity Policy is available for consultation on the Company's Investor Relations website (<https://ri.totvs.com/esg/estatuto-politicas-e-regimento/>) and on the CVM website (<https://www.gov.br/cvm/pt-br>).





## 7.8 Other Relevant Information

### CORPORATE GOVERNANCE GUIDED BY BEST MARKET PRACTICES

TOTVS has long been recognized in the technology sector and the capital markets for its robust Corporate Governance practices and its continuous commitment to developing the industry and contributing to the country's growth.

Since its IPO in 2006, TOTVS has stood out as a pioneer and reference in its sector. It was the first IT company in Latin America and the first Brazilian software company to go public. Being listed on the Novo Mercado of B3, the highest standard of corporate governance for public companies in Brazil, is unequivocal proof of its commitment to best corporate governance practices. This demonstrates the Company's responsibility and consideration towards society and its shareholders.

Over the years, TOTVS has achieved significant milestones in its trajectory. From its inclusion in the Ibovespa in 2020 to its current presence in the IBrX-50, IGPTW B3, and iDIVERSA B3 indices, the Company has reaffirmed its pioneering spirit by being part of the most important stock and ESG indexes in the Brazilian market. These milestones not only reflect business success but also acknowledge the Company's strategic execution, operational excellence, and leadership in governance.

TOTVS follows the guidelines of the Code of Best Corporate Governance Practices issued by the Brazilian Institute of Corporate Governance (IBGC), as well as the rules of B3's Novo Mercado.

Among the practices that stand out and should be emphasized are:



- Our **Code of Ethics and Conduct** is strictly followed by 100% of TOTVERS and management members;
- We provide an **Ethics and Conduct Channel** operated by an external and independent entity;
- **Statutory Audit Committee (CAE)**, composed of 100% independent members;
- **Internal Controls, Risks, and Compliance** structure reporting directly to the CEO;
- We have an **independent Internal Audit area** reporting to the Board of Directors (CA) through the Statutory Audit Committee;
- **Risk management methodology aligned with the international guidelines of COSO ERM** (Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management Framework) and the guidelines of **ISO 31,000 Standard**;
- We have a structured **Compliance Program** with periodic reporting to the CAE and the Board (CA);
- Structured **due diligence process of third parties, active suppliers, and philanthropic entities**;
- **Annual sustainability report based on GRI and IIRC** and aligned with the major trends, with ESG data and indicators submitted to independent assurance by external auditors;



### **Robust policy framework and normative documents**

TOTVS' governance is grounded in a solid framework of normative documents, including its Bylaws, Code of Ethics and Conduct (CODEC), corporate policies, internal regulations, and procedures. These documents are essential to ensure management excellence, transparency, and efficiency in decision-making. All Corporate Policies are reviewed and recommended by the Statutory Audit Committee and subsequently approved by the Board of Directors, with a minimum triennial review cycle to ensure ongoing relevance and effectiveness.

The documents are publicly disclosed through the Investor Relations website (<https://ri.totvs.com/esg/estatuto-politicas-e-regimento/>) and on the CVM website, when applicable. The list of current Organizational Policies includes:

- Code of Ethics and Conduct
- Policy on Hiring and Relationship with Independent Auditors
- Policy on Contributions, Donations, and Sponsorships
- Diversity and Inclusion Policy
- Disclosure and Securities Trading Policy
- Policy on the Preparation and Publication of Normative Documents
- Risk Management, Internal Controls, and Compliance Policy
- Treasury, Credit, and Collection Management Policy
- Legal Disputes Management Policy
- Indemnity Policy
- Nomination Policy
- Data Protection and Privacy Policy
- Human Relations and Compensation Policy
- Policy on Institutional and Commercial Relations with Public Entities
- Information Security Policy
- Sustainability and ESG Policy
- Related Party Transactions Policy

These normative documents set forth the Company's business guidelines and clarify the governance bodies and responsible areas, along with their respective roles and responsibilities.



## **Ethics and Integrity**

Ethics and integrity are non-negotiable principles for TOTVS and guide its relationships with clients, business partners, suppliers, investors, government agencies, and other stakeholders.

The Company's commitment to integrity is rooted in its values and is supported by a structured Integrity Program, aligned with its Risk Management, Internal Controls, and Compliance architecture, and the corporate governance guidelines. The Program promotes ethics, transparency, and anti-corruption practices, following a methodology based on five interconnected pillars: (i) Culture of Integrity; (ii) Risk Assessment; (iii) Code of Ethics and Conduct, Policies, and Procedures; (iv) Communication and Training; and (v) Detection and Remediation.

### **TOTVS WINS THE PRO-ETHICS COMPANY SEAL**

TOTVS has been awarded with the highly regarded "Pro-Ethics Company 2022-2023" seal by the Office of the Comptroller General of the Union (CGU). This seal is awarded to private companies that have proven their dedication to preventing, detecting, and addressing acts of corruption, fraud, and bribery, meeting the highest standards in the industry. The endorsement from this fully independent agency validates the importance and effectiveness of the Company's Compliance Program across all its pillars. This recognition also serves as a public affirmation to the market and all stakeholders that TOTVS considers ethics as a non-negotiable value, deeply ingrained in our culture and fundamental to all our practices.

The Integrity Program is periodically audited—internally or externally—allowing independent evaluation of each pillar and improvements as needed. Combating corruption is a central goal of the Program, with regular reports presented to the Statutory Audit Committee and the Board of Directors.

The Code of Ethics and Conduct, revised in August 2023, outlines expected and prohibited behaviors and is mandatory for all Board members, Executive Officers, employees, service providers, suppliers, and business partners. The same ethical standards are expected of third parties interacting with the Company.

TOTVS maintains strict policies to ensure lawful and ethical relationships with public entities. In line with Law 12,846/13 (Brazil's Anti-Corruption Law) and other applicable regulations, TOTVS has adopted mechanisms including:

- Mandatory e-learning training on the Policy for Institutional and Commercial Relations with Public Entities;
- In-person/virtual anti-corruption training for the Board, VPs, and Directors, provided by specialized external firms;



- Mandatory registration of meetings with public officials, requiring participation of at least two employees or one employee plus an authorized intermediary or representative of a relevant industry association;
- Prohibition of financial contributions, payments, or donations to public agents;
- Participation in public commitments such as the UN Global Compact, the Business Pact for Integrity and Against Corruption, and the Ethos Institute's Integrity Working Group.

### Annual and Extraordinary General Meeting

The Company discloses below information regarding the meetings held in the last 3 (three) fiscal years and in the current fiscal year:

Evento	Principais Matérias	Data	Convocação	Quórum
2025 Annual and Extraordinary Meeting	(i) receive the accounts from management members, and examine, discuss, and vote on the Company's financial statements for the fiscal year ended on December 31, 2024;  (ii) resolve on the capital budget for the purposes of Article 196 of Law No. 6,404/76 ("Brazilian Corporation Law");  (iii) resolve on the allocation of net income for the fiscal year and on the distribution of dividends;  (iv) determine the annual global compensation of the members of the Board of Directors and the Executive Officers for fiscal year 2025;  (v) approve the new Stock-Based Compensation Plan;  (vi) amend the Company's Bylaws.	April 23, 2025	Established on 1 <sup>st</sup> call	AGM 82,27%  EGM 82,19%



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2024 Annual General Meetings	<p>(i) review the Company's accounts as submitted by its management members, and also examine, discuss, and vote on the Company's financial statements for the fiscal year ended on December 31, 2023;</p> <p>(ii) approve the capital budgeting as set forth in article 196 of Brazilian Law No. 6,404/76 (the Brazilian Corporations Act);</p> <p>(iii) resolve on the allocation of net income for such fiscal year and the distribution of dividends;</p> <p>(iv) determine the number of effective members who will compose the Board of Directors for the 2024-2026 term of office, in compliance with paragraph 2 of article 16 of the Company's Bylaws;</p> <p>(v) elect the members of the Board of Directors; and</p> <p>(vi) determine the annual global compensation of the members of both the Board of Directors and the Board of Executive Officers for the fiscal year 2024.</p>	April 23, 2024	Established on 1 <sup>st</sup> call	AGM 73,54%
2023 Annual and Extraordinary Meeting	<p>(i) To review the accounts submitted by the management, examine, discuss, and vote on the Company's financial statements for the fiscal year ended December 31, 2022;</p> <p>(ii) To resolve on the capital budgeting pursuant to Article 196 of Law No. 6.404/76 ("Brazilian Corporations Act");</p> <p>(iii) To resolve on the allocation of net income for the year and on the distribution of dividends;</p> <p>(iv) To set the annual global compensation for the members of the Board of Directors and the Executive Board of Officers for the year 2023;</p> <p>(v) To resolve on the election of a member of the Company's Board of Directors who was appointed by the Board of Directors at a meeting held on October 7, 2022 upon the resignation of a Director, pursuant to article 150 of the Brazilian Corporations Act, in order to fulfill the term of office currently in progress to end at the 2024 Annual General Meeting.</p>	April 19, 2023	Established on 1 <sup>st</sup> call	AGM 80,54%  EGM 80,27%



2022 Annual and Extraordinary Meeting	(i) receive the accounts from management members, and to examine, discuss, and vote on the Company's financial statements for the fiscal year ended on December 31, 2021;  (ii) resolve on the capital budgeting as set forth in article 196 of Law No. 6,404/76;  (iii) resolve on the allocation of net income for the fiscal year and on the distribution of dividends;  (iv) approve the number of members to compose the Board of Directors, in compliance with paragraph 3 of article 16 of the Company's Bylaws;  (v) elect the members of the Board of Directors; and  (vi) determine the annual global compensation of the members of the Board of Directors and the Board of Executive Officers for fiscal year 2022;  (vii) restate the Company's Bylaws.	April 19, 2022	Established on 1 <sup>st</sup> call	AGM 71,82%  EGM 73,51%
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### **Complementing section 7.1**

The Company has implemented a structured onboarding process for new members of the Board of Directors and its Advisory Committees, aiming to ensure that they are able to perform their duties properly and effectively. This process provides access to key information regarding the organizational structure, the Company's market positioning, strategic vision, and main strategic projects. The current integration plan includes meetings with the Company's key executives, preferably held prior to the new member's first participation in a Board or Committee meeting, ensuring a solid foundation for the performance of their role. As established in the Charter of the Board of Directors and its Advisory Committees, it is the responsibility of the Chairman of the Board, in conjunction with the Chief Executive Officer and with the support of the Corporate Governance Secretariat, to organize and coordinate an integration and training program for new members.

Moreover, the Company clarifies that all employees have participated in training on the Code of Ethics and Conduct. Additionally, the Board of Executive Officers is required to attend this training on an annual basis.

For more information on the assessment process of the Board of Directors, Executive Officers, and members of these bodies, please refer to section 7.1 (b) of this Reference Form.



## Complementing sections 7.3 and 7.4

### GOVERNANCE STRUCTURE

The Board of Directors is the highest decision-making body at TOTVS, responsible for formulating and overseeing the implementation of the Company's overall business strategies and policies, including long-term strategy. Among its responsibilities are the election and oversight of the management of the Company's Executive Officers and the hiring of independent auditors, in accordance with applicable corporate law.

As provided for in Article 16 of TOTVS' Bylaws, the Board of Directors must consist of a minimum of five (5) and a maximum of seven (7) members, elected at the Annual Shareholders' Meeting for unified terms of two fiscal years, with each fiscal year defined as the period between two Annual Shareholders' Meetings. Members may be reelected and dismissed at any time by decision of the shareholders. In compliance with Novo Mercado regulations, at least 20% of the members must be Independent Directors. Currently, 86% of the Board of Directors at TOTVS is composed of Independent Directors, totaling six out of seven members.

TOTVS' Board of Directors is supported by four (4) Advisory Committees: the Statutory Audit Committee, the People and Compensation Committee, the Governance and Nomination Committee, and the Strategy Committee—the first three being statutory committees.

### Advisory Committees

The Advisory Committees operate independently in an advisory capacity and do not have decision-making authority. The Statutory Audit Committee has its own budget, approved by the Board of Directors, to fund its activities. The other committees are also granted dedicated budgets when necessary. The term of office for committee members is aligned with the Board's term and members may be reelected. Each Advisory Committee is coordinated by a designated chairperson and governed by an internal charter approved by the Board of Directors.

ROLES OF MEMBERS IN THE BOARD OF DIRECTORS AND ITS ADVISORY COMMITTEES <sup>(1)</sup>					
MEMBER NAME	BOARD OF DIRECTORS (CA)	STATUTORY AUDIT COMMITTEE (CAE) <sup>(2)</sup>	STRATEGY COMMITTEE (CE)	PEOPLE AND COMPENSATION COMMITTEE (CGR)	GOVERNANCE AND NOMINATION COMMITTEE (CGI)
Laércio José de Lucena Cosentino	●		●	●	●
Maria Letícia de Freitas Costa	●		●		
Edson Georges Nassar	●	●		●	●
Ana Claudia Reis	●			●	
Gilberto Mifano	●	●			●
Guilherme Stocco Filho	●		●		
Tania Sztamfater Chocolat	●	●			
Ricardo Grosvenor Breakwell <sup>(3)</sup>		●			

Caption: ● Chairman of the Board of Directors / ● Vice-Chairman of the Board of Directors / ● Committee Coordinator / ● Committee Member/ ● External member of the Audit Committee

(1) As per the structure approved at the 2024 Annual General Meeting held on April 23, 2024.

(2) The Audit Committee includes an external member who participates in the Committee but is not part of the Board of Directors.

(3) Mr. Ricardo Breakwell is a financial expert and external member of the Audit Committee, having been appointed by the Board of Directors on April 23, 2024.





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The Committees are responsible for analyzing topics within their scope and preparing recommendations for the Board. All supporting materials, including the Committees' recommendations, are made available on the Company's Corporate Governance Portal. If needed, Directors may request additional information through the Corporate Governance Secretariat. The Committees' recommendations and opinions are issued by a majority of their members. Below we highlight the main topics followed and deliberated within the scope of the Committees and the Board of Directors.

TOPIC MATRIX MONITORED BY TOTVS' COMMITTEES				
TOPICS	STATUTORY AUDIT COMMITTEE (CAE)	STRATEGY COMMITTEE (CE)	PEOPLE AND COMPENSATION COMMITTEE (CGR)	GOVERNANCE AND APPOINTMENT COMMITTEE (CGI)
Assessment, monitoring, and suitability of transactions with related parties	✗			
Approval of Accounts, Capital Budgeting, Allocation of Profit	✗			
Performance assessment of the Board and Advisory Committees				✗
Financial Statements	✗			
Diversity & Inclusion			✗	
Human Capital Strategy			✗	
ESG Strategy		↻		✗
M&A Strategy		✗		
Risk Management, Internal Controls, and Compliance	✗			
Management of the Ethics and Conduct Channel, and Compliance Program	✗			
Carbon Inventory <sup>(1)</sup>	✗			✗
Long-term business planning and strategy		✗		
Executive Succession Plan			↻	✗
Personal Data Protection and Privacy	✗			
Executive Compensation, Targets, and Equity Compensation Plans			✗	
Information Security	✗			
Technology and Innovation		✗		

✗ it monitors and oversees the work carried out by the operation, examines and recommends the decision-making agendas to be approved by the Board of Directors

↻ it defines the guidelines and strategy of the topic in the organization

<sup>(1)</sup> The Carbon Inventory subject in the document is revised by the CGI, while the CAE is specifically responsible for content related to risk management.



## Profile of the Board of Directors

According to Article 16 of TOTVS' Bylaws, the Board of Directors must be composed of no fewer than five (5) and no more than seven (7) members—a structure considered appropriate by the Company's Management, as it enables the agility and flexibility needed for strategic decision-making in a dynamic and globally competitive business environment.

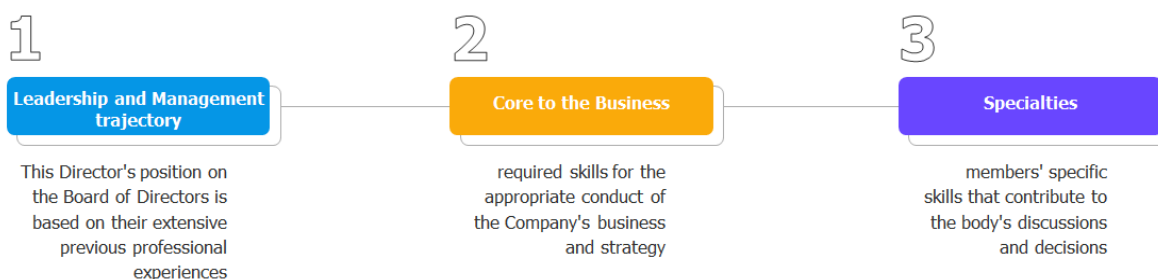
Currently, TOTVS has a diverse team of seven (7) members, all Brazilian nationals, of whom 86% are independent and 43% are women. The average tenure on the Board is six years, which demonstrates a strong level of engagement and commitment to the development of the sector, the country, and the long-term sustainability of our business.

The members are highly qualified and experienced professionals with deep expertise in their respective fields, including Information Technology, Corporate Governance, Entrepreneurship, Management, and Business Strategy. Over the course of their careers, they have held leadership roles in various strategic sectors of the economy and served in associations and institutions of national relevance. These competencies are key to guiding the Company, which is committed to a strong culture of operational excellence, transparency, efficiency, ethical conduct, compliance, and ESG principles.

Currently, 86% of the Board members are independent. In terms of diversity, 43% are women, and the average tenure on the TOTVS Board of Directors is six years.

## Key Experiences and Skills

The competency matrix below summarizes the main skills, competencies, and qualifications of the members of the Board of Directors and Advisory Committees, considering their relevance to the Company's business and current strategy. The attributes mapped and defined in this matrix are organized into three pillars:





## **SECTION 8 – PROPOSAL FOR THE MANAGEMENT MEMBERS' COMPENSATION**

### **8.1. Description of the Management Compensation Policy or Practice, including the Non-Statutory Board of Executive Officers, and the Committees**

**a. objectives of the compensation policy or practice, informing if the compensation policy was formally approved, the body responsible for its approval, the date of approval and, if the issuer disclosed the policy, locations on the world wide web where the document can be read**

The Company has a Human Relations and Compensation Policy, approved on May 5<sup>th</sup>, 2023 by the Board of Directors. The Policy sets out the guidelines and responsibilities for TOTVS' people management process throughout all stages of its People Management Cycle: Attraction, Development, and Engagement. It aligns with the values of Culture (#SOMOSTOTVERS) and adheres to the meritocracy concept of "ARCO" (Attitude, Result, and Consequence) in our actions. This encompasses compensation models that are in line with the Company's strategic goals and risk management, ensuring that practices and metrics that promote improper behavior and undermine the long-term viability of the business are not implemented. The compensation models are designed to offer appropriate and competitive incentives to executives based on the Company's long-term performance. These models adhere to market practices and international standards, aiming to attract and retain professionals while aligning the interests of executives and shareholders in the medium and long term.

The Human Relations and Compensation Policy is available on TOTVS' Investor Relations website (<https://ri.totvs.com/en/esg/bylaws-policies-and-charters/>) and on the CVM website

(<https://www.rad.cvm.gov.br/ENET/frmConsultaExternaCVM.aspx> - portuguese only).

**b. practices and procedures adopted by the board of directors to determine the individual compensation of the board of directors and the board of executive officers, pointing out:**

**(i) the issuer's departments and committees that take part in the decision-making process, detailing how they take part in it**

The participation of the Company's departments in the compensation definition process is established in the Brazilian Corporations Act, as well as in the Company's Bylaws and in the Human Relations and Compensation Policy, both available on TOTVS' Investor Relations website (<https://ri.totvs.com/en/esg/bylaws-policies-and-charters/>) and on CVM's website (<https://www.rad.cvm.gov.br/ENET/frmConsultaExternaCVM.aspx> - portuguese only).



**GENERAL MEETING:** upon recommendation of the Board of Directors, it approves the overall compensation of the members of the Board of Directors, the Statutory Executive Officers, and the members of the Fiscal Council (if established).

**BOARD OF DIRECTORS:** after considering the opinion of the People and Compensation Committee, it is responsible for distributing among the Statutory Executive Officers, individually, a portion of the overall annual compensation of the Management members determined by the General Meeting.

**PEOPLE AND COMPENSATION COMMITTEE:** department that advises the Board of Directors with advisory functions establishing the terms of the compensation and other benefits and payments to be received in any capacity from the Company by Executive Officers and Directors, presenting to the Board of Directors a proposal for the distribution of the annual overall compensation between the Statutory Executive Officers and the Directors and in the decision-making process related to the preparation of the proposal for individual compensation of the members of the Board of Directors, Fiscal Council (if established) and Statutory Board of Executive Officers, by performing reviews of the best market practices and international standards. The People and Compensation Committee consists of a minimum of three (3) members, all of whom are directors, and at least two (2) of them must be independent.

The Chairman of the Board of Directors does not participate in discussions concerning their own compensation within the People and Compensation Committee, nor in resolutions brought forth to the Board of Directors on the same matter.

**(ii) criteria and methodology used for setting individual compensation, pointing out whether studies are used to check market practices, and, if so, the comparison criteria and the scope of these studies**

The criteria and methodology used to establish the individual compensation consider studies related to the best market practices, based on the results of annual surveys carried out by consultancies specialized in the market, such as Willis Towers Watson and Korn Ferry, based on the group of companies that represent the appropriate balance of the characteristics presented, such as: (i) relevant representativeness in their industry sectors of activity, including the technology market; (ii) mostly domestic and publicly traded in the new market; (iii) size similar to or larger than TOTVS, with regard to billing, *headcount* and market value; (iv) companies that can compete with TOTVS in the acquisition of talents in the labor market.

As a supplement to the market studies analyzed to support the design of the compensation structure, it is noteworthy that the Sustainability principles, materialized in the Strategic Planning of the Company's Sustainability and ESG Agenda for the 2024-2026 cycle, were also elements considered in the process of formulating the goals and in determining the metrics and respective weights within the potential final compensation package of each member of the Statutory Board, as



detailed in section 8.1(c)(i), topic "Statutory and Non-Statutory Board of Executive Officers".

In addition, TOTVS's guidelines used to align the strategic goals and the compensation strategy of the Company's management members are established in the Human Relations and Compensation Policy, available at the addresses mentioned in section 8.1(a) above.

**(iii) how often and how the board of directors assesses the adequacy of the issuer's compensation policy**

Every year the People and Compensation Committee assesses the attractiveness, the engagement and the retention of the Company's talents, which includes the review of the need for adapting the compensation practices adopted - including benefits - to the standards practiced in the market and, particularly, to the technology market. If such committee deems it necessary and/or appropriate, adjustments are recommended to the Board of Directors. Furthermore, the Company's Board of Directors annually reviews and confirms the executive officers' targets, which are crucial for determining the Company's payment for short- and long-term variable compensation, as well as the allocation of Restricted Shares under the Share-based Compensation Plan.

**c. composition of the compensation:**

**(i) description of the various elements that make up the compensation, including, in relation to each of them:**

**BOARD OF DIRECTORS**

Since May 2023, the compensation of the members of the Board of Directors (except from its Chairman) is based on a 100% fixed model, paid 80% in cash and 20% in Restricted Shares, in accordance with the terms and conditions of the Grants to the Board of Directors set forth in the Share-Based Incentive Plan approved by the Extraordinary General Meeting on April 20<sup>th</sup>, 2021 and amended on April 19<sup>th</sup>, 2023, ("Plan 3"). The Chairman's compensation, in turn, until 2024, was composed of fixed compensation, variable compensation, and benefits, with the variable compensation being granted under Plan 3 and based on performance goals, in accordance with the terms and conditions set forth in the *ILP Performance* Program. The new Share-Based Compensation Plan ("Plan 4"), the members of the Board of Directors will continue to receive fixed compensation under the same terms described above, and the composition of the Chairman's compensation will change, as he will no longer receive any variable compensation. Therefore, the Chairman's compensation will be composed, in addition to benefits, entirely of fixed compensation, to be paid 80% in cash and 20% in Restricted Shares, in accordance with the terms and conditions of the Grants to the Board of Directors. With this change, the variable compensation of the Board of Directors will decrease, compared to 2024, from 47% to 0% in the Compensation Proposal for the year 2025.



The compensation structure is detailed below:

→ **its goals and alignment to the issuer's short, medium, and long-term interests**

The compensation of the members of the Board of Directors (including the Chairman of the Board) will be 100% in the fixed model and paid in the proportion of 80% in cash and 20% through the granting of Restricted Shares of TOTVS, in accordance with the terms and conditions set forth in Chapter III of Plan 4 and in compliance with the best governance practices.

- o **Fixed Compensation (paid in cash):** it represents 80% of the total compensation and refers to the amount received monthly in cash by the professional, aiming to attract and reward board members for the duties and responsibilities related to their position, in line with market practices.
- o **Fixed Compensation (paid in Restricted Shares):** it represents 20% of the total compensation and refers to the amount granted in TOTVS Restricted Shares to the professional, aiming to attract and retain Board members. It is based on the best practices and market trends both nationally and internationally, as well as studies conducted by specialized consulting firms, promoting alignment with the Company's long-term objectives. It is worth highlighting that the Grant to the Board of Directors is not pegged to any performance metrics, whether Company or individual ones, being individually calculated based on a percentage of the total compensation.

In addition to the fixed compensation, the Chairman of the Board of Directors receives benefits, which include: life insurance, medical plan, and dental plan. The benefit package aims to be in line with the market practices applicable to the cases of former Chief Executive Officer and founder, by adopting the most prevailing types of benefits.

The Chairman's distinct compensation is justified by his career, being one of the founders of the Company and having held the position of Chief Executive Officer (CEO) for over 30 years. His extensive experience, knowledge, and engagement both within the Company and with all stakeholders (shareholders, clients, partners, public and private entities, etc.) are invaluable. It's recognized that his position is exceptional, as he brings a unique set of skills, experiences, and knowledge that are fundamental to the success of the Board and TOTVS.

Among the key competencies of the Chairman of the Board of Directors, the following includes:

- o Deep knowledge of the technology sector and the software market, being recognized and respected by shareholders and clients, which allows him to exercise a role of reference with the diverse stakeholders;





- Strong interpersonal skills, acting in institutional representation, articulating and defending strategic themes, and addressing governmental and sectoral issues that are relevant to the Company;
- Ability to address highly complex issues related to the business and the technology sector, offering visionary leadership in defining TOTVS' strategy; and
- Protagonism in conducting Board discussions, promoting the engagement of other members and aiming for consensual decisions.

In addition to the activities mentioned, the Chairman of the Board of Directors of TOTVS has the following additional responsibilities that justify his differentiated compensation:

- To work with technology sector entities, either personally or through the Company's Institutional Relations department, with the objective of positioning TOTVS as a reference in the construction of an ecosystem of growth and technological innovation in the country;
- To engage with the Government, national or international political bodies, market entities, regulatory bodies, multilateral and/or international bodies and associations of which the Company takes part; and
- To act as spokesperson for the TOTVS Board of Directors, pronouncing on institutional matters and issues related to technology and capital markets, both nationally and internationally.

Therefore, with the goal of ensuring retention and dedication, and in view of the responsibilities of the Chairman of the Board of Directors of TOTVS, as outlined in the Company's Internal Regulation, his compensation seeks to ensure greater alignment of interests with the shareholders, ensuring equality market practice withes applicable to positions with similar responsibilities.

#### **o its method of calculation and updating**

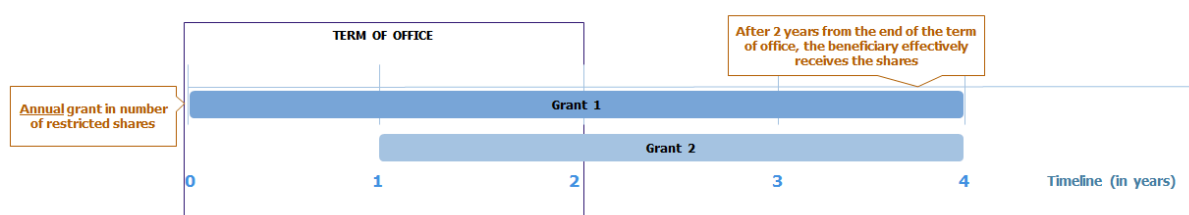
The calculation and updating methodologies used for each item of the Board of Directors (including its Chairman) compensation are shown below:

- **Fixed Compensation (with Cash payment):** 80% of the total fixed compensation is paid in cash, distributed in twelve (12) monthly installments, with annual reviews conducted to ensure alignment with market practices as assessed by expert consultants.
- **Fixed Remuneration (paid in Restricted Shares):** since May 2023, the Board's fixed compensation has a share-based component, that is, 20% is paid through the granting in Restricted Shares of TOTVS, within the scope of Plan 3, which sets forth, in its Clause 15, the specific rules to the members of the Board (except its Chairman) and observes the best governance practices. the provisions of the new Share-Based





Compensation Plan will apply, especially in Chapter III, which will address the Grants to the Board, including to the Chairman of the Board. The calculation methodology considers grants at the beginning of each 12-month period counted from the date of election of the members of the Board of Directors ("Year in Office"), to each Participant who is member of the Board of Directors, of an amount of Restricted Shares considering the average closing price of the Company's shares in the last 60 trading sessions prior to the date of grant and equivalent to 20% of the total fixed compensation of each member of the Board of Directors, subject to the overall compensation limit approved at the General Meeting and the establishment of the individual compensation of the Management members. The Restricted Shares will be effectively transferred to the members of the Board of Directors after 2 years from the end of the respective term of office of the participant who is member of the Board of Directors, as shown in the chart below (*i.e.*, 4 years after the Grant to the Board made in the 1<sup>st</sup> Year in Office and 3 years after the Grant to the Board made in the 2<sup>nd</sup> Year in Office, as applicable), and will not be pegged to any individual performance indicators or targets. Thus, the underlying logic of the compensation paid in Restricted Shares will be identical to a system of fixed cash compensation.



In the case of benefits applicable to the Chairman of the Board of Directors, these are reviewed annually, taking into account market practices identified with the assistance of specialized consultants on the subject. If any proposed changes arise, they must be suggested by the People and Compensation Committee, approved by the Board of Directors, and the proposal is then submitted for shareholder approval at the General Meeting. It is important to note that the Chairman of the Board of Directors does not participate in discussions within the People and Compensation Committee regarding their own compensation, nor in discussions and decisions within the Board of Directors on the same matter.

→ **key performance indicators taken into account, including, where applicable, indicators related to ESG factors**

The fixed compensation of the members of the Board of Directors is not based on performance indicators.

→ **its proportion in the total compensation in the last 3 fiscal years**

The following table displays the percentage of each component in the overall compensation of the Board of Directors across the past three fiscal years:



#### BOARD OF DIRECTORS

Item of Compensation	2024	2023	2022
<b>Fixed</b>	52%	49%	45%
<b>Variable</b>	47%	50%	54%
<b>Benefits*</b>	1%	1%	1%

\*Applicable to the Chairman of the Board of Directors only

#### STATUTORY AUDIT, PEOPLE AND COMPENSATION, GOVERNANCE AND NOMINATION, AND STRATEGY COMMITTEES

The Company's committees are advisory bodies composed of members of the Board of Directors, external members, and members of the Company's Board of Executive Officers.

→ its goals and alignment to the issuer's short, medium, and long-term interests

According to the main market practices, the members of the Board of Directors who are part of committees receive a fixed monthly compensation in addition to the compensation they are entitled to as directors of the Company, with the purpose of rewarding them for their dedication to the committees. External members also receive a fixed monthly compensation for taking part in committees. The members of the Company's Board of Executive Officers who are members of committees, on the other hand, do not receive additional compensation for taking part in said committees.

The compensation of directors and external members for taking part in committees aims at ensuring parity with market practices, representing the strategy of attracting and retaining qualified professionals, as well as the sustainability of the Company's businesses.

→ its proportion in the total compensation in the last 3 fiscal years

The following table displays the percentage of each component in the overall compensation of the Committees across the past three fiscal years:

#### ADVISORY COMMITTEES

Item of Compensation	2024	2023	2022
<b>Fixed</b>	100%	100%	100%
<b>Variable</b>	-	-	-
<b>Benefits</b>	-	-	-

In the last 3 fiscal years, the committee members' compensation was 100% composed of fixed compensation.



- **Methodology for Calculation and Adjustment**

The compensation of board members and external members for participation in committees is reviewed annually, taking into account market practices identified with the support of specialized consulting firms. The proposed amounts are submitted annually for shareholder approval.

- **Key Performance Indicators Considered, Including ESG-Related Indicators, if Applicable**

The fixed compensation of members of the Board's Advisory Committees is not based on performance indicators.

### FISCAL COUNCIL

→ **its goals and alignment to the issuer's short, medium, and long-term interests**

If established, it is paid a fixed compensation distributed in twelve (12) monthly installments over the year, as approved by the shareholders and subject to the terms of the applicable legislation and best market practices.

→ **its method of calculation and updating**

If established, the members' compensation is reviewed annually for adequacy, benchmarking against market practices identified with the support of expert consultants, whose amounts are annually submitted to shareholders' approval

→ **key performance indicators taken into account, including, where applicable, indicators related to ESG factors**

The fixed compensation of the Fiscal Council members is not based on performance indicators.

→ **its proportion in the total compensation in the last 3 fiscal years**

The following table displays the percentage of each component in the overall compensation of the Fiscal Council across the past three fiscal years:

### **FISCAL COUNCIL**

Item of Compensation	2024*	2023*	2022*
<b>Fixed</b>	100%	100%	100%
<b>Variable</b>	-	-	-
<b>Benefits</b>	-	-	-

\*On April 19<sup>th</sup>, 2022, the term of office for the members of the Fiscal Council came to an end, and a new Fiscal Council for the fiscal year 2022 was not established. In 2023, a new Fiscal Council was established as of April 19<sup>th</sup>, 2023, whose term of office ended on April 23<sup>rd</sup>, 2024. In fiscal year 2024, the Fiscal Council was not established.



The Fiscal Council members' compensation, during the period of the council's establishment, was 100% composed of a fixed compensation, subject to the provisions of paragraph 3, Article 162 of the Brazilian Corporations Act.

### **STATUTORY AND NON-STATUTORY BOARD OF EXECUTIVE OFFICERS**

Both the Statutory and non-statutory members of the Executive Board receive a compensation package that includes a fixed base salary and a combination of short, medium, and long-term variable incentives, in addition to a fixed monthly compensation. Details are as follows:

→ its goals and alignment to the issuer's short, medium, and long-term interests

- **Fixed Compensation (Short Term):** it is the monthly amount professionals receive to compensate them for their duties and responsibilities in their positions.
- **Variable Compensation (Short-term Incentive; Semiannual Bonus):** it is the variable amounts received every six months by professionals with the purpose of rewarding them for their individual results and for the overall results of the Company and of each business. The semiannual bonus is bound to overall financial indicators for each business and to the individual performance depending on the achievement of objective performance metrics that include a combination of (strategic and operational) measures with financial and non-financial content.

In this cycle, as a natural step in its continuous journey of developing the sustainability and ESG agenda, TOTVS is making progress by converging and incorporating ESG principles within the compensation program, more specifically, in the 2025 targets agreement outlined for the Statutory Board of Executive Officers. The strategic reasoning behind this process follows the premise that guided us from the beginning: there is no such thing as business and ESG, as ESG is the business, as there are no barriers that separate them, it is intrinsic to everything we do.

These principles guide the performance of the TOTVS Group and contribute as one of the value levers for sustaining new cycles of sustainable growth, greater competitiveness and financial resilience, access to capital, and attraction of talent, aligned with the goals determined for the business in a short, medium, and long-term perspective.



- **Variable Compensation (Medium- and Long-Term Incentive; Share Plan):** it refers to the amount of the common Restricted Shares issued by the Company and delivered to eligible Participants based on individual performance and strictly under the terms and conditions established in Plans 3 and 4, considering the *ILP Performance* and *ILP Master* programs, with the purposes of: (i) strengthening the alignment of medium and long-term interests between executives and shareholders, expanding the participants' sense of ownership and commitment through the concept of investment and risk; (ii) enhancing the incentives for long-term permanence and stability of Participants within the context of a publicly held company; (iii) serving as a fundamental tool for retaining and attracting talent in a highly competitive sector with a compensation above the average of other sectors; and (iv) fostering the increase of the Company's long-term performance, measured through business indicators. The number of shares to be granted annually to each Participant is based on the assessment of individual performance measured based on the "9 Box" method, which considers the effective deliveries of each executive throughout the fiscal year, and adherence to the expected behaviors of TOTVS. These assessments are carried out by the executive's manager, with subsequent calibration by a board composed by (i) the Statutory Board of Executive Officers, in the case of the evaluation of non-statutory executive officers; (ii) the People and Compensation Committee; and (iii) the Board of Directors, in the case of assessment of statutory executive officers. The allocation of Restricted Shares to nominated Participants is proposed by the People and Compensation Committee and ultimately determined by the Board of Directors.
- **Benefits:** It refers to the set of benefits granted to executives, as applicable, including health insurance, dental plan, meal allowance, private pension plan, life insurance, company car, and fuel allowance. The benefits package aims to align with leading market practices, adopting the most prevalent benefit modalities. While the set of benefits is the same for all executives, differences in benefit values may exist depending on the position and/or the region in which the executive operates.

#### → its method of calculation and updating

The calculation and updating methodologies used for each item of the Management members' compensation are shown below:

- **Fixed Compensation (Short Term):** the fixed compensation is paid thirteen (13) times a year to the Statutory Board of Executive Officers. It can be updated every year at the sole discretion of the Board of



Directors, as suggested by the People and Compensation Committee, which assesses the Executive Officer's performance in his/her activities and achievement of the targets set. The fixed compensation can also be adjusted according to official inflation rates and comparative market reviews carried out by expert consultants, considering the best market practices. The Non-Statutory Board of Executive Officers has its fixed compensation adjusted annually in accordance with collective bargaining agreements negotiated between the unions of the category.

- **Variable Compensation (Short-Term Incentive - Semiannual Bonus):** the semiannual bonus *pool* to be distributed to statutory and non-statutory executive officers depends on the achievement of EBITDA targets and recurring revenue + Company's transactional revenue, as well as the contribution margin and recurring revenue + transactional revenue from the business or expenses of each Board of Executive Officers, as defined for the period by the Board of Directors. If any of such indicators does not reach a minimum of 90% of the target set for the period, there will be no bonus payment for the corresponding period. If the targets set are achieved between the range of 90% and 99%, the pool will be reduced pro rata between 50% and 95%. If the target is reached or exceeded, the semiannual bonus *pool* may be distributed in full.

Once the bonus *pool* applicable for each semester has been determined, the individual bonus is weighted according to the achievement of the individual targets of each statutory and non-statutory executive officer, which reflect the definition of Company's financial goals, productivity, and strategic priorities, including the Strategic Map and the Sustainability and ESG Agenda, measured through financial indicators (such as recurring revenue growth, operating costs and expenses), efficiency and projects (linked to the Company's growth in the Management, Techfin and RD Station business units), customer satisfaction (NPS: Net Promoter Score), and people-related indicators (such as talent retention and engagement rates). The table below exemplifies the calculation method:



**Distribution pool:** determined in the budget, equals to a % of EBITDA

**Trigger to trigger the program's payment at TOTVS:**

EBITDA (80%) and Recurring Revenue (20%) TOTVS  
minimum of 90%, i.e.: <90% = 0%; => 90% and < 100% = between 50% and 99%; => 100% = 100%

**Trigger to trigger the program's payment in each area:**

Contribution Margin (CM) and Recurring Revenue of the business or corporate area expenses  
minimum of 90%, i.e.: <90% = 0%; => 90% and < 100% = between 50% and 99%; => 100% = 100%

**Determination of the Target Agreement for Managers / Exec. Officers, replicated to the teams:**

- Financial
- Strategic Project
- People
- Area

**Ruler for determining the quantitative targets:**

Between 90% and 110% of target achievement, which is equivalent to 50% and 150% of the bonus

**Ruler for calculating project targets:**

- a) Program, Project, Subproject: 0%, 25%, 50%, 75%, or 100%
- b) Delivery: 0%, 100%
- c) KPIs: According to financial ruler

**Periodicity of payment**

**1st Semester:**  
Payment in September

**2nd Semester:**  
Payment in March

If the second semester compensates for any non-achievement (<90%) or partial achievement (between 90% and 99%) in the first semester, and the total target for the year is reached, an additional 50% of the pool for the first semester is guaranteed at the time of calculating the payment for the second semester.

The targets for each Statutory and Non-Statutory Executive Officer are defined individually, taking into account the Company's annual strategic objectives approved by the Board of Directors. Among these objectives are also the priorities determined for the Company's Sustainability and ESG Agenda. The semi-annual targets that are shared by the Executive Officers, as well as those specific to each position, reflect the expectation of economic and financial performance, technological evolution, risks, customer satisfaction, business sustainability, and strategic projects.

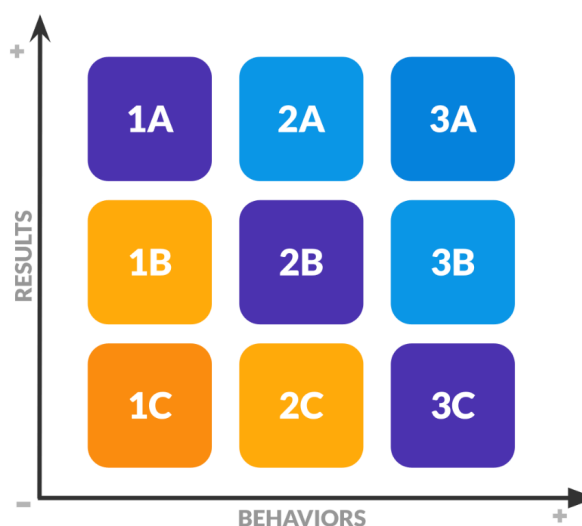
The Statutory Executive Officers' targets can only be changed throughout the year for extraordinary reasons, and any adjustments must be assessed by the People and Compensation Committee and approved by the Board of Directors, as applicable.

The earning potential of the short-term incentive per semester is pegged to a multiple of the monthly base salary defined per career level, at the sole discretion of the Board of Directors, as recommended by the People and Compensation Committee, which assesses the competitive position of this item of compensation in relation to the market, according to the best market practices.





- **Variable Compensation (Long-term Incentive - Share Plan):** advised by the People and Compensation Committee, the Board of Directors approves the members of the Statutory and Non-Statutory Board of Executive Officers who may take part in the Share-Based Compensation Plan and receive Restricted Shares issued by the Company based on performance, subject to the terms and conditions of the Plan. The number of shares granted under the *ILP Performance* and *ILP Master* Programs will be stipulated based on the value of the compensation freely attributable to each of the Participants, being fixed by the Board of Directors, based on the individual performance evaluation, considering the best market practices, measured based on the “9 Box” methodology, which considers the effective deliveries of each executive throughout the fiscal year, and adherence the behaviors expected by TOTVS. Each Statutory and Non-Statutory Officer is framed in a matrix with 9 squares, in which: (i) the X axis (weight of 50%) represents result indicators, linked to the individual quantitative targets established for the year (indicators such as EBITDA, Revenue, Cost, among others), which measure the effective performance of the Officer; and (ii) the Y axis (weight of 50%) measures adherence to expected business behaviors (such as Collaboration, Focus on Results, Construction of Long-Term Relationships with Customers, Innovation Through Technology that Enables, and Valuing “Skilled people who have a Good Character”, a.k.a. “*Gente Boa que é Boa Gente*”). As shown in the matrix below, the following definitions apply: (i) “Low Performance” when the performance evaluation places the Executive in quadrants “1C,” “1B,” and “2C”; (ii) “Performance Within Expectations” when the performance evaluation places the Executive in quadrants “1A,” “2B,” and “3C”; and (iii) “High Performance” when the performance evaluation places the Executive in quadrants “2A,” “3A,” and “3B”.





- o For the **ILP Performance Program**, as a result of the assessment, the executive may receive a *range* between 0% and 130% related to the reference values adopted in light of the anchoring and alignment of the executive compensation package vis-à-vis the market comparative benchmark at the time of the granting. The outcome is sent for review to the People and Compensation Committee, and ultimately to the Board of Directors for their final decision. The number of Restricted Shares to be transferred to the Participants after the vesting period of three (3) years will vary between 80% and 130% because of the achievement of long-term performance targets established and provided for in the respective contracts, focusing on the appropriate balance between the impact of management and the return to shareholders.
  - o In the case of the **ILP Master Program**, the vesting period is five (5) years, and in order to receive the Restricted Shares such Participant must (i) at the end of the three-year (3-year) period following the date of the grant, (ii) on the last day of May, August and November following the end of the said three-year period until the date of the effective delivery of the restricted shares by the Company, and (iii) on the date of the effective delivery of the Restricted Shares by the Company, prove to be the holder of Company's shares the market value of which corresponds to twelve (12) monthly fixed gross salaries. If the dates for proving ownership of the shares mentioned in the previous sentence happen to overlap with periods when trading Company shares is not allowed, the verification will be conducted on the second (2<sup>nd</sup>) business day following the end of the prohibition period for the Restricted Shares. In case a Participant does not meet any of these conditions, he/she will not be entitled to receive the Restricted Shares at the end of the Vesting period. In the best interest of the Company and its shareholders, the Board of Directors may terminate or suspend the Plan, or even review its conditions, provided that it does not change the corresponding basic principles, especially the maximum limits to transfer Restricted Shares, as approved by the general meeting. The general meeting may also approve a new share-based incentive plan of the Company, also to allow the acquisition of shares in excess of the maximum limits approved in the plan then in force.
    - o **Benefits:** the benefit package is reviewed every year in view of the market practices identified with the help of consultants specialized in the matter. The People and Compensation Committee are responsible for suggesting any changes, which must then be approved by the Board of Directors.
- **key performance indicators taken into account, including, where applicable, indicators related to ESG factors**



The performance indicators used by TOTVS to determine the short- and long-term variable compensation of the Statutory Board of Executive Officers are directly connected to the context of the business and the technology sector. They are structured to drive the Company's sustainable growth, ensuring alignment with the key value drivers and the corporate Sustainability and ESG strategy.

- **Variable Compensation (Short-term Incentive - Semiannual Bonus):** the key performance indicators used in determining the Short-Term Incentive are the following ones:
  - **Program triggers:** EBITDA and recurring revenue + transactional revenue of the Company, as well as contribution margin and recurring revenue of each business or expenses of each Board of Executive Officers, as defined for the period by the Board of Directors.
  - **Individual target agreements:** the target agreement established for TOTVS's Statutory Board of Executive Officers is based on 4 pillars: (i) financial, (ii) strategic projects, (iii) clients, and (iv) people, as shown in the table below:

Pillar	Typical Indicators	Rationale for establishing metrics
<b>Financial:</b> Weight: 30% to 50%	Revenue and EBITDA	<p>This pillar corresponds to the financial performance aspects of the Company, which are impacted by the strategic decisions made.</p> <p>The targets for this pillar are set by the Board of Directors, considering factors such as the previous year's performance, operational growth challenges, and the Company's future market expansion potential across all its business units.</p>
<b>Strategic:</b> Weight: 25% to 45%	Projects related to: <ul style="list-style-type: none"><li>• Growth</li><li>• Customer Satisfaction</li><li>• Portfolio Evolution</li><li>• Operational Efficiency</li><li>• Talent Attraction and Retention</li><li>• Business Sustainability</li></ul>	<p>This pillar assesses the effectiveness of executing the proposed scope for the Company's priority projects.</p> <p>The targets for this pillar are set by the Board of Directors based on the 2024-2026 Strategic Map cycle and the priorities established for the Company's long-term growth across all its business units.</p>
<b>Customer:</b> Weight: 10% to 15%	Customer Satisfaction (NPS - Net Promoter Score)	<p>This pillar relates to market share, customer satisfaction, and the ability of each business unit to develop and retain customers.</p> <p>The targets for this pillar are set by the Board of Directors, considering factors such as the previous year's performance, operational growth challenges, and the Company's future market expansion potential across all its business units.</p>
<b>People:</b> Weight: 10% to 30%	<ul style="list-style-type: none"><li>• Employee Satisfaction (e-NPS - employee Net Promoter Score)</li><li>• Talent Retention</li></ul>	<p>This pillar represents the Company's ability to maintain its intellectual capital with high levels of motivation, internal satisfaction, and productivity.</p> <p>The targets for this pillar are established by the Board of Directors, considering factors such as the previous year's performance, operational growth challenges, and the Company's future market expansion potential across all its business units.</p>

TOTVS has been evolving its Sustainability approach beyond the three traditional pillars of ESG, incorporating a more integrated view of market challenges and opportunities. Our focus is to build a path that reinforces the resilience of the business, enhances positive impacts, and strengthens the Company's competitiveness in the long term. For this reason, our performance indicators assess not only financial and operational efficiency but also TOTVS 'ability to innovate,



anticipate trends, and proactively respond to market, environmental, and societal transformations.

To ensure consistent alignment with this vision, **100% of the Executive Board's targets are correlated with at least one of the Company's material topics**, organized into three main themes: **Attraction, retention, and development of people, Sustainable Growth and Transformation, and business model innovation**. Executive officers' compensation reflects this approach, connecting leaders' performance to the evolution of TOTVS and the creation of value for its entire ecosystem

CORRELATION BETWEEN MATERIAL TOPICS AND TARGET PILLARS:		
Pillar	Indicators	Material topic
Financial	They include metrics such as recurring revenue, operating costs and expenses, ensuring the long-term solidity of the business.	Sustainable Growth
Clients	They reflect the importance of customer experience and the expansion of business opportunities, through metrics such as NPS (Net Promoter Score).	Sustainable Growth
People	They include talent retention, engagement rates, and strengthening the relationship with the ecosystem.	Attraction, retention, and development of people
Strategic Projects	They cover operational efficiency, process synergy, and structuring initiatives for business evolution.	Transformation and innovation in business model and Information security, Data Protection and Privacy

With this structure, TOTVS reinforces its commitment to a management that balances growth, innovation, and organizational development, ensuring that executives' compensation is aligned with the creation of sustainable value and the Company's continuous evolution.

- **Variable Compensation (Long-Term Incentive - Share-based Plan):** the performance indicators used by the Board of Directors to determine the number of shares to be granted under the ILP Performance Program of the Share-based Plan (**Long-Term Incentive**) is based on the “9-Box” methodology described above. As summarized in the table below, the number of shares to be granted may range from 0 to 130%, depending on the classification result of each Statutory and Non-Statutory Executive Officer.



RESULTS (50%)	<b>1A</b> 100% of LTIP Average of 5% of participants	<b>2A</b> Acceleration of 15% of LTIP Average of 7.5% of participants	<b>3A</b> Acceleration of 30% of LTIP Average of 10% of participants
	<b>1B</b> Deceleration of 50% of LTIP Average of 5% of participants	<b>2B</b> Between 100% of LTIP and 7.5% acceleration of LTIP Average of 50% of participants	<b>3B</b> Acceleration of 15% of LTIP Average of 7.5% of participants
	<b>1C</b> 0% of LTIP Average of 5% of participants	<b>2C</b> Deceleration of 50% of LTIP Average of 5% of participants	<b>3C</b> 100% of LTIP Average of 5% of participants
BEHAVIORS (50%)			

The Company's internal and external long-term performance indicators that will determine the number of shares to be transferred to the Participants after the vesting period of three (3) years will be measured from the combination of the following indicators considering the granting cycle:

**Valid for the granting cycle carried out in 2022:**

- **Total Shareholder Return ("TSR"):** total Shareholder return calculated in relation to the TSR of the companies that make up the IBRx-50 index. This indicator serves as a benchmark, reflecting the average price performance of the 50 most tradeable and representative assets listed on the Brazilian stock exchange. In line with the principle of Corporate Governance, this indicator reflects a commitment to shareholder interests by fostering transparency and accountability in management. TOTVS has been part of this index since 2021.
- **Earnings per Share ("EPS") evolution:** a metric that measures the relationship between the net income of the Company's continuing operation and the number of shares that are part of the Company's Capital Stock related to market index.
- **Customer satisfaction:** measured through the NPS (*Net Promoter Score*) indicator, whose purpose is to measure the customers' loyalty of companies operating in any industry sector, reflecting customer satisfaction and experience. This indicator is broadly used by most companies because of its simplicity, reliability, and flexibility. For TOTVS, as one of the major *stakeholders*, this indicator is aligned with the S pillar of ESG, and reiterates the Company's quest to build long-term relationships with its customers, a key issue for sustainability and business continuity.



**Valid for the grant cycle carried out in 2023 and 2024:**

- **Total Shareholder Return (“TSR”)**: total Shareholder return calculated in relation to the TSR of the companies that make up the IBrx-50 indicator. This indicator serves as a benchmark, reflecting the average price performance of the 50 most tradeable and representative assets listed on the Brazilian stock exchange. In line with the principle of Corporate Governance, this indicator reflects a commitment to shareholder interests by fostering transparency and accountability in management. TOTVS has been part of this index since 2021.
- **EBITDA evolution**: a metric that measures the growth of the company's adjusted EBITDA over the years related to the market index.
- **Customer satisfaction**: measured through the NPS (*Net Promoter Score*) indicator, whose purpose is to measure the customers' loyalty of companies operating in any industry sector, reflecting customer satisfaction and experience. This indicator is broadly used by most companies because of its simplicity, reliability, and flexibility. For TOTVS, as one of the major *stakeholders*, this indicator is aligned with the S pillar of ESG, and reiterates the Company's quest to build long-term relationships with its customers, a key issue for sustainability and business continuity.

**Valid for the grant cycle carried out in 2025:**

- **Total Shareholder Return (“TSR”)**: this metric represents the aggregate shareholder return calculated in relation to the adjusted IBrx-50 (considering the companies that make up the index and their different sectors of operation, excluding the two companies with the largest participation in the composition of the index). This indicator serves as a benchmark, reflecting the average price performance of the 50 most tradeable and representative assets listed on the Brazilian stock exchange. In line with the principle of Corporate Governance, this indicator reflects a commitment to shareholder interests by fostering transparency and accountability in management. TOTVS has been part of this index since 2021.
- **EBITDA evolution**: a metric that measures the growth of the company's adjusted EBITDA over the years related to the market index.
- **Customer satisfaction**: measured through the NPS (*Net Promoter Score*) indicator, whose purpose is to measure the customers' loyalty of companies operating in any industry sector, reflecting customer satisfaction and experience. This indicator is broadly used by most companies because of its simplicity, reliability, and flexibility. For TOTVS, as one of the major stakeholders, this indicator is aligned with the S pillar of ESG, and reiterates the Company's quest to build





long-term relationships with its customers, a key issue for sustainability and business continuity.

- **Permanence of TOTVS in the Ibovespa index.**
- **Fixed Compensation (Short Term) and Benefits:** There are no performance criteria bound to the fixed compensation and benefits. The package is the same for all executive officers, and there may be differences in the amounts of benefits granted depending on the position and/or region in which such executive officer works.

→ its proportion in the total compensation in the last 3 fiscal years

The tables below show the proportion of each item in the total compensation of each department in the last three fiscal years:

#### **BOARD OF EXECUTIVE OFFICERS**

Item of Compensation	2024	2023	2022
Fixed	20%	21%	25%
Variable	76%	74%	71%
Benefits	4%	5%	4%

The increase in the ratio of variable compensation compared with fixed compensation over the years aligns appropriately with the medium and long-term compensation strategy, with the purpose of boosting the Company's future performance.

#### **(ii) reasons that justify the composition of compensation**

The compensation structure takes into account the responsibilities of each position, taking into consideration market rates for professionals in similar roles with comparable complexity. In addition, it seeks to align the interests between management members and shareholders, which contributes to encouraging and retaining skilled professionals in their roles, as well as attracting new professionals whenever necessary.

#### **BOARD OF DIRECTORS**

The fixed compensation of the Board of Directors and benefits of the Chairman of the Board of Directors aims to ensure parity with market practices and international standards, representing the strategy of attracting and retaining skilled professionals, as well as the sustainability of the Company's business, providing the directors with appropriate forms of compensation in relation to the Company's long-term performance.





- **Fixed Compensation (paid in Restricted Shares):** the compensation of the Board of Directors members is aligned with the primary purpose of the Board towards the organization's long-term success vision, and is justified to the extent that it:
  - Bolsters the Company's competitive edge in attracting and retaining highly skilled professionals, while maintaining the feasibility of the Company's business;
  - Contributes to achieving the Company's strategic goals, as 20% of the total fixed compensation is paid in Restricted Shares, being executed in a deferred manner and transferred only two (2) years subsequent to the end of the term of office, without being pegged to performance metrics, thus allowing a deeper alignment of the Directors with the shareholders in the long term (sense of ownership);
  - It is in line with the best practices and trends in both the national and international markets. According to the "Annual Survey of Governance and Board Compensation Practices in Brazil", conducted by the Korn Ferry compensation consultancy, released in December 2024 and acquired by TOTVS, approximately 21% of companies implement share-based compensation, primarily in the form of shares for Board members, with a progressive increase over the years in the adoption of share-based compensation for members of the Board of Directors of national and international companies with characteristics similar to those of TOTVS'.

## **STATUTORY AND NON-STATUTORY BOARD OF EXECUTIVE OFFICERS**

The determined compensation components aim to ensure parity with market practices and international standards, representing the strategy of attracting and keeping skilled professionals, as well as the sustainability of the Company's business, by combining a fixed monthly compensation with a semiannual variable compensation (short term) and with the share plan (medium and long term), providing executives with suitable incentives in line with the Company's long-term performance. The Company's variable compensation strategy is designed to foster higher engagement and a sense of ownership among executive officers, encourage contribution to the Company's performance and sustainable growth, and promote an improved alignment of interests with shareholders. At the same time, it also aims at guaranteeing retention, especially in a technology sector that suffers global competition for talents and that has been experiencing significant cost inflation and a shortage of human capital. We acknowledge that attracting and retaining key executives and talents is crucial for the Company's success, and their compensation plays a vital role in achieving that.



**(iii) the existence of members not paid by the issuer and the reason for this fact**

Ms. Tania Sztamfater Chocolat, a member of the Board of Directors and also a member of the Board's Advisory Committees, waived the compensation offered to her because of the position she holds at the Canada Pension Plan Investment Board ("CPPIB"). CPPIB has internal policies that forbid professionals from receiving additional compensation. The other members of the Statutory Board of Executive Officers, Board of Directors, and Advisory Committees to the Board are paid, except for the Statutory Executive Officers with regard to their participation in Advisory Committees of the Board.

**d. existence of any compensation borne by subsidiaries, controlled companies, or direct or indirect controllers**

There is no compensation of statutory managers borne by subsidiaries, controlled companies, or direct or indirect controllers in the Company.

**e. existence of any compensation or benefit bound to the occurrence of a certain corporate event, such as disposal of the issuer's corporate control**

Agreements with Statutory Executive Officers provide for the payment of indemnities exclusively in the event that the removal of an executive officer occurs after certain relevant corporate changes, such as changes in the Company's control; acquisitions and/or subscriptions by third parties of shares representing 20% of the Company's capital stock; corporate restructuring; or the resolution to dissolve the Company.



## 8.2. Total Compensation of the Board of Directors, Statutory Board of Executive Officers, and Fiscal Council

The tables below provide information on the compensation of the Company's Board of Directors, Fiscal Council, and Statutory Board of Executive Officers: (i) expected for the current fiscal year and (ii) recognized in the results of the fiscal years ended December 31<sup>st</sup>, 2024, December 31<sup>st</sup>, 2023, and December 31<sup>st</sup>, 2022, considering the number of members of each body to which compensation was effectively attributed.

Total Proposed Compensation: for the current Fiscal Year (December 31 <sup>st</sup> , 2025) - Annual amounts				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.00	7.75	-	14.75
Number of paid members	6.00	7.75	-	13.75
Note	The number of members of each department was calculated as an annual average of each department, ascertained on a monthly basis, under the methodology presented in Circular Official Letter/Annual-2025-CVM/SEP			
Fixed annual compensation				
Salary or management fees	5,597,013.79	13,102,349.82	-	18,699,363.61
Direct and indirect benefits	161,376.87	2,546,583.96	-	2,707,960.83
Participations in committees	1,894,248.62	-	-	1,894,248.62
Others	-	-	-	-
Description of other fixed compensations				
Variable compensation				
Bonus	-	10,766,151.85	-	10,766,151.85
Profit sharing	-	-	-	-
Attendance to meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	10,766,151.85	-	10,766,151.85
Description of other variable compensations		Variable compensation amounts include long-term performance targets monitored by the Board of Directors		
Post-employment	-	552,270.58	-	552,270.58
Termination of the position	-	-	-	-
Share-based (including options)	2,924,878.08	24,875,983.28	-	27,800,861.36
Note				
Total compensation	10,577,517.36	62,609,491.34	-	73,187,008.70



Total compensation: Fiscal Year ended December 31 <sup>st</sup> , 2024 (Annual amounts)				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.0	8.0	1.0	16.0
Number of paid members	6.0	8.0	1.0	15.0
Note	The number of members of each department was calculated as an annual average of each department, ascertained on a monthly basis, under the methodology presented in Circular Official Letter/Annual-2024-CVM/SEP			
Fixed annual compensation				
Salary or management fees	3,893,099.14	11,287,422.60	127,029.96	15,307,551.70
Direct and indirect benefits	140,232.10	2,052,590.68	-	2,192,822.78
Participations in committees	1,381,785.29	-	-	1,381,785.29
Others	-	-	-	-
Description of other fixed compensations				
Variable compensation				
Bonus	-	9,063,895.04	-	9,063,895.04
Profit sharing	-	-	-	-
Attendance to meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	7,764,887.06	-	7,764,887.06
Description of other variable compensations				
Post-employment	-	456,789.68	-	456,789.68
Termination of the position	-	-	-	-
Share-based (including options)	4,730,347.48	21,962,110.14	-	26,692,457.62
Note			Considering the end of the term of office of the Fiscal Council on April 23 <sup>rd</sup> , 2024	
Total compensation	10,145,464.01	52,587,695.20	127,029.96	62,860,189.17



Total compensation: Fiscal Year ended December 31 <sup>st</sup> , 2023 (Annual amounts)				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.0	7.0	2.0	16.0
Number of paid members	6.0	7.0	2.0	15.0
Note	The number of members of each department was calculated as an annual average of each department, calculated monthly, in accordance with the methodology presented in Circular Letter/Annual-2023-CVM/SEP			
Fixed annual compensation				
Salary or management fees	3,647,049.86	9,580,984.84	283,288.07	13,511,322.77
Direct and indirect benefits	137,838.59	1,728,492.38	-	1,866,330.97
Participations in committees	1,357,380.96	-	-	1,357,380.96
Others	-	-	-	-
Description of other fixed compensations				
Variable compensation				
Bonus	-	8,378,379.40	-	8,378,379.40
Profit sharing	-	-	-	-
Attendance to meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	3,374,654.98	-	3,374,654.98
Description of other variable compensations				
Post-employment	-	419,147.80	-	419,147.80
Termination of the position	-	-	-	-
Share-based (including options)	5,431,249.65	21,972,658.21	-	27,403,907.86
Note			The Fiscal Council was established after the Meeting of April 19 <sup>th</sup> , 2023	
Total compensation	10,573,519.08	45,454,317.61	283,288.07	56,311,124.74



Total compensation: Fiscal Year ended December 31 <sup>st</sup> , 2022 (Annual amounts)				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Total number of members	7.0	7.0	1.0	15.0
Number of paid members	7.0	7.0	1.0	15.0
Note	The number of members of each department was calculated as an annual average of each department, ascertained on a monthly basis, under the methodology presented in Circular Official Letter/Annual-2022-CVM/SEP			
Fixed annual compensation				
Salary or management fees	3,452,246.23	8,802,713.60	100,435.11	12,355,394.94
Direct and indirect benefits	128,669.06	1,548,438.76	-	1,677,107.82
Participations in committees	1,321,105.58	-	-	1,321,105.58
Others	-	-	-	-
Description of other fixed compensations				
Variable compensation				
Bonus	-	5,439,576.20	-	5,439,576.20
Profit sharing	-	-	-	-
Attendance to meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	-	-	-
Description of other variable compensations				
Post-employment	-	292,073.37	-	292,073.37
Termination of the position	-	-	-	-
Share-based (including options)	5,772,812.66	24,416,216.69	-	30,189,029.35
Note			Considering the end of the term of office of the Fiscal Council on April 19 <sup>th</sup> , 2022	
Total compensation	10,674,833.53	40,499,018.62	100,435.11	51,274,287.26

### 8.3. Variable Compensation of the Board of Directors, Statutory Board of Executive Officers, and Fiscal Council

The tables below provide information on the variable compensation of the Company's Board of Directors, Fiscal Council, and Statutory Board of Executive Officers: (i) expected for the current fiscal year and (ii) recognized in the results of the fiscal years ended December 31, 2024, December 31, 2023, and December 31, 2022,



considering the number of members of each body to which variable compensation was effectively attributed.

Proposed Variable Compensation for the current Fiscal Year (December 31 <sup>st</sup> , 2025), Annual amounts				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Number of members	7.00	7.75	-	14.75
Number of paid members	6.00	7.75	-	13.75
<b>Bonus</b>				
Minimum amount set forth in the compensation plan	-	2,691,537.96	-	2,691,537.96
Maximum amount set forth in the compensation plan	-	10,766,151.85	-	10,766,151.85
Amount set forth in the compensation plan if the targets are met	-	10,766,151.85	-	10,766,151.85
Amount actually recognized in the income	-	-	-	-
<b>Others</b>				
Minimum amount set forth in the compensation plan	-	2,691,537.96	-	2,691,537.96
Maximum amount set forth in the compensation plan	-	10,766,151.85	-	10,766,151.85
Amount set forth in the compensation plan if the targets are met	-	10,766,151.85	-	10,766,151.85
Amount actually recognized in the income	-	-	-	-
<b>Note</b>	-	Variable compensation amounts include long-term performance targets monitored by the Board of Directors	-	-

Note: The number of members of each body was calculated as an annual average of each body, under the methodology shown in the Official Circular Letter/Annual-2025-CVM/SEP





Proposed Variable Compensation: for the current Fiscal Year (December 31 <sup>st</sup> , 2024), Annual amounts				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Number of members	7.0	8.0	1.0	16.0
Number of paid members	6.0	8.0	1.0	15.0
<b>Bonus</b>				
Minimum amount set forth in the compensation plan	-	2,265,973.76	-	2,265,973.76
Maximum amount set forth in the compensation plan	-	9,063,895.04	-	9,063,895.04
Amount set forth in the compensation plan if the targets are met	-	9,063,895.04	-	9,063,895.04
Amount actually recognized in the income	-	9,063,895.04	-	9,063,895.04
<b>Others</b>				
Minimum amount set forth in the compensation plan	-	1,941,221.76	-	1,941,221.76
Maximum amount set forth in the compensation plan	-	7,764,887.06	-	7,764,887.06
Amount set forth in the compensation plan if the targets are met	-	7,764,887.06	-	7,764,887.06
Amount actually recognized in the income	-	7,764,887.06	-	7,764,887.06
<b>Note</b>	-	Variable compensation amounts include long-term performance targets monitored by the Board of Directors	Considering the end of the term of office of the Fiscal Council in April 2024	-

Note: The number of members of each body was calculated as an annual average of each body, under the methodology shown in the Official Circular Letter/Annual-2024-CVM/SEP



Total compensation: Fiscal Year ended December 31 <sup>st</sup> , 2023 (Annual amounts)				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Number of members	7.0	7.0	2.0	16.0
Number of paid members	6.0	7.0	2.0	15.0
Bonus				
Minimum amount set forth in the compensation plan	-	2,094,594.85	-	1,782,982.50
Maximum amount set forth in the compensation plan	-	8,378,379.40	-	7,131,930.00
Amount set forth in the compensation plan if the targets are met	-	8,378,379.40	-	7,131,930.00
Amount actually recognized in the income	-	8,378,379.40	-	6,715,463.33
Others				
Minimum amount set forth in the compensation plan	-	843,663.74	-	843,663.74
Maximum amount set forth in the compensation plan	-	3,374,654.98	-	3,374,654.98
Amount set forth in the compensation plan if the targets are met	-	3,374,654.98	-	3,374,654.98
Amount actually recognized in the income	-	3,374,654.98	-	3,374,654.98
Note			The Fiscal Council was established as resolved at the Meeting held on April 19 <sup>th</sup> , 2023.	

The number of members of each body was calculated as an annual average of each body, calculated monthly, in accordance with the methodology presented in Circular Letter/Annual-2023-CVM/SEP



Total compensation: Fiscal Year ended December 31 <sup>st</sup> , 2022 (Annual amounts)				
	Board of Directors	Statutory Board of Executive Officers	Fiscal Council	Total
Number of members	7.0	7.0	1.0	15.0
Number of paid members	7.0	7.0	1.0	15.0
Bonus				
Minimum amount set forth in the compensation plan	-	1,596,564.25	-	1,596,564.25
Maximum amount set forth in the compensation plan	-	6,386,257.00	-	6,386,257.00
Amount set forth in the compensation plan if the targets are met	-	6,386,257.00	-	6,386,257.00
Amount actually recognized in the income	-	5,439,576.20	-	5,439,576.20
Others				
Minimum amount set forth in the compensation plan	-	-	-	-
Maximum amount set forth in the compensation plan	-	-	-	-
Amount set forth in the compensation plan if the targets are met	-	-	-	-
Amount actually recognized in the income	-	-	-	-
Note			The term of office of the Fiscal Council members ended on April 19 <sup>th</sup> , 2022	

Note: (i) The number of members of each body was calculated as an annual average of each body, ascertained on a monthly basis, according to the methodology shown in the Official Circular Letter/Annual-2022-CVM/SEP.

#### 8.4. Share-Based Compensation Plan for the Board of Directors and the Statutory Board of Executive Officers

The Company has a current Share-Based Compensation Plan, referred to as “Plan 4,” which was approved at the Extraordinary General Meeting held on April 23, 2025. This plan replaces the former “Plan 3,” which had been approved on April 20, 2021, and amended on April 19, 2023.

It is important to note that the grants of Restricted Shares made under Plan 3 remained in effect until April 22, 2025, and that new grants under the scope of Plan 4 will be made by the Management, without prejudice to the Company’s obligations



regarding the transfer of Restricted Shares assumed under Plan 3, in accordance with its terms and deadlines.

### DESCRIPTION OF PLAN 3

#### **a. general terms and conditions**

This Plan is managed by the People and Compensation Committee (the "Committee"), which has full authority to manage and construe it, having, among others, the authority necessary to:

- (i) approve the Programs set forth in this Plan, as well as their corresponding regulations;
- (ii) decide on every and any measures related to the management of this Plan, and construe and apply the general rules set forth herein;
- (iii) select, among the persons eligible to take part in this Plan, those who will take part in it in a certain fiscal year or set forth the criteria for their determination;
- (iv) determine the number of Restricted Shares to be granted to each Participant, subject to the quantitative limit provided for in Clause 7 of the plan;
- (v) approve the Agreement to be entered into between the Company and each of the Participants;
- (vi) amend the Program provisions as required for the management of this Plan, as well as to meet the Company's interests, as long as (a) such amendments do not breach the provisions of this Plan or of the Programs; or (b) Participants' rights arising from or related to this Plan are not harmed. This limitation excludes any adaptations that the Committee might perform in consequence of changes implemented in the law in force;
- (vii) examine exceptional cases arising from or related to this Plan; and
- (viii) settle questions on the interpretation of the general rules set forth in this Plan and handle the omitted cases.

"Committee" means the Company's People and Compensation Committee, as provided for in its bylaws, or another Committee that may be specifically created or appointed by the Board of Directors to manage the Plan, the members of which are not eligible Participants under this Plan.

The Committee decisions have a binding nature on the Company and the Participants, when they are made in compliance with this Plan, the respective Program or the applicable laws.

None of the Participants can be a Committee member, or attend discussions within its scope concerning this Plan or any Program or Agreement. In case a Committee member is nominated to take part in any of the Programs, his/her adhesion is conditioned on his/her prior resignation to the position of Committee member.



Further, none of the Participants can, in any other bodies of the Company management, attend discussions or vote for any matter in which the Participant has a potential interest as regards this Plan, the Programs or any Agreement, as well as concerning his/her individual compensation within the scope of this Plan.

Plan 3 came into force on January 1<sup>st</sup>, 2022, replacing Plan 2, and remained in force until April 22<sup>nd</sup>, 2025, when it was replaced by Plan 4, approved at the Extraordinary General Meeting held on April 23<sup>rd</sup>, 2025.

The key characteristics of Plan 3 are listed below:

- **"Shares"**: means the common shares issued by the Company.
- **"Restricted Shares"** means the Shares that will be delivered to the corresponding Participants under the terms of this Plan and the Programs.
- **"CLT"** means the Brazilian Labor Laws (Consolidation of Labor Laws).
- **"Board of Directors"** means the Board of Directors of the Company.
- **"Agreement"** means the Share Granting Agreement and Other Covenants approved by the Board of Directors, to be executed by and between the Company and each Participant within the scope of the corresponding Programs.
- **"Company"**: means TOTVS S.A.
- **"Termination"**: means any action or fact that puts an end to the Participant's legal relationship with the Company, except in cases of retirement by the Brazilian National Social Security Institute (INSS) due to permanent disability, death, or court declaration of absence due to the Participant's disappearance. The word 'termination' covers, among others, the Participant's voluntary leaving, request for dismissal, resignation, removal, replacement or non-reelection as a statutory executive officer without an employment relationship, and termination of an employment contract for any reason, for cause or not, at the initiative of either party, or upon mutual agreement.
- **"Board of Executive Officers"** means the Company's Statutory Board of Executive Officers.
- **"Bylaws"** means the Company's Bylaws.
- **"Grant to the Board"** means the program subject to this Plan, for which the members of the Board of Directors, excluding members who are Participants in any of the Programs and/or in any other way of granting Restricted Shares under this Plan, will be entitled to the grant of Restricted Shares as part of their compensation.
- **"Participants"** means the employees and management members of the Company and its subsidiaries who are considered eligible under each of the Programs, excluding members of the Committee, who may be appointed annually by the Committee to participate in the Plan.
- **"Vesting Periods"** means the Vesting Period for the *ILP Destaques* Program, the Vesting Period for the *ILP Performance* Program, and the Vesting Period for the *ILP Master* Program considered together.
- **"Vesting Period for the ILP Destaques Program"** means the vesting period of 3 (three) years from the signature of the respective Agreement, after which



the Participant is entitled to become the holder of the Restricted Shares granted under the *ILP Destaques* Program, and the Company shall transfer the Restricted Shares to the Participant under the terms of the Agreement.

- **"Vesting Period of the *ILP Performance Program*"**: means the vesting period of 3 (three) years from the execution of the corresponding Agreement, after which the Participant is entitled to become holder of the Restricted Shares granted under the *ILP Performance* Program and the Company shall transfer the Restricted Shares to the Participant under the terms of the Agreement, subject to the achievement of the Company's long-term, internal and external performance indicators, as provided for in the corresponding Agreement.
- **"Vesting Period for the *ILP Master Program*"** means the vesting period of 5 (five) years from the signature of the respective Agreement, after which the Participant is entitled to become the holder of the Restricted Shares granted under the *ILP Master* Program, and the Company shall transfer the Restricted Shares to the Participant under the terms of the Agreement.
- **"Plan"** means this Share-Based Incentive Plan.
- **"Programs"** means, collectively, the *ILP Destaques* Program, the *ILP Performance* Program, and the *ILP Master* Program.
- **"*ILP Destaques Program*"** means the program, subject to this Plan, for which the Committee may nominate participants, annually, at its sole discretion, based on an individual performance assessment, which adopts an objective methodology approved by the Board of Directors, and is informed to the corresponding Participants, which includes criteria such as results achieved, potential, and competencies, certain employees of the Company and/or controlled companies in non-executive positions (below the Executive Manager or other position that may replace it) who are considered, in the above-mentioned assessment, "Highlights of the Year". Although it is possible, there are no rules that require Participants to be nominated every year to take part in this program.
- **"*ILP Master Program*"** means the program, subject to this Plan, for which the Committee may nominate annually, at its sole discretion, a selected group of individuals considered as key and critical to the Company, holding executive positions, meaning those Participants holding the position of executive manager or higher (or other positions that might replace them) to participate, whether employees or statutory Management members, based on an individual performance assessment, which adopts an objective methodology approved by the Board of Directors, and is informed to the corresponding Participants, including criteria like results, potential and competencies. To be entitled to the restricted shares subject matter of the grant, the Participant ought to meet the "share ownership guideline", which sets forth the following obligations (i) at the end of the three-year period after the date of grant, (ii) on the last day of May, August and November after the end of said three-year period until the date of the actual delivery of the restricted shares by the Company, and (iii) on the date of the actual delivery of the restricted shares by



the Company, prove he/she is the holder of the Company shares whose market value corresponds to twelve (12) monthly fixed gross salaries. In case the dates to prove the ownership of the shares referred to in the sentence above coincide with periods forbidding the negotiation of Company shares, the verification will be done on the second business day immediately after the date on which the period of the corresponding prohibition ends. In case the Participant does not meet any of these conditions, he/she will not be entitled to receive the restricted shares at the end of the vesting period. The participant is solely responsible for ensuring compliance with these conditions, taking into account any changes in their monthly fixed gross salary and any changes in the market value of the Company's shares. Although it is possible, there are no rules that require the participant to be nominated every year to take part in this program.

- **“ILP Performance Program”** means the program, subject to this Plan, for which Company executives are eligible to participate annually, as nominated by the Committee at its sole discretion, meaning those Participants holding the position of executive manager or higher (or other positions that might replace them), whether employees or statutory Management members, based on the achievement of Company's internal and external long-term performance indicators established annually by the Board of Directors and informed to the Participants, and the individual performance assessment, which adopts an objective methodology approved by the Board of Directors, also informed to the respective Participants, including criteria like results, potential, and competencies.
- **“Change of Control”** means either of the following events: (i) the acquisition of 30% or more of the shares representing the Company's capital stock by one shareholder or group of shareholders representing a common interest; or (ii) a corporate reorganization, including consolidation, acquisition, merger of shares, spin-off followed by the merger of the spin-off portion or any similar transaction resulting in the title of 30% or more of the shares representing the capital stock of the resulting company by one shareholder or group of shareholders representing a common interest.





We provide below a summary of the potential grants under Plan 3:

	<i>ILP Destaques Program</i>	<i>ILP Performance Program</i>	<i>ILP Master Program</i>	<i>Grant to the Board of Directors</i>
<b>Eligibility</b>	Company's Participants considered "Highlight of the Year"	Participants holding the position of executive manager or higher, whether employees or statutory management members	Statutory and Non-Statutory Board of Executive Officers	Member of the Board of Directors
<b>Vesting Period</b>	3 years	3 years	5 years	2 years after the end of the term of office
<b>Granting rationale</b>	<u>Based on performance</u> carried out in the year before the granting		Rationale determined by the People and Compensation Committee	<u>Not based on performance.</u>
<b>Amount of grants</b>	<u>Financial amount</u> by career level	<u>Chairman of the Board:</u> Financial amount approved at the Annual Meeting  <u>Other participants:</u> Financial amount by career level	<u>Financial amount</u> determined by the People and Compensation Committee	Fixed amount of 20% of total fixed compensation
<b>2024 Key Performance Indicators</b>	Achievement of the 9-Box matrix (0% to 130%)	<u>Chairman of the Board:</u> (i) assessment of the Board of Directors (50% weight); (ii) long-term performance metrics of the Company (30% weight); and (iii) TSR vs. IBrX 50 (20% weight)  <u>Other participants:</u> achievement of the 9-Box matrix (0% to 130%) combined with the performance indicators after the vesting period (80% to 130%): (i) TSR vs. IBrX 50 (50% weight); (ii) EBITDA vs. IPCA (30% weight); and (iii) NPS (20% weight)	Not applicable	Not applicable

**b. date of approval and body in charge**

Plan 3 was approved by resolution of the shareholders at the Company's Extraordinary General Meeting held on April 20<sup>th</sup>, 2021 and amended on April 19<sup>th</sup>, 2023.

**c. maximum number of shares covered**

The maximum number of shares that may be granted under Plan 3 cannot exceed five point sixty-eight percent (5.68%) of the Company's capital stock.



We believe that the maximum dilution of Plan 3 is in line with the context of the industry sector in which TOTVS operates in Brazil. Such alignment considers several aspects, such as the company's size, its ownership structure, history of growth and future potential, financial status, and historical standards for performance-based compensation. In addition, as reported in the trading form of Company's securities, officers and related persons of February 2025, the Company has a high *free float* of 89% (percentage of the company's capital stock available for trading on the stock market disregarding the shares held by the treasury and managers), which guarantees a sufficient number of outstanding shares to ensure market liquidity and stability, even when granting additional shares to employees through the Incentive Plan.

**d. maximum number of options to be granted**

Not applicable, considering that stock options will not be granted as a result of the Plan.

**e. conditions for the acquisition of shares**

The acquisition conditions will be applicable as per the corresponding Program the Participant is eligible to take part in. Nonetheless, it will be the Committee's responsibility, in compliance with each Program's selection criteria, to annually select Participants to each of the Programs.

Specifically for the *ILP Master* Program, in order to receive the Restricted Shares, the respective Participant must (i) by the end of a three-year (3-year) period following the granting date, (ii) on the last day of the months of May, August and November after the end of the three-year (3-year) period until the date the Company's restricted shares are actually delivered to the Participant, and (iii) on the date of the effective delivery of the Restricted Shares by the Company, prove that it holds shares in the Company the market value of which corresponds to 12 (twelve) gross fixed salaries per month. If the dates for proving ownership of the shares mentioned in the previous sentence happen to overlap with periods when trading Company shares is not allowed, the verification will be conducted on the second business day following the end of the prohibition period for the Restricted Shares. In case a Participant does not meet any of these conditions, he/she will not be entitled to receive the Restricted Shares at the end of the vesting period.

Specifically for the *ILP Performance* Program, the number of Restricted Shares to be transferred to the Participants after the vesting period of three (3) years will vary between 80% and 130% due to the achievement of long-term performance targets established and provided for in the respective agreements, focusing on the appropriate balance between the impact of management and the return to shareholders.

For the first grant, decided at a Board of Directors' Meeting held on April 29, 2022, the performance, for the purposes of assessing the program, is measured based on the combination of the following indicators:



**Total Shareholder Return (“TSR”):** total shareholder return calculated in relation to the TSR of the companies that make up the IBrX-50 index. This indicator serves as a benchmark, reflecting the average price performance of the 50 most tradeable and representative assets listed on the Brazilian stock exchange. TOTVS has been part of this index since 2021.

- **Evolution of Earnings per Share (“EPS”) evolution:** a metric that measures the relationship between the net income of the Company's continuing operation and the number of shares that is part of the Company's Capital Stock.

- **Customer satisfaction:** measured through the NPS (Net Promoter Score) indicator, whose purpose is to measure the degree of loyalty of the customers of companies operating in any industry sector, reflecting customer experience. This indicator is broadly used by most companies because of its simplicity, reliability, and flexibility.

For the second grant, decided at a Board of Directors' Meeting held on May 5, 2023, for the purposes of assessing the program, the performance is measured based on the combination of the following indicators:

- **Total Shareholder Return (“TSR”):** total shareholder return calculated in relation to the TSR of the companies that make up the IBrX-50 index. This indicator serves as a benchmark, reflecting the average price performance of the 50 most tradeable and representative assets listed on the Brazilian stock exchange. TOTVS has been part of this index since 2021.

- **EBITDA evolution:** a metric that measures the growth of the company's adjusted EBITDA over the years related to the market index.

- **Customer satisfaction:** measured through the *NPS (Net Promoter Score)* indicator, whose purpose is to measure the degree of loyalty of the customers of companies operating in any industry sector, reflecting customer experience. This indicator is broadly used by most companies because of its simplicity, reliability, and flexibility.

The performance indicators seen in each year are strictly related to the company's business and the specific industry in which it operates, and are particularly applicable to the key value drivers of TOTVS. The combination of these three metrics enables a comprehensive assessment of the company's performance.

Each of the Participants will enter into a Share Granting Agreement and Other Covenants, as approved by the Committee, to be executed between the Company and each Participant within the scope of the respective Programs, which will provide for the granting of the corresponding Restricted Shares, as well as the terms and conditions for granting them (the “**Agreement**”).

The Company's obligation to transfer the Restricted Shares within the scope of Plan 3 shall be subject to (i) the execution of an Agreement with each one of the Participants, (ii) the continuity of the employment and/or statutory relationship, as the case may be, of each Participant with the Company until the end of the applicable



vesting period, as detailed hereinbelow; (iii) meeting the performance targets set forth for the Participants, in the case of the ILP Performance Program, as described in the corresponding Agreements; (iv) meeting the share ownership guidelines set forth in the ILP Master Program, and (v) any other conditions set forth in the corresponding Programs and Agreements.

The **ILP Destaques Program** will be subject to a three (3) year vesting period from the execution of the corresponding Agreement, after which the Participant acquires the right to become the holder of the Restricted Shares granted under the *ILP Destaques Program*.

The **ILP Performance Program** will be subject to a three (3) year vesting period from the execution of the corresponding Agreement, after which the Participant acquires the right to become the holder of the Restricted Shares granted under the *ILP Performance Program*.

The **ILP Master Program** will be subject to a five (5) year vesting period from the execution of the corresponding Agreement, after which the Participant acquires the right to become the holder of the Restricted Shares granted under the *ILP Master Program*.

The **Grant to the Board** corresponds to 20% of the total fixed compensation of each member of the Board of Directors, subject to (i) the global compensation limit approved at the General Meeting and the establishment of the individual compensation of the management members approved by the Board of Directors, and (ii) the conversion criterion provided for in Clause 8.2 of the Plan. It will be subject to a vesting period of two (2) years from the end of the respective term of office of the Beneficiary, after which the Participant is entitled to become the holder of the Restricted Shares granted under the Grant to the Board.

Subject to the maximum limit of Restricted Shares that may be granted under Plan 3, and considering the number of Restricted Shares to be delivered to Participants under the Programs, the Committee may, in order to attract and retain certain key individuals of the Company and/or from companies controlled by the Company, at its sole discretion, use any remaining balance of Restricted Shares under Plan 3 to make additional grants of Restricted Shares to Participants, in a limited number. Such additional grants will be subject to possible vesting periods, Participant's termination rules, and other specific terms and conditions to be freely set forth by the Committee, as provided for in the corresponding Agreements. The vesting period to be set by the Committee for this purpose will be at least three (3) years from the date of granting the Restricted Shares.

**f. criteria to determine the acquisition or strike price**

Plan 3 has, among others, the purpose of granting a long-term incentive to the Participants by granting Restricted Shares issued by the Company, without the payment of a strike price by the Participants. Therefore, this is not a stock option plan pursuant to article 168, § 3 of the Brazilian Corporations Act. Instead, this is a compensation plan based on the delivery of Restricted Shares to the participants.



Notwithstanding, the reference price per Restricted Share, for the purposes of Plan 3, corresponds to the average closing quotation of the Company shares in the sixty (60) trading days prior to the date of grant or another amount under criteria determined by the Committee and that reflects the market value of the Restricted Shares.

**g. criteria to determine the acquisition or exercise period**

The transfer of the Restricted Shares will be subject to a Vesting Period of three (3) to five (5) years, as detailed in item “d” above. Participants will be entitled to receive the total Restricted Shares if they maintain a relationship with the Company until the end of the applicable Vesting Period, according to the specific rules set forth under the Plan 3, the Programs and the Agreements, particularly when the Participant leaves the Company (i) at their own initiative or is terminated for cause, in which case the Participant will no longer be entitled to receive Restricted Shares; (ii) at the Company’s initiative, without cause or by mutual agreement, in which case the Participant will be entitled to receive a portion of the Restricted Shares; (iii) upon their compulsory retirement; or (iv) upon their death, disappearance or permanent disability, in which case the Participant will be entitled to receive the Restricted Shares in full.

**h. form of settlement**

As mentioned in paragraph “e” above, this is a long-term incentive consisting of granting shares issued by the Company to Participants, who do not give any financial consideration in return. Therefore, once the conditions set forth under Plan 3, the Programs and the related Agreement are met, the Participant will be entitled to receive Restricted Shares within sixty (60) days from the end of the vesting period, and it will be the responsibility of the Company’s management to take all measures required to formalize such transfer.

At its discretion, the Company may pay in cash the amount corresponding to the value of Restricted Shares the Participant is entitled to instead of delivering the Restricted Shares to the Participant. If the Company chooses to pay in cash, the price per share will correspond to the average closing price of the Company shares in the sixty (60) trading days prior to the date of granting or another amount in accordance with criteria determined by the Committee and that reflects the market value of the Shares.

**i. restrictions on the transfer of shares**

After its transfer to the participants, they may sell, transfer or, in any way, dispose of the Restricted Shares without any restriction, but must comply with the provisions of the Company's Policy of Disclosure of Material Information and Trading of Securities.

**j. criteria and events that, when found, will cause the suspension, change, or termination of the plan**

Except as regards Grants to the Board of Directors, in the interest of the Company and its shareholders, the People and Compensation Committee may terminate or



suspend Plan 3, or even review the conditions of Plan 3, provided that it does not change the corresponding basic principles, especially the maximum limits for the transfer of Restricted Shares as approved by the General Meeting.

The Committee may also give a certain treatment to special cases and situations while Plan 3 remains in effect. That includes deciding on the grant of additional Restricted Shares, provided that the rights already vested in Participants are not affected, and in compliance with the limit on the total number of Restricted Shares that may be granted under the Plan.

Although it does not entail the termination, suspension or change of Plan 3, in the case of a Change of Control over the Company (as defined under the Plan), if the Participant is terminated from the Company within twelve (12) months after the event, the Participant will be entitled to be fully paid the amount corresponding to the value of the Restricted Shares, in compliance with existing performance indicators disclosed to the Participant upon the occurrence of the event. The provisions above will be applicable after the twelve (12)-month period.

If the Company is dissolved, transformed, merged, taken over, spin-off, or restructured in such a manner that the Company is not the remaining company or, if it is the remaining company, ceases to have shares traded at the stock exchange, the Agreements in effect may, at the Committee's discretion: (i) be transferred to the succeeding company; or (ii) have its Vesting Periods ended earlier, as applicable.

**k. consequences in case a management member leaves the issuer's bodies, on his/her rights provided for in the share-based compensation plan**

None of Plan 3's provisions can be construed as constituting rights to Participants who are employees and/or statutory managers, as the case may be, in addition to those inherent to the Restricted Shares, nor will any provision confer rights to the Participants regarding the guarantee to be maintained as an employee and/or statutory executive officer of the Company and/or with controlled companies of the Company, or in any way will it interfere with the right of the Company, subject to the legal conditions and those arising from the employment or management contract (in the case of statutory Participants not bound by an employment contract), to terminate the relationship with the Participant at any time.

In the event of termination of a Participant on his/her own initiative at any time during the Vesting Periods, as applicable, the Participant will be no longer entitled to receive Restricted Shares. Notwithstanding, a Participant will preserve the right of ownership on any Restricted Shares belonging to him/her upon the termination, because of the elapse of the applicable Vesting Periods.

In case of termination of the Participant at the Company's initiative, without cause, or upon mutual agreement, the Participant will be entitled to receive proportionally the Restricted Shares subject matter of the granting, in accordance with the time already elapsed of the applicable Vesting Periods calculated until the actual date of termination. As for the *ILP Performance Program*, the shares will be transferred only at the end of the corresponding Vesting Period and subject to the assessment of the





performance targets set forth in the Agreement. A full month's work, for the sake of proportional calculation, is defined as one including at least fifteen (15) days of service.

In case of compulsory retirement, the Participant will be entitled to receive in full the Restricted Shares that have been granted to him/her, with the early expiration of the Vesting Periods then in force, except in the case of the *ILP Performance* Program, where the payment will become due and payable only at the end of the corresponding Vesting Period and subject to the assessment of the performance targets set forth in the Agreement.

In the event of Change of Control, if the Participant is terminated involuntarily from the Company, within twelve (12) months from said event, he/she will be entitled to receive the Restricted Shares in full, in accordance with the existing performance indicators and informed to the Participant upon the event in question. The provisions above apply after said twelve (12) months.

Other cases of termination not provided for above will be governed by the Committee.

In case of death, disappearance, or permanent disability of a Participant, all the Vesting Periods will be deemed as expired earlier, upon the death, disappearance, or declaration of disability of the Participant by the Brazilian National Social Security Institute. This will make him/her or his/her respective successors, as applicable, entitled to receive the Restricted Shares in full within one hundred and eighty (180) days from the event in question. In case of the *ILP Performance* Program, the determination of the performance indicators will be disregarded, and the number of Restricted Shares set forth in the agreement will be transferred.





## DESCRIPTION OF PLAN 4

### **a. general terms and conditions**

The Programs (which do not cover Grants to the Board) will be managed by the Committee, which will have the authority to construe them, having, among others, the required powers to:

- (a) approve the Programs set forth in this Plan, as well as their corresponding regulations;
- (b) decide on any and all measures related to the administration of the Programs, and interpret and apply the general rules established herein, subject to the provisions of Clause 4.1.4;
- (c) select, among the persons eligible to take part in the Programs, those who will take part in them in a given fiscal year or establish the criteria for their determination;
- (d) determine the number of Restricted Shares to be granted on each Participant under the Programs, subject to the quantitative limit provided for in Clause 3.1;
- (e) approve the Agreement to be entered into between the Company and each of the Participants;
- (f) amend the Program provisions as necessary towards its management, as well as to meet Company interests, as long as (a) such amendments do not violate the provisions of this Plan or of the Programs; or (b) Participants' rights arising from or related to the Programs are not harmed. This limitation excludes any adaptations that the Committee might perform in consequence of changes implemented in the law in force;
- (g) examine exceptional cases arising from or related to the Long-Term Incentive Programs; and
- (h) exclusively with regard to the Programs, settle doubts regarding the interpretation of the general rules set forth in this Plan, and address omitted cases.

The Committee decisions will have a binding nature on the Company and the Participants, when they are made in compliance with this Plan, the respective Program, or the applicable laws.

No Participant may take part in discussions within the Committee regarding this Plan or any Program or Agreement.

Further, none of the Participants may, in any other bodies of the Company management, attend discussions or vote for any matter in which the Participant has a



potential interest as regards the Plan, the Programs or any Agreement, as well as concerning his/her individual compensation within the scope of the Plan.

The Committee shall not be entitled to determine, nor may it change the rules concerning the granting of Restricted Shares to the Board of Directors, pursuant to Chapter III, and the Board of Executive Officers shall have authority to implement the Grant to the Board pursuant to this Plan as approved by the General Meeting.

The Share-Based Compensation Plan came into effect on April 23, 2025, the date of its approval by the Company's General Meeting, and will remain in effect until December 31, 2035.

The key characteristics of Plan 4 are listed below:

- **"Agreement"** means the Share Granting Agreement and Other Covenants approved by the Committee, to be executed by and between the Company and each Participant or member of the Board of Directors within the scope of this Plan and, whenever applicable, of the corresponding Programs.
- **"Board of Directors"** means the Company's Board of Directors
- **"Board of Executive Officers"** means the Company's statutory board of executive officers.
- **"Brazilian Corporations Act"** means Law 6,404 of December 15<sup>th</sup>, 1976, as amended.
- **"Bylaws"** means the Company's Bylaws.
- **"Change of Control"** means either of the following events: (i) the acquisition of 30% or more of the shares representing the Company's capital stock by one shareholder or group of shareholders representing a common interest; or (ii) a corporate reorganization, including consolidation, acquisition, merger of shares, spin-off followed by the merger of the spin-off portion or any similar transaction resulting in the title of 30% or more of the shares representing the capital stock of the resulting company by one shareholder or group of shareholders representing a common interest.
- **"CLT"** means the Consolidation of Brazilian Labor Laws.
- **"Committee"** means the Company's People and Compensation Committee, as provided for in the Company's bylaws, or such other Committee as may be specifically created or designated by the Board of Directors to manage the Plan, as applicable.
- **"Company"** means TOTVS S.A.
- **"Fair Reason"** means the practice of an action in violation of the Law, the Bylaws, or the policies and/or regulations of the Company and/or any of its



controlled companies (as applicable), and/or any behavior equivalent to just cause, pursuant to art. 482 of Decree-Law 5,452/43 (CLT).

- **“Grant to the Board”** has the meaning given in Clause 15.1 of this Plan.
- **“ILP Destaques Program”** means the program, subject to this Plan, in which the Committee may, annually and based on an individual performance assessment, which adopts an objective methodology approved by the Board of Directors that includes objective criteria such as results, and behaviors and is informed to the respective Participants, nominate certain employees of the Company and/or controlled companies in non-executive positions (below the executive manager or other position that may replace it) who are considered, in the above-mentioned assessment, “Highlights of the Year”. Although it is possible, there is no rule that determines the nomination of the same Participant in consecutive years.
- **“ILP Master Program”** means the program, subject to this Plan, aimed at a selected group of individuals considered as key and critical to the Company and/or controlled companies. Annually, the Committee may appoint Participants who hold the position of executive manager or higher (or other positions that may replace them), whether they are employees or statutory executive officers. Eligibility for the *ILP Master Program* is subject to individual performance assessment, conducted based on an objective methodology approved by the Board of Directors that is informed to the respective Participants, which includes criteria such as results and behaviors. To be entitled to the Restricted Shares, a Participant must comply with the “share ownership guideline” that requires a proof of ownership of Shares, the market value of which corresponds to twelve (12) monthly fixed gross salaries. This proof must be provided: (i) at the final term of the three (3) year period following the date of the granting of the Restricted Shares; (ii) on the last day of the months of May, August, and November subsequent to the end of such three (3) year period until the date of the effective delivery/transfer of the Restricted Shares by the Company; and (iii) on the date of the effective delivery/transfer of the Restricted Shares by the Company. In the event that any submission date for proof coincides with a period during which share trading is prohibited, the verification will be conducted on the second business day following the end of the relevant restriction. In case a Participant does not meet any of these conditions, he/she will not be entitled to receive the Restricted Shares at the end of the Vesting period of the *ILP Master Program*. The Participant is the sole responsible for complying with these conditions and must take into account any changes in his/her monthly fixed gross salary and any changes in the market value of the Company's shares. Although it is possible, there is no rule that determines the nomination of the same Participant in consecutive years.
- **“ILP Performance Program”** means the program, subject to this Plan, in which executive officers of the Company and/or controlled companies may be



appointed annually by the Committee. Participants who hold the position of executive manager or higher (or other positions that may replace them), whether they are employees or members of the statutory executive officers, are eligible, as long as they achieve the Company's long-term internal and external performance indicators determined annually by the Board of Directors and informed to the Participants, besides the individual performance assessment, which adopts an objective methodology approved by the Board of Directors, also informed to the respective Participants, and includes criteria such as results and behaviors.

- **"Participants"** means the employees and management members of the Company (except members of the Board of Directors) and its controlled companies, who are considered eligible under each of the Long-Term Incentive Programs.
- **"Plan"** means this Share-Based Compensation Plan, also referred to as "Plan 4".
- **"Programs" or "Long-Term Incentive Programs"** means, together, the *ILP Destaques* Program, the *ILP Performance* Program, and the *ILP Master* Program, and **do not** cover Grants to the Board of Directors.
- **"Restricted Shares"** means the Shares that will be delivered/transferred, pursuant to this Plan (including those delivered/transferred pursuant to Chapter III) and the Plans.
- **"Shares"** means the common shares issued by the Company.
- **"Termination"** means any action or fact that puts an end to the legal relationship between, on the one hand, the Participant or member of the Board of Directors, and on the other hand, the Company, except in cases of retirement by the Brazilian National Social Security Institute (INSS) due to permanent disability, death, or court declaration of absence due to the disappearance whether of the Participant or the member of the Board of Directors, as the case may be. The word 'termination' covers, among others, any voluntary dismissal, request for dismissal, resignation, removal, replacement or non-reelection as a management member without an employment relationship, and termination of an employment contract for any reason, for a Fair Reason or not, at the initiative of either party, or upon mutual agreement.
- **"Vesting Periods"** means the Vesting Period for the *ILP Destaques* Program, the Vesting Period for the *ILP Performance* Program, and the Vesting Period for the *ILP Master* Program considered together.
- **"Vesting Period for the ILP Destaques Program"** means the vesting period of 3 (three) years from the execution of the corresponding Agreement, after which the Participant is entitled to become the holder of the Restricted Shares granted within the scope of the *ILP Destaques* Program, at which time the



Company shall transfer such Restricted Shares to the Participant, under the terms of the Agreement and subject to the provisions of Clause 6.1 of this Plan.

- **“Vesting Period of the ILP Performance Program”** means the vesting period of 3 (three) years from the execution of the corresponding Agreement, after which the Participant is entitled to become the holder of the Restricted Shares granted within the scope of the *ILP Performance Program*. The transfer of such Restricted Shares by the Company to the Participant will be subject to the achievement of long-term, internal and external performance indicators, as provided for in the respective Agreement, besides compliance with the provisions of Clause 6.1 of this Plan.
- **“Vesting Period for the ILP Master Program”** means the vesting period of 5 (five) years from the execution of the corresponding Agreement, after which the Participant is entitled to become the holder of the Restricted Shares granted within the scope of the *ILP Master Program*, at which time the Company shall transfer such Restricted Shares to the Participant, under the terms of the Agreement and subject to the provisions of Clause 6.1 of this Plan.



We provide below a summary of the potential grants under Plan 4:

VARIABLE COMPENSATION (LONG-TERM INCENTIVE) - STATUTORY AND NON-STATUTORY EXECUTIVE OFFICERS			
Criteria	ILP Destaques Program	ILP Performance Program	ILP Master Program
Eligibility	Non-executive Participants (with positions below executive manager) of the Company considered as "Highlight of the Year"	Participants holding the position of executive manager or higher, whether employees or statutory executive officers	Participants who are part of the Statutory and Non-Statutory Board of Executive Officers
Vesting Period	3 years	3 years	5 years
Granting rationale	Based on performance carried out in the year before the granting		Rationale determined by the People and Compensation Committee
Amount of grants	Financial amount by career level	Financial amount by career level	Financial amount determined by the People and Compensation Committee
Key Performance Indicators 2025	Placement within the annual "9-box" performance matrix (ranging from 0% to 130%).	Placement within the annual "9 BOX" Performance matrix (ranging from 0% and 130%) combined with the performance indicators after the vesting period (ranging from 80% to 130%): (i) TSR TOTS3 vs. IBrX 50 adjusted (30% weight); (ii) EBITDA vs. IPCA growth (40% weight); (iii) NPS (20% weight); and (iv) permanence in the TOTS3 in the IBOVESPA index (10% weight)	Placement within the annual "9-box" performance matrix

FIXED COMPENSATION (PAID IN RESTRICTED SHARES) - BOARD OF DIRECTORS MEMBERS	
Criteria	Grant to the Board of Directors
Eligibility	Members of the Board of Directors, including the Chairman of the Board of Directors
Transfer of shares	4 years after the Grant to the Board made in the 1 <sup>st</sup> Year of in Office and 3 years after the Grant to the Board made in the 2 <sup>nd</sup> Year in Office, as applicable.
Granting rationale	Not based on performance
Amount of grants	Fixed amount of 20% of total fixed compensation for the members of the Board of Directors
Key Performance Indicators	Not applicable



**b. date of approval and body in charge**

The Share-Based Compensation Plan was approved by resolution of the shareholders at the Company's Extraordinary General Meeting held on April 23, 2025.

**c. maximum number of shares covered**

The maximum number of shares that may be granted under the Plan cannot exceed five percent (5%) of the Company's capital stock.

We believe that the maximum dilution of the Share-Based Compensation Plan is in line with the best corporate governance practices, as well as the context of the industry in which TOTVS operates in Brazil. Such alignment considers several aspects, such as the company's size, its ownership structure, history of growth and future potential, financial status, and historical standards for performance-based compensation. In addition, as reported in the trading form of Company's securities, officers and related persons of February 2025, the Company has a high free float of 89% (percentage of the company's capital stock available for trading on the stock market disregarding the shares held by the treasury and managers), which guarantees a sufficient number of outstanding shares to ensure market liquidity and stability, even when granting additional shares to employees through the Compensation Plan.

**d. maximum number of options to be granted**

Not applicable, considering that stock options will not be granted as a result of the Plan.

**e. conditions for the acquisition of shares**

The acquisition conditions will be applicable according to the respective Program the Participant is eligible to participate in. Nevertheless, it will be the responsibility of the Committee, in compliance with the selection criteria of each Program, to annually select the Participants for each Program.

It is important to note that the Grants to the Board, made in accordance with Chapter III of the Plan, will not be subject to the rules established by the Plan related to targets or performance evaluation. The Committee will not be responsible for defining, nor will it be able to alter, the rules related to the mentioned Grant to the Board, as provided in Chapter III of the Plan. The Board of Directors will be responsible for implementing the grant to the members of the Board of Directors, as provided for in the Plan and approved by the General Meeting. In case of any omission regarding the provisions in Chapter III, the General Meeting must necessarily be consulted.

Specifically for the *ILP Master* Program, in order to receive the Restricted Shares, the respective Participant must (i) at the end of the three-year period following the grant date of the Restricted Shares, (ii) on the last day of the months of May, August, and November following the end of the said three-year period until the effective delivery of





the restricted shares by the Company, and (iii) on the date of the actual delivery of the Restricted Shares by the Company, prove to hold shares of the Company with a market value corresponding to twelve (12) gross monthly fixed salaries. If any of these proof dates coincide with periods of restriction on trading Company shares, the verification will be carried out on the second business day following the end of the respective restriction period. If the Participant fails to meet any of these conditions, they will not be entitled to receive the Restricted Shares at the end of the *ILP Master* Program's Vesting Period.

Specifically for the *ILP Performance* Program, the number of Restricted Shares to be transferred to the Participants after the three (3) year vesting period will vary depending on the achievement of long-term performance goals set forth in the respective Agreements, focusing on the appropriate balance between the management's impact and the return to shareholders.

Each Participant must sign a Share Grant Agreement and Other Covenants, to be executed between the Company and each Participant within the scope of the respective Programs, which will govern the granting of the corresponding Restricted Shares, as well as the terms and conditions for their granting ("Agreement").

The Company's obligation to transfer Restricted Shares within the scope of the Plan will be subject to (i) the signing of the respective Agreements with each Participant, (ii) the continuity of the employment and/or statutory relationship, as the case may be, of each Participant with the Company and/or its controlled subsidiaries until the end of the applicable vesting period, as detailed below; (iii) the achievement of performance goals set for the Participants, in the case of the *ILP Performance* Program, as provided in the respective Agreements; (iv) the compliance with the share ownership guideline in the case of the *ILP Master* Program, and (v) other conditions possibly set forth in the respective Programs and Agreements.

The ***ILP Destaques*** Program will be subject to a three (3) year vesting period from the signing of the respective Agreement, after which the Participant acquires the right to become the holder of the Restricted Shares granted under the *ILP Destaques* Program.

The ***ILP Performance*** Program will be subject to a three (3) year vesting period from the signing of the respective Agreement, after which the Participant acquires the right to become the holder of the Restricted Shares granted under the *ILP Performance* Program.

The ***ILP Master*** Program will be subject to a five (5) year vesting period from the signing of the respective Agreement, after which the Participant acquires the right to become the holder of the Restricted Shares granted under the *ILP Master* Program.

In compliance with the dilution limit set forth in Clause 3.1 of the Plan, the Committee may, additionally, in order to attract certain key individuals to the Company and/or its controlled subsidiaries, at its sole discretion, use any remaining balance of Restricted Shares within the Plan for grants to these individuals the Company seeks to attract, in a limited number. Such additional grants will be subject to potential vesting



periods, termination rules, and other specific terms and conditions freely set by the Committee, as may be established in the respective Agreements.

**f. criteria to determine the acquisition or strike price**

Not applicable. The Plan aims, among other things, to (i) serve as a long-term incentive tool for the Participants through the granting of Restricted Shares issued by the Company, without the payment of an exercise price by the Participants, and (ii) compensate the members of the Board of Directors by granting them Restricted Shares as part of their fixed remuneration. Therefore, it is not a stock option, as defined in Article 168, § 3 of Brazilian Corporations Act, but rather a compensation based on the delivery of shares to the Participants and the members of the Board of Directors, in accordance with the provisions of Chapter III of the Plan.

However, for clarification purposes, the reference price per Restricted Share, for the purposes of the Programs, will correspond to the average closing price of the Company's shares over the last 60 (sixty) trading days of the year preceding the grant or another value according to a criterion determined by the Committee that reflects the market value of the Restricted Shares.

In the scope of the fixed portion of the remuneration paid to the members of the Board, the number of Restricted Shares to be granted will be determined based on: (i) the fixed value of the Board's remuneration paid in Restricted Shares, in compliance with the percentages set forth in Clause 15.3 of the Plan; (ii) divided by the average closing price of the shares over the last 60 (sixty) trading days preceding the grant date.

**g. criteria to determine the acquisition or exercise period**

As detailed in the previous item, the Plan does not include stock options, so there is no actual exercise by the Participants. However, for clarity, the Vesting Periods for the delivery/transfer of the Restricted Shares under the Programs are described below.

With the exception of the members of the Board of Directors, whose criteria are mentioned below, the transfer of Restricted Shares will be subject to a Vesting Period of three (3) to five (5) years, as detailed in item "d" above. Participants will be entitled to receive the full amount of Restricted Shares if they remain employed by the Company until the end of the applicable Vesting Period for the Program, in compliance with the specific rules provided in the Plan, Programs, and Contracts, particularly in the case of the Participant's termination: (i) by their own initiative or without a Fair Reason, in which case the Participant will lose the right to receive Restricted Shares; (ii) by the Company's initiative, without a cause or by mutual agreement, in which case the Participant may be entitled to a proportional amount of Restricted Shares; (iii) by compulsory retirement, in which case the Participant will be entitled to receive the full amount of Restricted Shares; or (iv) by death, court



declaration of absence, and/or permanent disability, in which case the Participant will be entitled to receive the full amount of Restricted Shares.

In the event of termination of a Participant who is a member of the Company's Statutory Board (and not any other Participant) by the Company's initiative, without a Fair Reason, the Participant who is a member of the Company's Statutory Board (and not any other Participant) will be entitled to the full amount of Restricted Shares after the applicable Vesting Periods, as granted under the Plan. The above provision does not apply in the case of non-re-election of the Participant as a statutory director of the Company.

In the case of the Board of Directors, Restricted Shares will be granted to each member at the beginning of each 12 (twelve) month mandate year, counted from the date of their appointment. The transfer to the respective Board member will occur after a period of 2 (two) years from the end of their respective mandate, with the transfer of the Restricted Shares taking place within 60 (sixty) days following the end of the period, except in cases of termination, resignation, end of mandate without re-election, or end of mandate due to death or permanent disability of the Board member (as provided in Clause 15.4 of the Plan).

#### **h. form of settlement**

As mentioned in paragraph "e" above, this is a long-term incentive consisting of granting and delivering shares issued by the Company to the Participants, without any financial consideration from the Participants. Therefore, once the conditions set forth under the Plan, the Programs and the related Agreement are met, every Participant will be entitled to receive Restricted Shares within up to sixty (60) days from the end of the Vesting Period, and it will be the responsibility of the Company's management to take all measures required to formalize such transfer.

At its discretion, the Company may pay in cash the amount corresponding to the value of Restricted Shares the Participant is entitled to instead of delivering the Restricted Shares to the Participant. In the event of payment in cash, the amount to be paid to a Participant must be equivalent to the number of Restricted Shares to which the Participant is entitled to receive from the Company, multiplied by the closing price of the Company's Shares on the day of the transfer, after the end of the Vesting Period, deducted from the Withholding Income Tax and other taxes that may be payable by the Participant.

#### **i. restrictions on the transfer of shares**

After the Restricted Shares are transferred to Participants, they may sell, transfer, or otherwise dispose of them with no restriction.

#### **j. criteria and events that, in case of occurrence, will cause the suspension, change, or termination of the Plan**



Except as regards the provisions set forth in Chapter III of the Plan, to the best interests of the Company and its shareholders, the People and Compensation Committee may either terminate or suspend the Plan, or even, revise the Plan conditions, provided this does not change its respective basic principles, especially the maximum limits to transfer Restricted Shares as approved by the General Meeting.

As for the Programs, the Committee may also give a certain treatment to special cases and situations while the Plan remains in effect. That includes deciding on the grant of additional Restricted Shares, provided that the rights already vested in Participants are not affected, and in compliance with the limit on the total number of Restricted Shares that may be granted under the Plan.

Although it does not entail the termination, suspension or change of the Plan, in the case of a Change of Control over the Company (as defined under the Plan), if the Participant is terminated from the Company within twelve (12) months after the event, the Participant will be entitled to receive in full the amount corresponding to the value of the Restricted Shares, in compliance with existing performance indicators disclosed to the Participant upon the occurrence of the event. The provisions above will be applicable after the twelve (12)-month period. It should be noted that the same applies to the Participant who is a statutory officer of the Company who terminates at the Company's initiative, without Fair Reason or at the Participant's initiative, in both cases, within a period of twenty-four (24) months of the Change of Control event, observing the existing performance indicators.

If the Company is dissolved, transformed, merged, taken over, spin-off, or restructured in such a manner that the Company is not the remaining company or, if it is the remaining company, ceases to have shares traded at the stock exchange, the Agreements in effect may, at the Committee's discretion: (i) be transferred to the succeeding company; or (ii) have its Vesting Periods ended earlier, as applicable.

**k. consequences in case the management member leaves the issuer's bodies, on his/her rights provided for in the share-based compensation plan**

None of the Plan's provisions can be construed as constituting rights to Participants who are employees and/or statutory managers, as the case may be, in addition to those inherent to the Restricted Shares, nor will any provision confer rights to the Participants regarding the guarantee to be maintained as an employee and/or statutory executive officer of the Company and/or with controlled companies of the Company, or in any way will it interfere with the right of the Company, subject to the legal conditions and those arising from the employment or management contract (in the case of statutory Participants not bound by an employment contract), to terminate the relationship with the Participant at any time.

In the event of Termination of a Participant on his/her own initiative or for a Fair Reason at any time during the Vesting Periods, as applicable, the Participant will be



no longer entitled to receive Restricted Shares. Notwithstanding, the Participant will preserve the right of ownership on any Restricted Shares belonging to him/her upon the Termination, due to the elapse of the applicable Vesting Periods.

Except as provided for in Clause 13.2.1 of the Plan, in case of Termination of the Participant at the Company's initiative, without a Fair Reason, or upon mutual agreement, the Participant will be entitled to receive proportionally the Restricted Shares subject matter of the granting, according to the time already elapsed of the applicable Vesting Periods calculated until the actual date of Termination. As for the *ILP Performance Program*, the shares will be transferred only at the end of the respective Vesting Period and subject to the determination of the performance targets set forth in the Agreement. A full month's work, for the sake of proportional calculation, is constituted by at least fifteen (15) days of service.

In the event of Termination of a Participant who is a statutory officer of the Company (but not any other Participant of the Plan) at the Company's initiative, without Fair Reason, said Participant will be entitled to receive in full, at the end of the applicable Grace Periods, the Restricted Shares that have been granted to him/her under this Plan. The provisions of Clause 13.2.1 of the Plan shall not apply in the event of non-reelection of the Participant as a statutory officer of the Company.

The provisions of Clause 13.2.1 of the Plan will not apply if the Participant who is a statutory officer of the Company (but not any other Participant of the Plan) had a low individual performance in the two (2) semesters prior to his/her Termination at the Company's initiative, with no Fair Reason. To this end, individual performance will be measured according to the Company's performance assessment model in force at the time of granting, under the criteria to be detailed in the respective Long-Term Incentive Programs.

In case of compulsory retirement, the Participant will be entitled to receive in full the Restricted Shares that have been granted to him/her, with the early expiration of the Vesting Periods then in force, except in the case of the *ILP Performance Program*, where the payment will become due and payable only at the end of the corresponding Vesting Period and subject to the assessment of the performance targets set forth in the respective Agreement.

Except as provided for in Clause 13.4.1 of the Plan, in the event of Change of Control, if the Participant is terminated involuntarily from the Company as set forth hereinabove, within twelve (12) months from said event, he/she will be entitled to receive the Restricted Shares in full, in accordance with the existing performance indicators and informed to the Participant upon the event in question. The provisions above apply after said twelve (12) months.

In the event of a Change of Control, and in the event of Termination of a Participant who is a statutory officer of the Company (but not any other Participant of the Plan), (i) at the Company's initiative, with no Fair Reason; or (ii) at the Participant's initiative, in both cases, within a period of twenty-four (24) months from the Change of Control



event, such statutory Participant will be entitled to receive in full the Restricted Shares granted to him/her under this Plan (and only in the event that (i) there will be an early expiration of the Vesting Periods then in force), observing the existing performance indicators that had been reported to the Participant upon the event in question.

The provisions of Clause 13.4.1 of the Plan will not apply if the Participant who is a statutory officer of the Company (but not any other Participant of the Plan) (i) is terminated after the end of the period of twenty-four (24) months from the Change of Control event; and/or (ii) if he/she had a low individual performance in the two (2) semesters prior to the Change of Control event. To this end, individual performance will be measured according to the Company's performance assessment model in force at the time of granting, under the criteria to be detailed in the respective Long-Term Incentive Programs, as described in item 8.1.(c)(i), topic "Statutory and Non-Statutory Executive Officers".

The other cases of Termination not provided for above will be governed by the Committee.

In case of death, disappearance, or permanent disability of a Participant, all the Vesting Periods will be deemed as expired earlier, upon the death, disappearance, or declaration of disability of the Participant by the Brazilian National Social Security Institute. This will make him/her or his/her respective successors, as applicable, entitled to receive the Restricted Shares in full within one hundred and eighty (180) days from the event in question. In case of the *ILP Performance* Program, the determination of the performance indicators will be disregarded, and the number of Restricted Shares set forth in the agreement will be transferred.

#### **8.5. Share-based compensation in the form of stock options recognized in the result of the last 3 fiscal years and that foreseen for the current fiscal year of the Board of Directors and the Statutory Board of Executive Officers**

The Company does not have a share-based compensation plan in the form of stock options, so that there is no more information to be reported in this item.

#### **8.6. Grants of Stock Options performed in the last 3 fiscal years and foreseen for the current fiscal year, of the Board of Directors and the Statutory Board of Executive Officers**

The Company does not have a share-based compensation plan in the form of stock options, so that there is no more information to be reported in this item.





**8.7. Outstanding shares of the Board of Directors and the Statutory Board of Executive Officers at the end of the previous fiscal year**

The Company does not have a share-based compensation plan in the form of stock options, so that there is no more information to be reported in this item.

**8.8. Options Exercised related to the Share-Based Compensation of the Board of Directors and the Statutory Board of Executive Officers in the last 3 fiscal years**

The Company does not have a share-based compensation plan in the form of stock options, so that there is no more information to be reported in this item.





## 8.9 Potential dilution by grant of shares

We state in the tables below the share-based compensation, in the form of shares to be delivered directly to the beneficiaries foreseen for the current fiscal year and referring to the last three (3) fiscal years.

Share-based compensation in the form of shares to be delivered directly to beneficiaries. Estimate for the Fiscal Year to end on December 31 <sup>st</sup> , 2025		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.75
Number of paid members	6.0	7.75
Potential dilution in case of granting of all shares to beneficiaries	0.01%	0.19%

Share-based compensation in the form of shares to be delivered directly to beneficiaries. Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2024		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	8.0
Number of paid members	6.0	8.0
Potential dilution in case of granting of all shares to beneficiaries	0.01%	0.18%

Share-based compensation in the form of shares to be delivered directly to beneficiaries. Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2023		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.0
Number of paid members	6.0	7.0
Potential dilution in case of granting of all shares to beneficiaries	0.02%	0.16%

Share-based compensation in the form of shares to be delivered directly to beneficiaries. Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2022		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.0
Number of paid members	7.0	7.0
Potential dilution in case of granting of all shares to beneficiaries	0.03%	0.12%



### 8.10. Granting of Shares of the Board of Directors and the Statutory Board of Executive Officers

We inform in the tables below the information regarding the grants of shares of the Board of Directors and the Statutory Board of Executive Officers expected for the current fiscal year and referring to the previous 3 (three) fiscal years.

#### TABLES REFERRING TO "PLAN 3":

Grant of Shares: Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2022 – Granting (31) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	-	7.0
Number of paid members	-	7.0
Date of grant	-	April 29 <sup>th</sup> , 2022
Number of shares granted	-	320,183
Maximum deadline to deliver the shares	-	May 29 <sup>th</sup> , 2027
Restricted period to transfer shares	-	N/A
Fair value of the shares on the date of granting	-	30.90
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	-	9,893,654.70

Grant of Shares: Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2022 – Granting (32) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.0
Number of paid members	1.0	7.0
Date of grant	April 29 <sup>th</sup> , 2022	April 29 <sup>th</sup> , 2022
Number of shares granted	163,270	479,790
Maximum deadline to deliver the shares	May 29 <sup>th</sup> , 2025	May 29 <sup>th</sup> , 2025
Restricted period to transfer shares	N/A	N/A
Fair value of the shares on the date of granting	31.67	31.67
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	5,170,760.90	15,194,949.30



Grant of Shares: Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2023 - Granting (33) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	-	7.0
Number of paid members	-	7.0
Date of grant	-	May 5 <sup>th</sup> , 2023
Number of shares granted	-	330,720
Maximum deadline to deliver the shares	-	June 5 <sup>th</sup> , 2028
Restricted period to transfer shares	-	N/A
Fair value of the shares on the date of granting	-	26.21
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	-	8,668,171.20

Grant of Shares: Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2023 - Granting (34) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.0
Number of paid members	1.0	7.0
Date of grant	May 5 <sup>th</sup> , 2023	May 5 <sup>th</sup> , 2023
Number of shares granted	123,724	628,149
Maximum deadline to deliver the shares	June 5 <sup>th</sup> , 2026	June 5 <sup>th</sup> , 2026
Restricted period to transfer shares	N/A	N/A
Fair value of the shares on the date of granting	26.84	26.84
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	3,320,752.16	16,859,519.16



Grant of Shares: Estimate for the Fiscal Year ended on December 31 <sup>st</sup> , 2023 - Granting (35) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	-
Number of paid members	5.0	-
Date of grant	May 5 <sup>th</sup> , 2023	-
Number of shares granted	20,180	-
Maximum deadline to deliver the shares	June 5 <sup>th</sup> , 2026	-
Restricted period to transfer shares	N/A	-
Fair value of the shares on the date of granting	26.84	-
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	541,631.20	-

Grant of Shares: Estimate for the current Fiscal Year ended on December 31 <sup>st</sup> , 2024 - Granting (36) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	-	8.0
Number of paid members	-	8.0
Date of grant	-	May 3 <sup>rd</sup> , 2024
Number of shares granted	-	331,316
Maximum deadline to deliver the shares	-	June 3 <sup>rd</sup> , 2029
Restricted period to transfer shares	-	n/a
Fair value of the shares on the date of granting	-	27.78
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	-	9,203,958.48



- Granting (37) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	8.0
Number of paid members	1.0	8.0
Date of grant	May 3 <sup>rd</sup> , 2024	May 3 <sup>rd</sup> , 2024
Number of shares granted	50,659	651,140
Maximum deadline to deliver the shares	June 3 <sup>rd</sup> , 2027	June 3 <sup>rd</sup> , 2027
Restricted period to transfer shares	n/a	n/a
Fair value of the shares on the date of granting	28.19	29.34
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	1,428,077.21	19,104,447.60

Grant of Shares: Estimate for the current Fiscal Year ended on December 31 <sup>st</sup> , 2024 - Granting (38) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	-
Number of paid members	5.0	-
Date of grant	May 3 <sup>rd</sup> , 2024	-
Number of shares granted	19,855	-
Maximum deadline to deliver the shares	June 3 <sup>rd</sup> , 2028	-
Restricted period to transfer shares	n/a	-
Fair value of the shares on the date of granting	28.19	-
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	559,712.45	-



**TABLES REFERRING TO "PLAN 4":**

Grant of Shares – Estimate for the current fiscal year ending on December 31 <sup>st</sup> , 2025 - Granting (39) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	-	7.75
Number of paid members	-	7.75
Date of grant	-	April 30 <sup>th</sup> , 2025
Number of shares granted	-	406,973*
Maximum deadline to deliver the shares	-	June 30 <sup>th</sup> , 2030**
Restricted period to transfer shares	-	n/a
Fair value of the shares on the date of granting	-	28.96
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	-	11,785,938.10

\*The average of the last sixty (60) trading sessions of the year prior to the year of the grant will be considered, at the price of R\$28.96 per Share.

\*\*The transfer value of the shares granted shall be defined on the date of transfer of these shares.

Grant of Shares – Estimate for the current fiscal year ending on December 31 <sup>st</sup> , 2025 - Granting (40) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	-	7.75
Number of paid members	-	7.75
Date of grant	-	April 30 <sup>th</sup> , 2025
Number of shares granted	-	722,062*
Maximum deadline to deliver the shares	-	June 30 <sup>th</sup> , 2028
Restricted period to transfer shares	-	n/a
Fair value of the shares on the date of granting	-	28.96
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	-	20,910,915.50

\*The average of the last sixty (60) trading sessions of the year prior to the year of the grant will be considered, at the price of R\$28.96 per Share.



Grant of Shares – Estimate for the current fiscal year ending on December 31 <sup>st</sup> , 2025 - Granting (41) of Restricted Shares		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	-
Number of paid members	6.0	-
Date of grant	April 30 <sup>th</sup> , 2025	-
Number of shares granted	to be determined*	-
Maximum deadline to deliver the shares	June 30 <sup>th</sup> , 2028	-
Restricted period to transfer shares	n/a	-
Fair value of the shares on the date of granting	to be determined**	-
Multiplication of the number of shares granted by the fair value of the shares on the date of granting	to be determined	-

\*The number of Restricted Shares to be granted will be determined based on the fixed compensation of the Board of Directors paid in Restricted Shares, observing the percentage of 20% of the fixed compensation of each member of the Board of Directors, divided by the average closing price of the Shares in the last 60 (sixty) trading sessions prior to the grant date.

\*\*The average of the last sixty (60) trading days prior to the grant date will be considered.





### 8.11. Shares Delivered Relating to the Share-Based Compensation of the Board of Directors and the Statutory Board of Executive Officers

We inform in the tables below the information of the shares delivered related to the share-based compensation of the Board of Directors and the Statutory Board of Executive Officers in the last 3 (three) fiscal years.

Shares Delivered – Fiscal Year ended on December 31 <sup>st</sup> , 2024		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	8.0
Number of paid members	1.0	8.0
Number of shares	282,717	1,071,000
Weighted average acquisition price	not applicable	not applicable
Weighted average market price of the acquired shares	27.91	27.91
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the acquired shares	7,890,631.47	29,891,610.00

Shares Delivered – Fiscal Year ended on December 31 <sup>st</sup> , 2023		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.0
Number of paid members	1.0	7.0
Number of shares	266,031	1,235,250
Weighted average acquisition price	not applicable	not applicable
Weighted average market price of the acquired shares	25,44	25,44
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the acquired shares	6,767,828.64	31,424,760.00



Shares Delivered – Fiscal Year ended on December 31, 2022		
	Board of Directors	Statutory Board of Executive Officers
Number of members	7.0	7.0
Number of paid members	1.0	6.0
Number of shares	283,905	848,250
Weighted average acquisition price	not applicable	not applicable
Weighted average market price of the acquired shares	32.38	32.38
Multiplication of the total shares acquired by the difference between the weighted average acquisition price and the weighted average market price of the acquired shares	9,192,843.90	27,466,335.00

## **8.12. Information required to understand the data disclosed in Sections 8.5 to 8.11**

### **a. pricing model**

The fair value of the Restricted Shares issued under "Plan 3" and "Plan 4" is determined based on the market share value on the date of delivery/transfer, less the expected dividend for the vesting period, since the beneficiaries are not entitled to receive it. According to CPC-10 standard, such amount is deferred and amortized during the vesting period.

### **b. data and assumptions used in the pricing model, including the weighted average price of shares, strike price, expected volatility, option life term, expected dividends, and the risk-free interest rate**

The data and assumptions used in the pricing model are shown in the table below:



**TABLE REGARDING “PLAN 3”**

Body	Statutory Board of Executive Officers	Board of Directors	Statutory Board of Executive Officers	Statutory Board of Executive Officers	Board of Directors	Statutory Board of Executive Officers	Board of Directors
Grant	31 <sup>st</sup> grant	32 <sup>nd</sup> grant	32 <sup>nd</sup> grant	33 <sup>rd</sup> grant	34 <sup>th</sup> grant	34 <sup>th</sup> grant	35 <sup>th</sup> grant
Date	April 29 <sup>th</sup> , 2022	April 29 <sup>th</sup> , 2022	April 29 <sup>th</sup> , 2022	May 5 <sup>th</sup> , 2023	May 5 <sup>th</sup> , 2023	May 5 <sup>th</sup> , 2023	May 5 <sup>th</sup> , 2023
Grant price of the restricted shares	32.87	32.87	32.87	27.75	27.75	27.75	27.75
Expectation of dividends	1.23%	1.23%	1.23%	1.13%	1.10%	1.10%	1.10%
Expectation of volatility	NA	NA	NA	NA	NA	NA	NA
Risk-free interest rate	NA	NA	NA	NA	NA	NA	NA
Vesting period of the shares	5 years	3 years	3 years	5 years	3 years	3 years	3 years
Fair value	R\$ 30.90	R\$ 31.67	R\$ 31.67	R\$ 26.21	R\$ 26.84	R\$ 26.84	R\$ 26.84

Body	Statutory Board of Executive Officers	Board of Directors	Statutory Board of Executive Officers	Board of Directors
Grant	36 <sup>th</sup> grant	37 <sup>th</sup> grant	37 <sup>th</sup> grant	38 <sup>th</sup> grant
Date	May 3 <sup>rd</sup> , 2024	May 3 <sup>rd</sup> , 2024	May 3 <sup>rd</sup> , 2024	May 3 <sup>rd</sup> , 2024
Grant price of the restricted shares	29.61	29.61	29.61	29.61
Expectation of dividends	1.27%	1.10%	1.10%	1.22%
Expectation of volatility	NA	NA	NA	NA
Risk-free interest rate	NA	NA	NA	NA
Vesting period of the shares	5 years	3 years	3 years	4 years
Fair value	R\$ 27.78	R\$ 28.64	R\$ 29.34	R\$ 28.19

**TABLE REGARDING “PLAN 4”**

Body	Statutory Board of Executive Officers	Statutory Board of Executive Officers	Board of Directors
Grant	39 <sup>th</sup> grant	40 <sup>th</sup> grant	41 <sup>st</sup> grant
Date	April 30 <sup>th</sup> , 2025	April 30 <sup>th</sup> , 2025	April 30 <sup>th</sup> , 2025
Grant price of the restricted shares	28.96	28.96	To be determined*
Expectation of dividends	NA	NA	NA
Expectation of volatility	NA	NA	NA
Risk-free interest rate	NA	NA	NA
Vesting period of the shares under the Programs and the transfer period of the shares related to the Grants to the Board	5 years	3 years	3 years
Fair value (transfer price)**	NA	NA	NA

\*The average of the last sixty (60) trading days prior to the grant date will be considered.

\*\*It will correspond to the closing price of the Company's shares on the date of the transfer of the respective Restricted Shares.



**c. method used and assumptions made to incorporate the expected effects of early exercise**

The Restricted Shares have the vesting period rule of 3 (three) and 5 (five) years from the date of grant. Thus, the assumption used to incorporate the expected effects of early exercise of such options was to recognize the restricted shares in the result over 3 (three) and 5 (five) years.

**d. form of determination of the expected volatility**

Not applicable, since the Company has only Restricted Shares.

**e. if any other characteristic of the option was incorporated into the measurement of its fair value**

Not applicable, since the Company has only Restricted Shares.



**8.13. Interests Issued by the Issuer, Its Direct or Indirect Controllers, Controlled Companies or Under Common Control, grouped by Body**

The table below shows the number of TOTVS shares held by members of the Board of Directors, the Statutory Board of Executive Officers and the Fiscal Council at the end of the previous fiscal year.

	Fiscal year ended on December 31 <sup>st</sup> , 2024			
Company	Board of Directors	Statutory Board of Executive Officers	Fiscal Council*	Total
TOTVS S.A.	51,878,379	2,491,606	0	54,369,985



#### 8.14. Information on Pension Plans for Members of the Board of Directors and Statutory Executive Officers

In addition to the contribution to social security (INSS), the executive officers can voluntarily join the Company's private pension plan. The basic contribution consists of monthly payments with their amount limited to the range between 2% to 5% of the monthly fixed compensation (base salary) of the executive officer and has a counterpart (deposit of equal amount) from the Company. In addition, voluntary monthly or sporadic contributions can be made, however, without the Company's counterpart. To be entitled to redeem the amount deposited by the Company, the executive officer must contribute to the program for at least (three) 3 years, and the percentage to be redeemed will vary as shown in the table below:

Contribution time to the program	Percentage of the balance of the company's normal contributions
Up to 2 years and 11 months	-
From 3 years to 3 years and 11 months	30%
From 4 years to 4 years and 11 months	40%
From 5 years to 5 years and 11 months	50%
From 6 years to 6 years and 11 months	60%
From 7 years to 7 years and 11 months	70%
From 8 years to 8 years and 11 months	80%
From 9 years to 9 years and 11 months	90%
From 10 years on	100%

See below is a table with information on the pension plans in force granted to members of the Board of Directors and Statutory Executive Officers:

Pension Plan in Force		
	Board of Directors	Statutory Board of Executive Officers
Number of members*	7.0	8.0
Number of paid members*	6.0	8.0
Plan name	N/A	TOTVS Private Pension Plan**
Number of management members who are eligible to retire	N/A	Currently, no executive officers are in the process of retiring
Conditions for early retirement	N/A	Early retirement is not possible
Updated accumulated amount of accrued contributions up to the end of the previous fiscal year, deducting the portion related to contributions made directly by the management members	N/A	R\$3,714,106.30
Total accrued amount of contributions made during the previous fiscal year, deducting the portion relating to contributions made directly by the management members	N/A	R\$500,761.31
Whether there is the possibility of early redemption and what are the conditions to do so	N/A	The executive is entitled to redeem private pension contributions. However, with cancellation of the plan and no possibility of return. He/she will be eligible to the company's contribution, according to the length of contribution table



\*For the purposes of this item 8.4, the number of members as of the reference date of 12/31/2024 was considered.

\*\*The private pension plan does not include members of the Board of Directors.

### 8.15. Maximum, Minimum, and Average Individual Compensation of the Board of Directors, the Statutory Board of Executive Officers, and the Fiscal Council

The table below shows information on the maximum, minimum, and average individual compensation of the Board of Directors and the Statutory Board of Executive Officers, considering the last three (3) fiscal years.

The values of the highest and lowest individual annual compensation of each body are calculated considering all the compensation portions recognized in each result.

#### ANNUAL AMOUNTS

	Statutory Board of Executive Officers			Board of Directors		
	Dec. 31 <sup>st</sup> , 2024	Dec. 31 <sup>st</sup> , 2023	Dec. 31 <sup>st</sup> , 2022	Dec. 31 <sup>st</sup> , 2024	Dec. 31 <sup>st</sup> , 2023	Dec. 31 <sup>st</sup> , 2022
Number of members	8.00	7.00	7.00	7.00	7.00	7.00
Number of paid members	8.00	7.00	7.00	6.00	6.00	7.00
Highest compensation amount (in Reais)	19,159,973.00	17,302,315.27	12,482,437.41	3,471,155.49	7,203,603.25	7,525,386.24
Lowest compensation amount (in Reais)	4,355,152.10	5,407,414.16	3,828,106.94	673,203.68	626,441.15	460,918.15
Average compensation amount (in Reais)	6,573,461.90	6,493,473.94	5,785,574.09	1,690,910.67	1,762,253.18	1,524,976.22

Note: the number of members of each body was calculated as an annual average, in accordance with the methodology presented in the Official Circular Letter/Annual-2024-CVM/SEP

	Fiscal Council		
	Dec. 31 <sup>st</sup> , 2024 <sup>(3)</sup>	Dec. 31 <sup>st</sup> , 2023 <sup>(2)</sup>	Dec. 31 <sup>st</sup> , 2022 <sup>(1)</sup>
Number of members	1.00	2.00	1.00
Number of paid members	1.00	2.00	1.00
Highest compensation amount (in Reais)	42,343.32	94,429.36	33,478.37
Lowest compensation amount (in Reais)	42,343.32	94,429.36	33,478.37
Average compensation amount <sup>(4)</sup> (in Reais)	42,343.32	94,429.36	33,478.37

<sup>(1)</sup> End of the term of office of the Fiscal Council on April 19, 2022

<sup>(2)</sup> The Company established the Fiscal Council on April 19, 2023

<sup>(3)</sup> End of the term of office of the Fiscal Council on April 23, 2024

<sup>(4)</sup> Considering that there is no distinction in the compensation received by the members of the Fiscal Council, the average amount ascertained is calculated by dividing the total compensation of this body (see section 8.2) by the exact number of its members (3)

Note: the number of members of each body was calculated as an annual average, in accordance with the methodology presented in the Official Circular Letter/Annual-2024-CVM/SEP





Statutory Board of Executive Officers	
<b>Dec. 31<sup>st</sup>, 2024</b>	Management members who held the position for less than 12 (twelve) months were excluded from the minimum compensation calculations. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 12 (twelve) months.
<b>Dec. 31<sup>st</sup>, 2023</b>	Management members who held the position for less than 12 (twelve) months were excluded from the minimum compensation calculations. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 12 (twelve) months.
<b>Dec. 31<sup>st</sup>, 2022</b>	Management members who held the position for less than 12 (twelve) months were excluded from the minimum compensation calculations. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 12 (twelve) months.

Board of Directors	
<b>Dec. 31<sup>st</sup>, 2024</b>	Management members who held the position for less than 12 (twelve) months were excluded from the minimum compensation calculations. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 12 (twelve) months.
<b>Dec. 31<sup>st</sup>, 2023</b>	Management members who held the position for less than 12 (twelve) months were excluded from the minimum compensation calculations. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 12 (twelve) months.
<b>Dec. 31<sup>st</sup>, 2022</b>	Management members who held the position for less than 12 months were excluded from the minimum compensation calculations. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 12 (twelve) months.

Fiscal Council	
<b>Dec. 31<sup>st</sup>, 2024</b>	The end of the Fiscal Council's term of office became effective on April 19 <sup>th</sup> , 2023. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 8 (eight) months.
<b>Dec. 31<sup>st</sup>, 2023</b>	The term of office of the Fiscal Council ended on April 19 <sup>th</sup> , 2022. The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 4 (four) months.
<b>Dec. 31<sup>st</sup>, 2022</b>	The Company did not have a Fiscal Council operating until April 20 <sup>th</sup> , 2021 The highest amount includes funds related to fees, vacation pay, 13 <sup>th</sup> salary, and return from vacation. Permanence in the position of the member with the highest compensation: 8 (eight) months.



#### **8.16. Mechanisms of Compensation or Indemnification for Management members in Case of Removal from Office or Retirement**

If the Company terminates the agreement for no cause within twenty-four (24) months after the date of a Material Corporate Change, the Statutory Executive Officer will be entitled to receive an indemnity equivalent to one (1) additional year of total compensation target (fixed compensation, short-term incentive, and long-term incentive) for the fiscal year immediately prior to the year.

The Company and its subsidiaries keep in full force a Civil Liability insurance policy for Managers - D&O world class, which provides for the payment or reimbursement of expenses borne by managers and other insured, resulting from the redress for damage caused to third parties or to the Company. The currently effective policy number 23.10.0022910.28 (insurance plan registered with SUSEP under number 15414.901145/2017-91), signed with the insurance company CHUBB SEGUROS BRASIL S.A., is in force until July 1<sup>st</sup>, 2025 and has a maximum indemnity limit of two hundred million Reais (R\$200,000,000). Despite being covered by the current D&O policy signed in Brazil, the executive officers and managers of operations in Mexico, Argentina, and the USA are also covered by a local policy issued in each of those countries, with a coverage amount of one million U.S. dollars (USD1,000,000) aiming at speeding up the reimbursement of expenses arising from potential claims for loss.

#### **8.17. Percentage in the Total Compensation Held by Management Members and Members of the Fiscal Council that are Parties Related to the Controllers**

Not applicable. There is no direct or indirect controller of the Company. Hence, there is no more information to be reported in this item.

#### **8.18. Compensation of Management Members and Members of the Fiscal Council, Grouped by Body, Received for any Reason other than the Position held**

Not applicable, considering that in the last three (3) fiscal years, the management members and members of the Company's fiscal council have not received any compensation due to any reason other than the position they hold.

#### **8.19. Compensation of Managers and Members of the Fiscal Council recognized in the Result of Direct or Indirect Controllers, of Companies under Common Control and Subsidiaries of the Issuer.**

In the Company, there are no managers who receive compensation from direct or indirect controllers of companies under common control or subsidiaries of the issuer.



## **8.20. Other Material Information**

We will start this section by demonstrating, for comparison purposes, in subsection (A), the overall annual compensation of the members of the Company's Board of Directors and Board of Executive Officers in 2024, and later, in subsection (B), the proposed overall annual compensation of the Management for the fiscal year 2025:

### **(A) FISCAL YEAR 2024**

At the Annual General Meeting held on April 23<sup>rd</sup>, 2024, the total compensation amount of up to R\$68,259,157.72 (sixty-eight million, two hundred and fifty-nine thousand, one hundred and fifty-seven Reais and seventy-two cents) was approved for the fiscal year 2024, encompassing the Fixed, Variable (bonus), Benefits, and Share-based Compensation of the Board of Directors and the Statutory Board of Executive Officers. Out of the total amount approved, R\$62,860,189.17 (sixty-two million, eight hundred and sixty thousand, one hundred and eighty-nine Reais and seventeen cents) were effectively paid, as shown in the tables below:



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**PROPOSED AND PERFORMED in 2024**

	Proposed for 2024				Performed in 2024			
	Board of Directors	Exec. Officers	Fiscal Council	Total	Board of Directors	Exec. Officers	Fiscal Council	Total
Number of Members	7.00	8.00	1.00	16.00	7.00	8.00	1.00	16.00
<b>Annual Fixed Compensation (FC)</b>								
Salary or management fees	4,354,688.92	11,273,154.69	134,899.08	15,762,742.69	3,893,099.14	11,287,422.60	127,029.96	15,307,551.70
Direct and indirect benefits	152,275.75	2,100,899.87	-	2,253,175.62	140,232.10	2,052,590.68	-	2,192,822.78
Compensation for taking part in Committees	1,603,170.46	-	-	1,603,170.46	1,381,785.29	-	-	1,381,785.29
<b>Total FC</b>	<b>6,110,135.13</b>	<b>13,374,054.56</b>	<b>134,899.08</b>	<b>19,619,088.77</b>	<b>5,415,116.53</b>	<b>13,340,013.28</b>	<b>127,029.96</b>	<b>18,882,159.77</b>
<b>Variable Compensation (VC)</b>								
Bonus	-	18,975,111.89	-	18,975,111.89	-	16,828,782.10	-	16,828,782.10
<b>Total VC</b>	<b>-</b>	<b>18,975,111.89</b>	<b>-</b>	<b>18,975,111.89</b>	<b>-</b>	<b>16,828,782.10</b>	<b>-</b>	<b>16,828,782.10</b>
<b>Total FC + VC</b>	<b>6,110,135.13</b>	<b>32,349,166.45</b>	<b>134,899.08</b>	<b>38,594,200.66</b>	<b>5,415,116.53</b>	<b>30,168,795.38</b>	<b>127,029.96</b>	<b>35,710,941.87</b>
<b>Others</b>								
Post-employment benefits	-	520,299.45	-	520,299.45	-	456,789.68	-	456,789.68
Benefits for termination of tenure of an office	-	-	-	-	-	-	-	-
<b>Total VC + Other</b>	<b>-</b>	<b>19,495,411.34</b>	<b>-</b>	<b>19,495,411.34</b>	<b>-</b>	<b>17,285,571.78</b>	<b>-</b>	<b>17,285,571.78</b>
<b>Total FC + VC + Other</b>	<b>6,110,135.13</b>	<b>32,869,465.90</b>	<b>134,899.08</b>	<b>39,114,500.11</b>	<b>5,415,116.53</b>	<b>30,625,585.06</b>	<b>127,029.96</b>	<b>36,167,731.55</b>
<b>Share-based compensation <sup>(*)</sup></b>								
Accounting recognition - grants in the current year	450,908.13	6,650,361.43	-	7,101,269.56	415,701.79	3,101,239.40	-	3,516,941.19
Accounting recognition - grants in previous years	4,037,406.97	18,005,981.08	-	22,043,388.05	4,314,645.69	18,860,870.74	-	23,175,516.43
<b>Total share-based Compensation</b>	<b>4,488,315.10</b>	<b>24,656,342.51</b>	<b>-</b>	<b>29,144,657.61</b>	<b>4,730,347.48</b>	<b>21,962,110.14</b>	<b>-</b>	<b>26,692,457.62</b>
<b>Grand Total</b>	<b>10,598,450.23</b>	<b>57,525,808.41</b>	<b>134,899.08</b>	<b>68,259,157.72</b>	<b>10,145,464.01</b>	<b>52,587,695.20</b>	<b>127,029.96</b>	<b>62,860,189.17</b>

<sup>(\*)</sup> Corresponding to the maximum projected amounts accounted for due to the accounting deferral determined by the applicable laws (CPC 10).

Note: the amount performed in 2024 from the accounting recognition of previous years of share-based compensation refers to R\$4,752,862.63 (four million, seven hundred fifty-two thousand, eight hundred sixty-two Reais and sixty-three cents) from the 2021 grants; R\$9,078,324.11 (nine million, seventy-eight thousand, three hundred twenty-four Reais and eleven cents) from the 2022 grants; and R\$9,344,311.69 (nine million, three hundred forty-four thousand, three hundred eleven Reais and sixty-nine cents) from the 2023 grants. The number of members of each body was calculated as an annual average, in accordance with the methodology presented in the Official Circular Letter/Annual-2025-CVM/SEP.

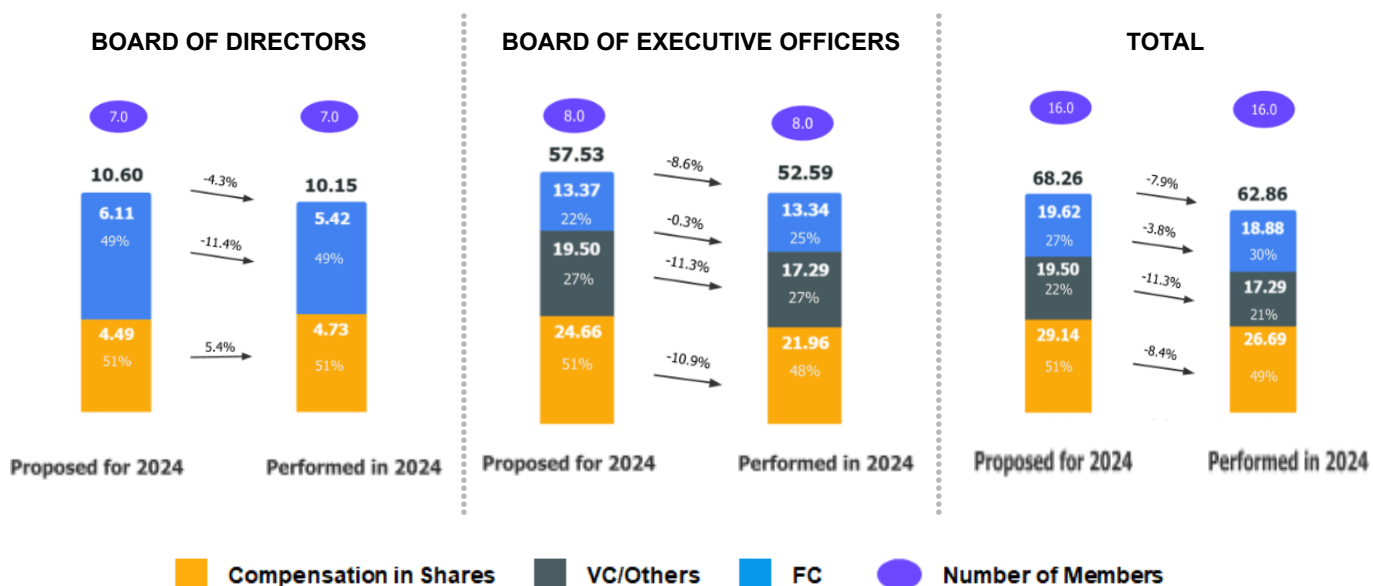


## VARIATION BETWEEN THE PROPOSED FOR AND PERFORMED IN 2024

	Proposed for 2024 versus Performed in 2024							
	Absolute variation				Percentage variation (%)			
	Board of Directors	Exec. Officers	Fiscal Council	Total	Board of Directors	Exec. Officers	Fiscal Council	Total
Number of Members	-	-	-	-	0.00%	0.00%	0.00%	0.00%
Annual Fixed Compensation (FC)								
Salary or management fees	(461,589.78)	14,267.91	(7,869.12)	(455,190.99)	-10.60%	0.13%	-5.83%	-2.89%
Direct and indirect benefits	(12,043.65)	(48,309.19)	-	(60,352.84)	-7.91%	-2.30%	-	-2.68%
Compensation for taking part in Committees	(221,385.17)	-	-	(221,385.17)	-13.81%	-	-	-13.81%
Total FC	(695,018.60)	(34,041.28)	(7,869.12)	(736,929.00)	-11.37%	-0.25%	-5.83%	-3.76%
Variable Compensation (VC)								
Bonus	-	(2,146,329.79)	-	(2,146,329.79)	-	-11.31%	-	-11.31%
Total VC	-	(2,146,329.79)	-	(2,146,329.79)	-	-11.31%	-	-11.31%
Total FC + VC	(695,018.60)	(2,180,371.07)	(7,869.12)	(2,883,258.79)	-11.37%	-6.74%	-5.83%	-7.47%
Others								
Post-employment benefits	-	(63,509.77)	-	(63,509.77)	-	-12.21%	-	-12.21%
Benefits for termination of tenure of an office	-	-	-	-	-	-	-	-
Total VC + Other	-	(2,209,839.56)	-	(2,209,839.56)	-	-11.34%	-	-11.34%
Total FC + VC + Other	(695,018.60)	(2,243,880.84)	(7,869.12)	(2,946,768.56)	-11.37%	-6.83%	-5.83%	-7.53%
Share-based compensation <sup>(1)</sup>								
Accounting recognition - grants in the current year	(35,206.34)	(3,549,122.03)	-	(3,584,328.37)	-7.81%	-53.37%	-	-50.47%
Accounting recognition - grants in previous years	277,238.72	854,889.66	-	1,132,128.38	6.87%	4.75%	-	5.14%
Total share-based Compensation	242,032.38	(2,694,232.37)	-	(2,452,199.99)	5.39%	-10.93%	-	-8.41%
Grand Total	(452,986.22)	(4,938,113.21)	(7,869.12)	(5,398,968.55)	-4.27%	-8.58%	-5.83%	-7.91%

<sup>(1)</sup> Corresponding to the maximum projected amounts accounted for due to the accounting deferral determined by the applicable laws (CPC 10). Note: the number of members of each body was calculated as an annual average, in accordance with the methodology presented in the Official Circular Letter/Annual-2024-CVM/SEP.

## PROPOSED FOR VERSUS PERFORMED IN 2024



\*The amount of the Proposed for and Performed in 2024 in the Total chart incorporates the sum of the Board of Directors, Fiscal Council, and the Board of Executive Officers.



As shown in the tables above, the performance of 7.91% below the limit actually approved took place because of the following factors:

- One of the members of the Board of Directors voluntarily declined to receive her compensation;
- The bonus amounts of the Statutory Board of Executive Officers were accounted for below the one originally provided for in the Compensation Proposal for the year 2024;
- Individual adhesion of the Statutory Board of Executive Officers to the post-employment benefit related to the private pension plan at a level lower than that provided for in the Compensation Proposal for the year 2024; and
- Granting of Restricted Shares in the grants made in 2024 were lower than originally estimated in the Proposed Compensation for the year 2024, in addition to the termination of a member of the Executive Board who had his share of restricted shares canceled.

## **(B) FISCAL YEAR 2025**

The Company's Management proposes an overall global annual compensation for the members of the Board of Directors and the Statutory Board of Executive Officers for 2025, pursuant to the meeting of the Board of Directors held on March 18, 2025, in the amount of up to R\$73,187,008.70 (seventy-three million, one hundred eighty-seven thousand, eight Reais and seventy cents), which is 7.22% above the global compensation proposed for the fiscal year 2024. This growth is mainly attributed to the increase in the "Salary or management fees" and "Bonus" lines, which together grew R\$5,493,812.73 (five million, four hundred ninety-three thousand, eight hundred twelve Reais and seventy-three cents), equivalent to a year-over-year increase of 18.63% in the "Salary or management fees" line and 13.48% in the "Bonus" line, as shown in the table below, and which will be detailed later on herein:

### **OVERALL COMPENSATION OF MANAGEMENT MEMBERS**

	Proposed for 2025				Proposed for 2024			
	Board of Directors	Exec. Officers	Fiscal Council	Total	Board of Directors	Statutory Board of	Fiscal Council	Total
Number of Members	7.00	7.75	-	14.75	7.00	8.00	1.00	16.00
<b>Annual Fixed Compensation (FC)</b>								
Salary or management fees	5,597,013.79	13,102,349.82	-	18,699,363.61	4,354,688.92	11,273,154.69	134,899.08	15,762,742.69
Direct and indirect benefits	161,376.87	2,546,583.96	-	2,707,960.83	152,275.75	2,100,899.87	-	2,253,175.62
Compensation for taking part in Committees	1,894,248.62	-	-	1,894,248.62	1,603,170.46	-	-	1,603,170.46
<b>Total FC</b>	<b>7,652,639.28</b>	<b>15,648,933.78</b>	<b>-</b>	<b>23,301,573.06</b>	<b>6,110,135.13</b>	<b>13,374,054.56</b>	<b>134,899.08</b>	<b>19,619,088.77</b>
<b>Variable Compensation (VC)</b>								
Bonus	-	21,532,303.70	-	21,532,303.70	-	18,975,111.89	-	18,975,111.89
<b>Total VC</b>	<b>-</b>	<b>21,532,303.70</b>	<b>-</b>	<b>21,532,303.70</b>	<b>-</b>	<b>18,975,111.89</b>	<b>-</b>	<b>18,975,111.89</b>
<b>Total FC + VC</b>	<b>7,652,639.28</b>	<b>37,181,237.48</b>	<b>-</b>	<b>44,833,876.76</b>	<b>6,110,135.13</b>	<b>32,349,166.45</b>	<b>134,899.08</b>	<b>38,594,200.66</b>
<b>Others</b>								
Post-employment benefits	-	552,270.58	-	552,270.58	-	520,299.45	-	520,299.45
Benefits for termination of tenure of an office	-	-	-	-	-	-	-	-
<b>Total VC + Other</b>	<b>-</b>	<b>22,084,574.28</b>	<b>-</b>	<b>22,084,574.28</b>	<b>-</b>	<b>19,495,411.34</b>	<b>-</b>	<b>19,495,411.34</b>
<b>Total FC + VC + Other</b>	<b>7,652,639.28</b>	<b>37,733,508.06</b>	<b>-</b>	<b>45,386,147.34</b>	<b>6,110,135.13</b>	<b>32,869,465.90</b>	<b>134,899.08</b>	<b>39,114,500.11</b>



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Share-based compensation <sup>(1)</sup>								
Accounting recognition - grants in the current year	350,486.79	6,218,328.53	-	6,568,815.32	450,908.13	6,650,361.43	-	7,101,269.56
Accounting recognition - grants in previous years	2,574,391.29	18,657,654.75	-	21,232,046.04	4,037,406.97	18,005,981.08	-	22,043,388.05
Total share-based Compensation	2,924,878.08	24,875,983.28	-	27,800,861.36	4,488,315.10	24,656,342.51	-	29,144,657.61
Grand Total	10,577,517.36	62,609,491.34	-	73,187,008.70	10,598,450.23	57,525,808.41	134,899.08	68,259,157.72

<sup>(1)</sup> Corresponding to the maximum projected amounts accounted for because of the accounting deferral determined by the applicable laws (CPC 10).

Note: the grants made in previous fiscal years were approved by the competent bodies, in accordance with the Share-Based Incentive and Retention Plans approved by the shareholders at General Meetings held, respectively, on December 15, 2015 that was amended on April 5, 2018 and April 18, 2019, having been, therefore, already granted to the beneficiaries. The number of members of each body was calculated as an annual average, in accordance with the methodology presented in the Official Circular Letter/Annual-2025-CVM/SEP.





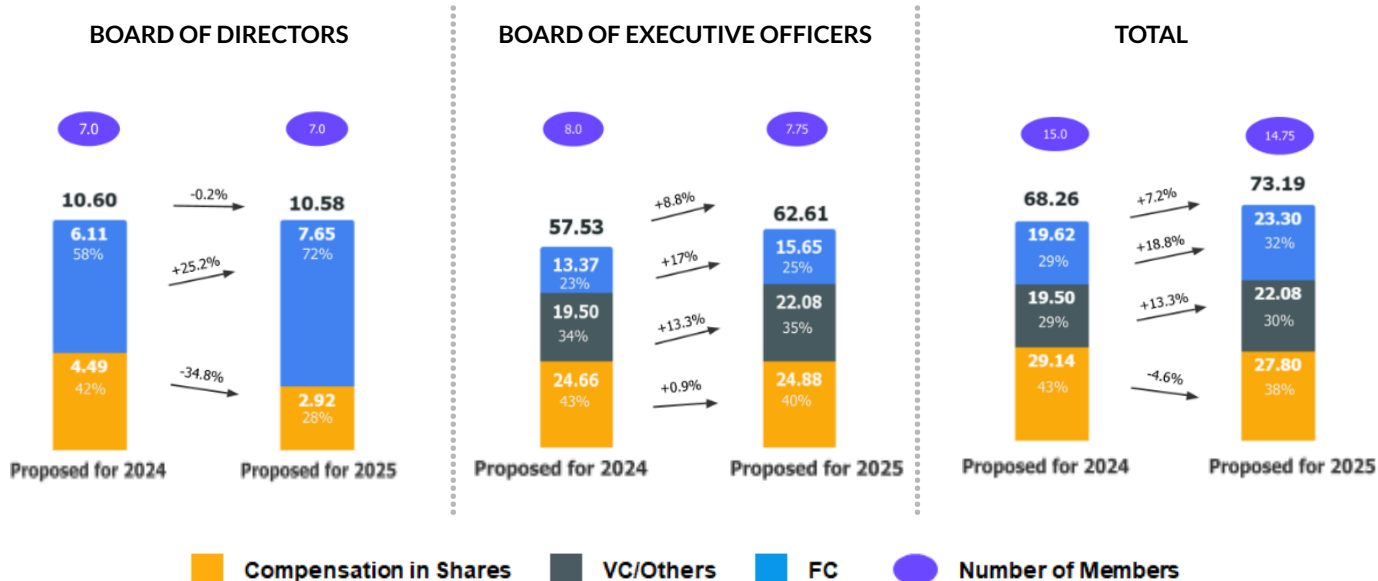
## OVERALL COMPENSATION OF MANAGEMENT MEMBERS: YEAR-OVER-YEAR VARIATION

	Proposed for 2024 versus Proposed for 2025							
	Absolute variation				Percentage variation (%)			
	Board of Directors	Exec. Officers	Fiscal Council	Total	Board of Directors	Exec. Officers	Fiscal Council	Total
Number of Members	-	(0.25)	(1.00)	(1.25)	0.00%	-3.13%	-100.00%	-7.81%
<b>Annual Fixed Compensation (FC)</b>								
Salary or management fees	1,242,324.87	1,829,195.13	(134,899.08)	2,936,620.92	28.53%	16.23%	-100.00%	18.63%
Direct and indirect benefits	9,101.12	445,684.09	-	454,785.21	5.98%	21.21%	-	20.18%
Compensation for taking part in Committees	291,078.16	-	-	291,078.16	18.16%	-	-	18.16%
<b>Total FC</b>	<b>1,542,504.15</b>	<b>2,274,879.22</b>	<b>(134,899.08)</b>	<b>3,682,484.29</b>	<b>25.25%</b>	<b>17.01%</b>	<b>-100.00%</b>	<b>18.77%</b>
<b>Variable Compensation (VC)</b>								
Bonus	-	2,557,191.81	-	2,557,191.81	-	13.48%	-	13.48%
<b>Total VC</b>	<b>-</b>	<b>2,557,191.81</b>	<b>-</b>	<b>2,557,191.81</b>	<b>-</b>	<b>13.48%</b>	<b>-</b>	<b>13.48%</b>
<b>Total FC + VC</b>	<b>1,542,504.15</b>	<b>4,832,071.03</b>	<b>(134,899.08)</b>	<b>6,239,676.10</b>	<b>25.25%</b>	<b>14.94%</b>	<b>-100.00%</b>	<b>16.17%</b>
<b>Others</b>								
Post-employment benefits	-	31,971.13	-	31,971.13	-	6.14%	-	6.14%
Benefits for termination of tenure of an office	-	-	-	-	-	-	-	-
<b>Total VC + Other</b>	<b>-</b>	<b>2,589,162.94</b>	<b>-</b>	<b>2,589,162.94</b>	<b>-</b>	<b>13.28%</b>	<b>-</b>	<b>13.28%</b>
<b>Total FC + VC + Other</b>	<b>1,542,504.15</b>	<b>4,864,042.16</b>	<b>(134,899.08)</b>	<b>6,271,647.23</b>	<b>25.25%</b>	<b>14.80%</b>	<b>-100.00%</b>	<b>16.03%</b>
<b>Share-based compensation <sup>(1)</sup></b>								
Accounting recognition - grants in the current year	(100,421.34)	(432,032.90)	-	(532,454.24)	-22.27%	-6.50%	-	-7.50%
Accounting recognition - grants in previous years	(1,463,015.68)	651,673.67	-	(811,342.01)	-36.24%	3.62%	-	-3.68%
<b>Total share-based Compensation</b>	<b>(1,563,437.02)</b>	<b>219,640.77</b>	<b>-</b>	<b>(1,343,796.25)</b>	<b>-34.83%</b>	<b>0.89%</b>	<b>-</b>	<b>-4.61%</b>
<b>Grand Total</b>	<b>(20,932.87)</b>	<b>5,083,682.93</b>	<b>(134,899.08)</b>	<b>4,927,850.98</b>	<b>-0.20%</b>	<b>8.84%</b>	<b>-100.00%</b>	<b>7.22%</b>

<sup>(1)</sup> Corresponding to the maximum projected amounts accounted for because of the accounting deferral determined by the applicable laws (CPC 10).

Note: the number of members of each body was calculated as an annual average, in accordance with the methodology presented in the Official Circular Letter/Annual-2025-CVM/SEP

## OVERALL COMPENSATION OF MANAGEMENT MEMBERS



\*The amount of the Proposed for 2024 and 2025 in the "Total" chart incorporates the sum of the Board of Directors, Fiscal Council, and the Board of Executive Officers.



Below, the Company details each item that is part of the Management's compensation proposal for fiscal year 2025:

**(i) Number of members:**

Regarding the number of members of the Board of Directors and Statutory Board of Executive Officers for 2025, the Company's Management hereby proposes:

- Maintain the same number of members on the Board of Directors; and
- Maintain the same number of positions on the Statutory Board of Executive Officers.

**(ii) Fixed and variable compensation, and benefits:**

Aiming at alignment and competitiveness with market practices based on the results observed in annual studies and research conducted by specialized compensation consulting firms, such as Willis Towers Watson and Korn Ferry, and considering specific groups of companies that represent an appropriate balance of characteristics, such as: (i) significant representativeness in their respective industries, including the technology market; (ii) being predominantly national, publicly traded, and listed on the Novo Mercado segment; (iii) having a similar size to TOTVS in terms of revenue, headcount, and market value; and (iv) companies that may compete with TOTVS for talent acquisition in the job market, the Company's management proposes:

- **Fixed Compensation:**
  - **Salary or management fees:** update the amounts of the fixed compensation of both the Statutory Board of Executive Officers and the Board of Directors in order to follow the standards practiced in the Brazilian market, especially for publicly traded companies listed in the Novo Mercado segment of B3. Additionally to this update, the Management proposes, to change the compensation structure of the Chairman of the Board. The Chairman will no longer participate in the Long-Term Incentive Program (ILP Performance), removing the variable portion tied to performance metrics, and will instead participate in the Restricted Shares Payment for Board of Directors' members, making his compensation entirely fixed. As a result, a significant portion of his compensation will no longer be reported under "Share-Based Compensation" line and will instead be presented under "Salary or management fees" line. This adjustment represents an additional of 18.63% in this row versus the proposed for 2024.
  - **Direct and indirect benefits:** update the benefit amounts of the Statutory Board of Executive Officers and the Chairman of the Board of Directors, according to the conditions provided for in the agreements with suppliers, especially in health-related benefits, as well as the provision for vehicle replacement for the Statutory Board of Executive Officers that must comply with the current internal policy. These



adjustments represent an additional 20.18% versus the proposed for 2024.

- **Compensation for taking part in committees:** update the amounts of compensation for participation in advisory committees to the Board of Directors in order to follow the standards practiced in the Brazilian market, especially of publicly traded companies that are part of the Novo Mercado. This item represents an additional 18.16% versus the proposed for 2024.
- **Variable Compensation:** update the amounts referring to the Bonus of the Statutory Board of Executive Officers in order to follow the standards practiced in the Brazilian market, especially of publicly traded companies listed in the Novo Mercado segment of B3, following the same premise applied to fixed compensation. This item represents an additional 13.48% in the variable compensation line compared to the proposed for 2024.
- **Others:**
  - **Post-employment benefit:** maintain the post-employment benefit (*i.e.* private pension plan) in the manner already in force, representing an additional 6.14% versus the proposed for 2024;

**(iii) Share-based compensation:**

The accounting treatment of share-based compensation, as elaborated in this discussion, strictly abides by the criteria set forth in applicable law, particularly the accounting deferral specified in technical accounting opinion CPC 10. This accounting opinion, in line with the international IFRS 2 standard, sets forth procedures for the recognition and disclosure of transactions involving share-based payments made by companies. To assist understanding thereof, according to CPC10 the cost of transactions settled with equity instruments must be measured based on the fair value on the date they were granted, using an appropriate valuation model. This cost is then recognized as share-based compensation expenses, together with the corresponding increase in shareholders' equity, over the vesting period of the plan. For detailed information, visit:

<http://www.cpc.org.br/CPC/Documentos-Emitidos/Pronunciamentos/Pronunciamento?Id=41>

As for the year-over-year progress, the Share-Based Compensation goes from the proposed amount for 2024 of twenty-nine million, one hundred and forty-four thousand, six hundred and fifty-seven Reais and sixty-one cents (R\$29,144,657.61) to the proposed amount for 2025 of twenty-seven million eight hundred thousand eight hundred sixty-one reais and thirty-six cents (R\$27,800,861.36) , as shown in the table below:



## SHARE-BASED COMPENSATION

Share-based compensation <sup>(1)</sup>	Proposed for 2025				Proposed for 2024			
	Board of Directors	Exec. Officers	Fiscal Council	Total	Board of Directors	Exec. Officers	Fiscal Council	Total
Accounting recognition - grants in the current year	350,486.79	6,218,328.53	-	6,568,815.32	450,908.13	6,650,361.43	-	7,101,269.56
Accounting recognition - grants in previous years	2,574,391.29	18,657,654.75	-	21,232,046.04	4,037,406.97	18,005,981.08	-	22,043,388.05
<b>Total share-based Compensation</b>	<b>2,924,878.08</b>	<b>24,875,983.28</b>	<b>-</b>	<b>27,800,861.36</b>	<b>4,488,315.10</b>	<b>24,656,342.51</b>	<b>-</b>	<b>29,144,657.61</b>
Total number of shares - grants in the current year	54,461 <sup>(1)</sup>	1,129,035	-	1,183,496	64,524	962,295	-	1,026,819
Total number of shares - grants in previous years	377,688	2,595,828	-	2,973,516	577,174	2,758,496	-	3,335,670
<b>Total number of shares</b>	<b>432,149</b>	<b>3,724,863</b>	<b>-</b>	<b>4,157,012</b>	<b>641,698</b>	<b>3,720,791</b>	<b>-</b>	<b>4,362,489</b>
<b>Total economic par value; current year grants <sup>(2)</sup></b>	<b>1,577,190.57</b>	<b>32,696,853.62</b>	<b>-</b>	<b>34,274,044.19</b>	<b>2,087,996.64</b>	<b>31,139,866.20</b>	<b>-</b>	<b>33,227,862.84</b>

<sup>(1)</sup> Corresponding to the maximum projected amounts accounted for because of the accounting deferral determined by the applicable laws (CPC 10).

<sup>(2)</sup> Estimated number. The average of the last 60 trading sessions prior to the grant date will be considered.

<sup>(3)</sup> The total economic par value multiplies the total number of shares of the grants performed in the current year with the grant amount of the shares.

Note: the grants made in previous fiscal years were approved by the competent bodies, in accordance with the Share-Based Incentive and Retention Plans approved by the shareholders at General Meetings held, respectively, on December 15, 2015 that was amended on April 5, 2018 and April 18, 2019, having been, therefore, already granted to the beneficiaries.

## SHARE-BASED COMPENSATION | YEAR-OVER-YEAR VARIATION

Share-based compensation <sup>(1)</sup>	Proposed for 2025 versus Proposed for 2024							
	Absolute variation				Percentage variation (%)			
	Board of Directors	Exec. Officers	Fiscal Council	Total	Board of Directors	Exec. Officers	Fiscal Council	Total
Accounting recognition - grants in the current year	(100,421.34)	(432,032.90)	-	(532,454.24)	-22.27%	-6.50%	-	-7.50%
Accounting recognition - grants in previous years	(1,463,015.68)	651,673.67	-	(811,342.01)	-36.24%	3.62%	-	-3.68%
<b>Total share-based Compensation</b>	<b>(1,563,437.02)</b>	<b>219,640.77</b>	<b>-</b>	<b>(1,343,796.25)</b>	<b>-34.83%</b>	<b>0.89%</b>	<b>-</b>	<b>-4.61%</b>
Total number of shares - grants in the current year	(10,063.00)	166,740.00	-	156,677.00	-15.60%	17.33%	-	15.26%
Total number of shares - grants in previous years	(199,486.00)	(162,668.00)	-	(362,154.00)	-34.56%	-5.90%	-	-10.86%
<b>Total number of shares</b>	<b>(209,549.00)</b>	<b>4,072.00</b>	<b>-</b>	<b>(205,477.00)</b>	<b>-32.66%</b>	<b>0.11%</b>	<b>-</b>	<b>-4.71%</b>
<b>Total economic par value; current year grants <sup>(2)</sup></b>	<b>(510,806.07)</b>	<b>1,556,987.42</b>	<b>-</b>	<b>1,046,181.35</b>	<b>-24.46%</b>	<b>5.00%</b>	<b>-</b>	<b>3.15%</b>

This reduction of R\$1,343,796.25 (one million three hundred forty-three thousand seven hundred ninety-six reais and twenty-five cents) is because of the following factors:

- **Accounting recognition of current year grants:** the total compensation of current year grants will represent a year-over-year reduction of R\$532,454.24 (five hundred thirty-two thousand four hundred fifty-four reais and twenty-four cents) or 7,5%, with an estimated delivery of 156,677 (one hundred fifty-six thousand six hundred seventy-seven) more shares in 2025, with the following highlights:
  - **Compensation of the Board of Directors:** an average reduction of 22.27% in the reference values to be granted in Shares in 2025 Grants, considering:
    - **Chairman of the Board of Directors:** from 2019 and until 2024, the compensation of the Chairman of the Board of Directors was

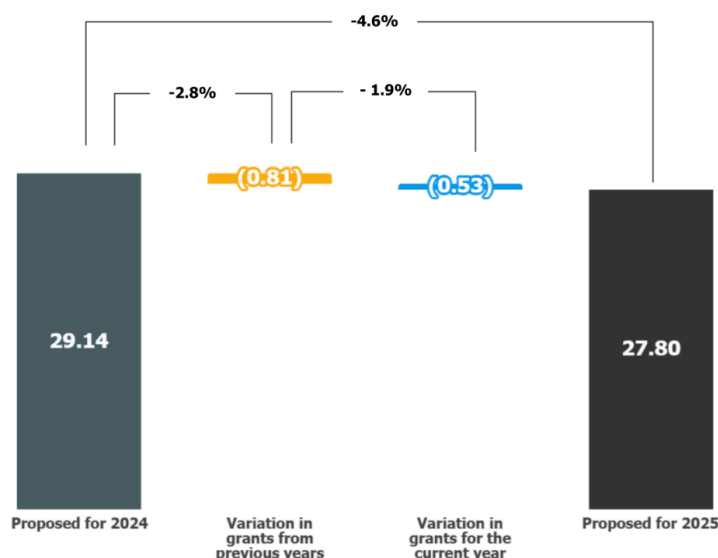


made up of a portion of share-based variable compensation (see *section 8.1.c for more details*). Over the years, this role has been redesigned and, consequently, its compensation was revised, which resulted in a 24% reduction in the 2023 share grant versus 2022, and in a new reduction to grant shares for 2024 that is 56% lower versus 2023. From 2025 the proposal considers a 100% fixed compensation, to be paid in the proportion of 80% in cash and 20% in Restricted Shares, applicable to all Board members.

- **Compensation of the Statutory Board of Executive Officers:** an average reduction of 6.5% of the reference amounts to be granted in shares in the 2025 grants, considering a position of Statutory Executive Officer vacant, for the purposes of eligibility for the long-term incentive Programs, at the time of granting the 2025 shares.
- **Accounting recognition of grants from previous years:** the total compensation of grants from previous years will represent a year-over-year reduction of R\$811,324.01 (eight hundred and eleven thousand, three hundred and twenty-four Reais and one cent), or 3.68%, because of: (i) the cancelled shares of a member of the Statutory Board of Executive Officers, due to his/her request to terminate the agreement; and (ii) the effect of the stacking of grants from previous years of the Chairman of the Board, who has been receiving a smaller portion of long-term variable compensation in recent years (see *section 8.1.c for further details*).

Adding all items, the -4.61% impact represents the difference between the proposed for 2025 and the proposal for 2024, as shown in the chart below:

**VARIATION BETWEEN THE PROPOSED FOR 2025 AND THE PROPOSED FOR 2024  
(SHARE-BASED COMPENSATION, IN MILLIONS OF REAIS)**





We explain below, in detail, the effects of changes in the amounts of share-based compensation for the Board of Directors and Statutory Board of Executive Officers considering the accounting recognition of the grants for the current and previous years:

- **Share-Based Compensation: Current Year Grants**

The new Share-Based Compensation Plan (“Plan 4”), may cover up to 5% of the Company's Capital Stock, which currently represents 29,970,079 (twenty-nine million nine hundred seventy thousand seventy-nine) shares in ten (10) years, or an average of 2,997,008 (two million nine hundred ninety-seven thousand eight) shares per year.

For fiscal year 2025, within the scope of Plan 4, it is intended to grant 1,183,496 (one million one hundred eighty-three thousand four hundred ninety-six) Restricted Shares to the Company's Management members, corresponding to 0.20% of the capital stock on Dec. 31<sup>st</sup>, 2024, compared to 1,102,773 (one million, one hundred and two thousand, seven hundred and seventy-three) shares (0.18% of the share capital on Dec. 31, 2024) in 2024. For the purposes of this proposal, the calculation of the grant to be made in 2025 provides for the average price corresponding to R\$28.96 (twenty-eight Reais and ninety-six cents) per share, totaling a nominal economic value of R\$34,274,044.19 (thirty-four million two hundred seventy-four thousand forty-four reais and nineteen cents). It should be noted that the number of shares to be granted under the Programs (and, consequently, the effective economic value to be attributed to the grant) considers the average price of the last 60 trading sessions of 2024, as set forth in Plan 4, approved at the Extraordinary General Meeting held on April 23, 2025. The number of Restricted Shares to be granted under the Grants to the Board will be stipulated based on: (i) the fixed amount of the Board of Directors' compensation paid in Restricted Shares; (ii) divided by the average closing price of the Shares in the last 60 (sixty) trading sessions prior to the date of the grant. According to the applicable legislation and the characteristics of Plan 4, under the CPC 10 standards, the accounting of this grant for year 2025 will take place over three (3) years for the ILP Performance Program and five (5) years for the *ILP Master* Program, over three (3) years for the Grant to the Board of Directors. As a result of the accounting deferral determined by the applicable legislation, the amount to be accounted for in fiscal year 2025 regarding the 2025 grants will be up to R\$6,568,815.32 (six million, five hundred sixty-eight thousand, eight hundred fifteen Reais and thirty-two cents), corresponding to 19.17% of the economic value of R\$34,274,044.19 (thirty-four million, two hundred seventy-four thousand, forty-four Reais and nineteen cents).

The table below demonstrates the projected impact of accounting for the 2025 grants into the upcoming years:



### SHARE-BASED COMPENSATION: GRANTS IN 2025

Year	2025 Granting Program Shares for the Board (proposed)		2025 Grants for ILP Performance (proposed)		2025 Grants for ILP Master (proposed)		Total / year (R\$)
	Amount accounted for (R\$)	Hundredths	Amount accounted for (R\$)	Hundredths	Amount accounted for (R\$)	Hundredths	
<b>2025</b>	350,486.79	8/36	4,646,870.12	8/36	1,571,458.41	8/60	<b>6,568,815.32</b>
<b>2026</b>	525,730.19	12/36	6,970,305.17	12/36	2,357,187.62	12/60	<b>9,853,222.98</b>
<b>2027</b>	525,730.19	12/36	6,970,305.17	12/36	2,357,187.62	12/60	<b>9,853,222.98</b>
<b>2028</b>	175,243.40	4/36	2,323,435.06	4/36	2,357,187.62	12/60	<b>4,855,866.08</b>
<b>2029</b>	-	0/36	-	0/36	2,357,187.62	12/60	<b>2,357,187.62</b>
<b>2030</b>	-	0/36	-	0/36	785,729.21	4/60	<b>785,729.21</b>
<b>Total economic par value</b>	<b>1,577,190.57</b>	<b>36/36</b>	<b>20,910,915.52</b>	<b>36/36</b>	<b>11,785,938.10</b>	<b>60/60</b>	<b>34,274,044.19</b>

\* The amounts may change according to the variation in the restricted shares price at the time of the effective delivery to the participants, impacting the withholding of taxes, in addition to any cancellations over time.

#### • Share-Based Compensation: Grants from Previous Years

In addition to the amount of R\$6,568,815.32 (six million five hundred sixty-eight thousand eight hundred fifteen Reais and thirty-two cents), because of the provisions of the applicable legislation (CPC 10), the amount allocated to the share-based compensation shall be increased by the amount of R\$21,232,046.04 (twenty-one million, two hundred and thirty-two thousand, forty-six Reais and four cents), regarding the accounting recognition provided for in fiscal year 2025. This accounting recognition is related to the grants made in previous years to the Management members, as a result of the accounting deferral determined by the applicable legislation, as mentioned above.

The amount referred to in the paragraph above refers to all grants made in previous years that were approved by the competent bodies, according to the Share-Based Incentive Plan ("Plan 3"), already granted to the beneficiaries.

In the table below, we exemplify the estimated effect over the years of the accounting of the grants made in 2022, 2023 and 2024 and which make up the amount of R\$21,232,046.04 (twenty-one million, two hundred and thirty-two thousand, forty-six Reais and four cents) accounted for in year 2025:





**SHARE-BASED COMPENSATION: GRANTS FROM 2022 TO 2024**

Year	Grants in 2022 <sup>(1)</sup>		Grants in 2022, ILP Master		Grants in 2023 <sup>(1)</sup>		Grants in 2023, ILP Master		Grants in 2024, Board		Grants in 2024 <sup>(1)</sup>		Grants in 2024, ILP Master		Total / year
	Accounting amount	Hundr edths	Accounting amount	Hundr edths	Accounting amount	Hundr edths	Accounting amount	Hundr edths	Accounting amount	Hundr edths	Accounting amount	Hundr edths	Accounting amount	Hundr edths	
<b>2022</b>	5,054.76	8/36	1,063.45	8/60	0.00	0/36	0.00	0/60	0.00	0/48	0.00	0/36	0.00	0/60	<b>6,118.21</b>
<b>2023</b>	7,582.14	12/36	1,595.17	12/60	4,336.74	8/36	1,045.73	8/60	0.00	0/48	0.00	0/36	0.00	0/60	<b>14,559.78</b>
<b>2024</b>	7,582.14	12/36	1,595.17	12/60	6,505.11	12/36	1,568.60	12/60	97.98	8/48	4,617.84	8/36	1,308.04	8/60	<b>23,274.88</b>
<b>2025</b>	2,527.38	4/36	1,595.17	12/60	6,505.11	12/36	1,568.60	12/60	146.98	12/48	6,926.76	12/36	1,962.05	12/60	<b>21,232.05</b>
<b>2026</b>	0.00	0/36	1,595.17	12/60	2,168.37	4/36	1,568.60	12/60	146.98	12/48	6,926.76	12/36	1,962.05	12/60	<b>14,367.93</b>
<b>2027</b>	0.00	0/36	531.72	4/60	0.00	0/36	1,568.60	12/60	146.98	12/48	2,308.92	4/36	1,962.05	12/60	<b>6,518.27</b>
<b>2028</b>	0.00	0/36	0.00	0/60	0.00	0/36	522.87	4/60	48.99	4/48	0.00	0/36	1,962.05	12/60	<b>2,533.91</b>
<b>2029</b>	0.00	0/36	0.00	0/60	0.00	0/36	0.00	0/60	0.00	0/48	0.00	0/36	654.02	4/60	<b>654.02</b>
<b>Total economic par value</b>	<b>22,746.42</b>	<b>36/36</b>	<b>7,975.85</b>	<b>60/60</b>	<b>19,515.33</b>	<b>36/36</b>	<b>7,843.00</b>	<b>60/60</b>	<b>587.91</b>	<b>48/48</b>	<b>20,780.28</b>	<b>36/36</b>	<b>9,810.26</b>	<b>60/60</b>	<b>89,259.05</b>

\* The aforementioned sums are expressed in thousands and are subject to revision based on the restricted share price at the time the grant is effectively delivered to participants, thereby affecting tax withholding and potential cancellations over time.

<sup>(1)</sup> It includes the Statutory Board of Executive Officers and the Board of Directors.

● **Share-Based Compensation: Conclusion**

Therefore, as detailed throughout this topic, the only three (3) factors that govern the Share-Based Compensation are:

- The number of shares granted, and for 2025 we intend to grant 156,677 (one hundred fifty-six thousand six hundred seventy-seven) shares more than in 2024;
- The price used as a reference for the granted shares, which is determined by averaging the prices of the last sixty (60) trading sessions of the year prior to the grant date in case of Long-Term Incentive Programs and the average of the last sixty (60) trading sessions prior to the grant date in the case of Restricted Shares to the members of the Board of Directors; and
- The stacking factor of grants over the years. We estimate that the 2025 stacking level will be maintained over the upcoming years, considering the combination of factors (i) and (ii).



In the table below we detail items (i) and (ii) referring to each of the grants recognized in the fiscal year 2023 for the Company's Management members.

SHARE-BASED COMPENSATION: GRANTS FROM 2022 TO 2025										
	Grant in 2022	Grant in 2023 Board Members	Grant in 2023 ILP Performance	Grant in 2023 ILP Master	Grant in 2024 Board Members	Grant in 2024 ILP Performance	Grant in 2024 ILP Master	Grant in 2025 Board Members (proposed)*	Grant in 2025 ILP Performance (proposed)*	Grant in 2025 ILP Master (proposed)*
Vesting Period for the Programs and Transfer deadline for Grants to the Board	3 years	2 years after the end of the term of office <sup>(1)</sup>	3 years	5 years	2 years after the end of the term of office <sup>(1)</sup>	3 years	5 years	2 years after the end of the term of office <sup>(1)</sup>	3 years	5 years
Reference price of the granted restricted shares	32.87	27.75	27.75	27.75	29.61	29.61	29.61	28.96	28.96	28.96
Net number of shares outstanding in the current fiscal year	963,243	22,476	754,535	373,446	21,804	661,779	346,870	93,036	722,062	406,973

\* The number of shares to be granted may vary upwards or downwards due to the calculation of the reference price of the restricted shares to be allocated to the grants regarding the fiscal year 2025, which will consider the average price of the sixty (60) trading sessions prior to the date of grant, scheduled for April 30<sup>th</sup>, 2025, as provided for in the Plan.

Note: the Board of Directors members will be eligible as of 2023.

<sup>(1)</sup> For clarification purposes, the Restricted Shares will be transferred to the members of the Board of Directors after two (2) years counted from the end of the respective term of office (i.e. four (4) years after the Grant to the Board made in the 1<sup>st</sup> Year in Office and three (3) years after the Grant to the Board made in the 2<sup>nd</sup> Year in Office, as applicable).

## • Dilution

The accumulated history net dilution of the Share-Based Incentive Plan from the first grant until the last grant made in 2024, considering the effect of any cancellations made over time before the end of the vesting period and considering all the participants benefited by such grants (Chairman of the Board of Directors, Board members, Statutory Board of Executive Officers, and other employees benefited), totals 3.35%. This is equivalent to an average annual dilution of 0.37%.

To date, Plans 2 and 3 have used only 59% of the maximum dilution allowed (5.68% of the Company's current capital stock) during the effective term (10 years). This is quite extraordinary, considering that 90% of its effective term has already elapsed. Plan 4, will also have a 10-year term, but with a maximum permitted dilution of 5% of the capital stock.

The tables below illustrate these effects, considering the accumulated dilution so far and the annual average as a reference:



DILUTION			
Accumulated dilution	dilution %	# Shares	Number of years
Maximum dilution allowed by the Plan 2 and 3	5.68%	35,056,005	10
Current net dilution *	3.35%	20,677,910	9
% already used	59%	59%	90%

\*it refers to restricted shares already granted to participants, which may be in a vesting period or expired.

ANNUAL AVERAGE DILUTION			
Accumulated dilution	dilution %	# Shares	Number of years
Maximum dilution allowed by the Plans 2 and 3	0.57%	3,505,600	10
Average annual net dilution *	0.37%	2,297,546	9
% used	65.5%	65.5%	90%

\*it refers to restricted shares already granted to participants, which may be in a vesting period or expired.

In the table below, we show the accumulated net dilution and average annual net dilution divided between the Board of Directors, Statutory Board of Executive Officers, and other employees benefited by grants of the Share-Based Incentive and Retention Plan (Plan 3):

ACCUMULATED DILUTION AND ANNUAL AVERAGE PER BODY					
Accumulated dilution *	dilution %	# Shares	% representativeness	Average annual dilution	Number of years
Chairman of the Board	0.19%	1,175,652	5.69%	0.03%	6
Board members	0.01%	40,035	0.19%	0.00%	2
Statutory Board of Executive Officers	1.28%	7,897,157	38.19%	0.14%	9
Other participants	1.87%	11,565,066	55.93%	0.21%	9
Total	3.35%	20,677,910	100.00%	0.37%	9

\* considering the grants made between 2016 and 2024

The dilution proposed for the 2025 grant is slightly lower than the dilution level executed in the last three years for the Board of Directors, while slightly higher to the year 2024 for the Statutory Board of Executive Officers, as shown in the table below:



NET DILUTION OF GRANTING PER YEAR			
Year	Board of Directors	Statutory Board of Executive Officers	Total
2021	0.04%	0.19%	0.23%
2022	0.03%	0.12%	0.14%
2023	0.02%	0.16%	0.18%
2024	0.01%	0.18%	0.19%
Proposed for 2025	0.01%	0.19%	0.20%

Note: there was a cancellation of shares granted in previous years because a member left the Statutory Board of Executive Officers.

It is worth mentioning that we believe that the permitted 5% maximum dilution under the new Share-Based Compensation Plan (Plan 4) aligns with prevailing industry standards in Brazil's market where TOTVS operates. Such alignment considers several aspects, such as the company's size, its ownership structure, history of growth and future potential, financial status, and historical standards for performance-based compensation. In addition, as reported in the trading form of Company's securities, officers and related persons of February 2024, the Company has a free float of approximately 89% (percentage of the company's capital stock available for trading on the stock market disregarding the shares held by the treasury and managers), which guarantees a sufficient number of outstanding shares to ensure market liquidity and stability, even when granting additional shares to employees through the Share-Based Compensation Plan.

**(iv) Proportion of each item in the total compensation:**

The proportion of variable compensation compared to fixed compensation has been appropriately adjusted over the years to support our compensation strategy and enhance the Company's future performance:

STATUTORY BOARD OF EXECUTIVE OFFICERS				
Element	2025	2024	2023	2022
Fixed	21%	20%	21%	25%
Variable	74%	76%	74%	71%
Benefits	5%	4%	5%	4%

BOARD OF DIRECTORS				
Element	2025	2024	2023	2022
Fixed	98%	52%	49%	45%
Variable	0%	47%	50%	54%
Benefits*	2%	1%	1%	1%

\*Applicable to the Chairman of the Board of Directors only



**(v) Conclusion:**

Based on the data presented in the following tables, the Management is completely convinced that the Management's compensation proposal for the year 2025 is in accordance with the Company's operational and long-term performance. The following data outlines the key performance metrics from the previous year and compares them to the projected compensation growth for 2025, versus the 2024 proposal:

**KEY INDICATORS AND COMPENSATION COMPARISON**

Indicator (amounts in thousands)	2024	2023	Δ
<b>Net Revenue (Non-GAAP) <sup>(1)</sup></b>	5,377,760	4,576,871	17.5%
<b>Recurring Revenue</b>	4,640,632	3,837,111	20.9%
<b>Adjusted EBITDA <sup>(2)</sup></b>	1,290,940	1,089,914	18.4%
<b>Adjusted EBITDA Margin <sup>(3)</sup></b>	24.0%	23.8%	20 bp
<b>Adjusted Net Income <sup>(4)</sup></b>	767,334	641,604	19.6%
<b>Adjusted Net margin</b>	14.3%	14.0%	30 bp
<b>TOTS3 share</b>	26.75	33.69	-20.6%
<b>Ibovespa (pts)</b>	120,283	134,185	-10.4%
<b>IBrX 50 (pts)</b>	20,411	22,217	-8.1%

<sup>(1)</sup> Revenue Net of Funding (Non-GAAP), which incorporates the concept of Techfin Revenue net of the cost of funding in the consolidation of the Company's revenues, considering the Techfin results at 50% in all periods.

<sup>(2)</sup> EBITDA adjusted by extraordinary items and added with 50% of Techfin's EBITDA in all periods.

<sup>(3)</sup> EBITDA adjusted on Revenue Net of Funding (Non-GAAP), considering Techfin results at 50% in all periods.

<sup>(4)</sup> Net Income adjusted by extraordinary items, effects of the company of Dimensa's operation and without the effects of expenses with amortization of intangibles arising from acquisitions.

Compensation	Proposed for 2025	Proposed for 2024	Δ
<b>Total fixed compensation</b>	23,301,573	19,619,089	<b>18.8%</b>
<b>Total fixed + variable compensation + other</b>	44,833,877	38,594,201	<b>16.2%</b>
<b>Total compensation for the current year <sup>(1)</sup></b>	51,402,690	45,695,470	<b>12.5%</b>
<b>Total Share-based compensation</b>	27,800,861	29,144,658	<b>-4.6%</b>
<b>Total Overall Compensation</b>	73,187,007	68,259,158	<b>7.2%</b>
<b>Number of shares: current year grant</b>	1,183,496	1,026,819	<b>15.3%</b>
<b>Dilution of granting in the year</b>	0.20%	0.18%	<b>11.1%</b>

<sup>(1)</sup> Fixed + variable + other compensation + share-based compensation for the current year



## SECTION 9 – AUDITORS

### 9.1/2 – Names and remuneration of Auditors

**KPMG ASSURANCE SERVICES LTDA | 06.240.429/0001-32 | 24/05/2024**

General information	
CPF or CNPJ (tax id No.)	06.240.429/0001-32
Service provision period	05/24/2024
Service beginning	05/24//2024
Description of contracted services	The Company hired the services of its Independent Auditors on 05/24/2024 to perform the following independent audit service for the Company and its subsidiaries: (i) ISAE – Review of the software development control environment.
Total amount of remuneration of independent auditors, segregated by services, in the last financial year	In the fiscal year ended December 31, 2024, services totaled (R\$ 139,636.35).
Justification for replacement	Not applicable, given that there was no replacement of the independent auditors.
Reason given by the auditor in case of disagreement with the justification	Not applicable, given that there was no replacement of the independent auditors.



KPMG CONSULTORIA LTDA | 01.708.167/0001-74 | 09/10/2024

General information	
CPF or CNPJ (tax id No.)	01.708.167/0001-74
Service provision period	10/09/2024
Service beginning	10/09/2024
Description of contracted services	The Company hired the services of its Independent Auditors on 10/09/2024 to perform the following service for the Company and its subsidiaries: (i) Training.
Total amount of remuneration of independent auditors, segregated by services, in the last financial year	In the fiscal year ended December 31, 2024, services totaled the amount of (R\$ 9,891.00).
Justification for replacement	Not applicable, given that there was no replacement of the independent auditors.
Reason given by the auditor in case of disagreement with the justification	Not applicable, given that there was no replacement of the independent auditors.





**KPMG ASSESSORES LTDA | 05.490.840/0001-01 | 17/07/2024**

General information	
CPF or CNPJ (tax id No.)	05.490.840/0001-01
Service provision period	17/07/2024
Service beginning	17/07/2024
Description of contracted services	The Company hired the services of its Independent Auditors on July 17, 2024 to perform the following services for the Company and its subsidiaries: (i) Due diligence in the company acquisition process; and (ii) Training.
Total amount of remuneration of independent auditors, segregated by services, in the last financial year	In the fiscal year ended December 31, 2024, services totaled the following amounts: (i) Due diligence (R\$204,081.63); and (ii) Training (R\$15,741.00).
Justification for replacement	Not applicable, given that there was no replacement of the independent auditors.
Reason given by the auditor in case of disagreement with the justification	Not applicable, given that there was no replacement of the independent auditors.



**KPMG AUDITORES INDEPENDENTES LTDA | 57.755.217/0001-29 | 23/04/2024**

General information	
CPF or CNPJ (tax id No.)	57.755.217/0001-29
Service provision period	04/23/2024
Service beginning	01/01/2024
Description of contracted services	The Company hired the services of its Independent Auditors on April 23, 2024 to perform, starting on January 1, 2024, the following independent audit services for the Company and its subsidiaries: (i) audit of the individual and consolidated financial statements for the fiscal year ended December 31, 2024; (ii) review and issuance of a report on the Company's individual and consolidated Quarterly Information (ITRs) for the periods ended March 31, June 30 and September 30, 2024; (iii) Assurance of the Integrated Report.
Total amount of remuneration of independent auditors, segregated by services, in the last financial year	In the fiscal year ended December 31, 2024, the services are divided between: (a) Audit Services and additional expenses related to the financial audit items of the (i) financial statements and (ii) ITRs, which amount to R\$3,242,943.34; (b) Financial extra-audit services, which include other services in addition to those related to the audit of the financial statements, namely (i) Assurance of the Integrated Report (R\$128,279.88).
Justification for replacement	Not applicable, given that there was no replacement of the independent auditors.
Reason given by the auditor in case of disagreement with the justification	Not applicable, given that there was no replacement of the independent auditors.



### **9.3 Independence and conflict of interest of auditors**

**If the auditors or persons related to them, according to the independent status standards of the Federal Accounting Board, have been hired by the issuer or organizations or individuals belonging to its economic group, to provide services other than auditing, please describe the policy or procedures adopted by the issuer to avoid the existence of a conflict of interest, loss of independence or objectivity of its independent auditors**

Além dos serviços de auditoria independente das demonstrações financeiras, ao longo do exercício social findo em 31 de dezembro de 2024, a KPMG Auditores Independentes Ltda. foi contratada para prestar serviços de (i) Asseguração do Relato Integrado da Companhia de 2024; (ii) Due Diligence em processo de aquisição de empresa; (iii) ISAE – revisão do ambiente de controle do desenvolvimento de software; e (iv) Treinamentos.

A Companhia mantém uma [Política de Contratação e Relacionamento com Auditoria Independente](https://ri.totvs.com/esq/estatuto-politicas-e-regimento/), que foi aprovada pelo Conselho de Administração em 01 de agosto de 2024, disponível no site de Relações com Investidores da Companhia (<https://ri.totvs.com/esq/estatuto-politicas-e-regimento/>), a fim de suportar o processo de contratação de serviços de auditoria independente e eventuais serviços extra auditoria, prestados pela Auditoria Independente ou por Parte Relacionada do Auditor Independente, para assegurar a qualidade e independência do referido prestador de serviço.

A contratação dos auditores independentes para serviços extra auditoria fundamenta-se nos princípios que preservam sua independência. Esses princípios consistem nas seguintes condições: (i) que os serviços não impactem a sua independência; (ii) que sejam previamente avaliados e recomendados pelo Comitê de Auditoria Estatutário e aprovados pelo Conselho de Administração; e (iii) que os serviços estejam dentro do escopo de sua competência profissional.

Previamente à contratação de outros serviços profissionais, que não os relacionados à auditoria contábil externa, a Companhia e suas controladas adotam como procedimento formal, consultar os auditores independentes, no sentido de assegurar-se que a realização da prestação destes outros serviços não venha a afetar sua independência e objetividade necessárias ao desempenho dos serviços de auditoria independente.

Importante destacar o processo de avaliação anual da auditoria independente realizado pelo Comitê de Auditoria Estatutário, com o objetivo de aprimoramento e evolução contínua do processo.

Durante a vigência do contrato, o Comitê de Auditoria Estatutário mantém reuniões periódicas com os Auditores Independentes, com o objetivo de aprovar o plano de trabalho e monitorar o desenvolvimento ao longo do ano, de acordo com o calendário anual das reuniões estabelecido conforme [Regimento Interno do Comitê de Auditoria Estatutário](#). Ao Auditor Independente, deve ser garantido acesso, sempre que julgar necessário, tanto ao Comitê de Auditoria Estatutário quanto ao Conselho de Administração.

Anualmente, o Comitê de Auditoria Estatutário realiza uma avaliação formal dos trabalhos dos auditores independentes. O resultado desta avaliação, apresentado e discutido com o Conselho de Administração, determinará a necessidade de realização de um novo processo de seleção com outras empresas, ou apenas de



trâmites para renovação do contrato para o próximo exercício fiscal, respeitando o limite máximo de 5 (cinco) exercícios sociais auditados pela mesma empresa ou pessoa física, sendo permitido estender até 10 (dez) exercícios sociais consecutivos desde que esteja de acordo com o Art. 31-A da Resolução CVM nº 23/2021. Após transcorrido o período citado, a recontratação da mesma empresa de auditoria independente só é possível após superado um intervalo mínimo de 3 (três) exercícios sociais.

O Comitê de Auditoria Estatutário deverá receber anualmente dos Auditores Independentes uma declaração formal confirmando sua independência durante toda a execução dos trabalhos. Não obstante, o monitoramento dos aspectos de independência deve ser permanente, assim como a sua estrutura e governança, a adequação dos processos de controles internos de qualidade, a capacitação e a dedicação da equipe designada para os trabalhos, bem como a compatibilidade dos honorários com o porte e a complexidade da Companhia.



#### **9.4 Other Relevant Information**

There is no other relevant information, in addition to that presented in the items above.



## SECTION 10 – HUMAN RESOURCES

### 10.1 Description of human resources

#### b. number of outsourced employees (total, by groups based on the activity performed and by geographic location)

The Company presents below the number of third parties hired by the Company and its subsidiaries, by group of activities performed in the Company and by geographic location, in the fiscal year ended on December 31, 2024:

Atividade	Fiscal year ended on 31 December 2024	
	Brazil	Total
Security, Concierge, and Cleaning	197	197
Sales representatives	-	-
Other activities	46	46
<b>Total</b>	<b>243</b>	<b>243</b>

#### c. Turnover rate

	31 December 2024
Turnover index ( <i>Turn-over</i> <sup>1</sup> )	19.95%

<sup>1</sup>Turn-over = [(Admitted + Dismissed) / 2] / Active.



## **10.2 Relevant changes - Human Resources**

There were no significant changes to the information disclosed in item 10.1 above.





### **10.3 Description of the Employee Compensation Policy**

#### **a. Salary and variable compensation policy**

The Company's current Human Relations and Compensation Policy, approved by the Board of Directors on May 5, 2023, establishes that employee compensation must be aligned with market standards for positions with similar responsibilities and activities, aiming to attract, retain, and motivate participants.

The compensation structure is approved by the People and Compensation Committee, and any necessary changes are submitted for its review. The Company classifies positions within the same job family according to hierarchy, strategic contribution, breadth, technical-professional maturity, complexity of duties, and inherent responsibilities. Each position has its compensation defined based on the responsibilities and qualifications required for the role, and total compensation is divided into fixed and variable components.

Fixed compensation refers to the amount received monthly by the employee, paid through payroll, intended to compensate them for the responsibilities and duties associated with the role, and is also referred to as "base salary."

Variable compensation refers to the amounts received periodically by the employee, rewarding the achievement of specific targets within a given period.

#### **b. Benefits Policy**

The Company offers a comprehensive and attractive benefits package to its employees and their dependents, with the aim of promoting a better quality of life. This is one of the Company's key strategies for attracting and retaining talent.

The main benefits offered by the Company include:

- (i) a health plan with private room accommodation, providing medical, laboratory, and hospital care to all beneficiaries and their direct dependents;
- (ii) a dental plan offered to beneficiaries and their direct dependents;
- (iii) maternity leave of 180 days (60 days beyond the legal requirement) and paternity leave of 40 days (20 days beyond the legal requirement);
- (iv) provision of a benefits card for food purchases (supermarkets and restaurants);
- (v) life insurance coverage (for the employee, spouse, and children);
- (vi) a defined-contribution private pension plan, in partnership with a financial institution, with contributions made jointly by the Company and the employee;
- (vii) a home-office allowance for remote workers;
- (viii) provision of transportation vouchers;
- (ix) the +Saudáveis Well-Being Program;
- (x) payroll-deductible loans with lower rates compared to the market; and
- (xi) daycare assistance and support for employees with children with disabilities, in accordance with the collective labor agreement applicable to each region.



**c. Characteristics of share-based compensation plans for employees who are not management members**

**i. Beneficiary groups**

The current and future employees and management members of the Company and/or of the Company's controlled or subsidiary companies appointed by the People and Compensation Committee and elected by the Board of Directors to participate in the Plan are eligible to participate in the Plan, pursuant to "Plan 4" referred to in section 8.4 of this form.

**ii. Requirements for exercise**

Not applicable, as the plan does not include stock options to be exercised, only restricted shares that will be delivered to participants under the terms and conditions established in the plan, as indicated in item 8.4 of this Reference Form.

**iii. Exercise prices**

Not applicable, as the plan does not include stock options to be exercised, only restricted shares that will be delivered to participants under the terms and conditions established in the plan, as indicated in item 8.4 of this Reference Form.

**iv. Exercise deadlines**

Not applicable, as the plan does not include stock options to be exercised, only restricted shares that will be delivered to participants under the terms and conditions established in the plan, as indicated in item 8.4 of this Reference Form.

**v. Number of shares committed by the plan**

The total number of shares may not exceed 5% (five percent) of the Company's capital stock, considering: (i) a period of 10 years from the date of approval of the plan; and (ii) restricted shares granted to managers and employees, pursuant to "Plan 4" referred to in section 8.4 of this form.

**d. Ratio between (i) the highest individual remuneration (considering the composition of the compensation with all items described in section 8.2.d) recognized in the issuer's income in the last fiscal year, including the compensation of a statutory administrator, if applicable; and (ii) the median individual compensation of the issuer's employees in Brazil, disregarding the highest individual remuneration, as recognized in its income in the last fiscal year**



As per section 8.2.d, the ratio was calculated by using the highest individual salary recognized in the financial result of the fiscal year ended in 2024, divided by the median of the individual compensation of personnel in Brazil.

	Fixed Compensation	Total Compensation*
Highest individual compensation	2,116,992.00	19,159,973.00
Mediana da remuneração	102,161.41	108,129.78
Reason	20.95	177.19

\*Total Compensation: Considers fixed compensation, variable compensation, profit sharing/bonuses and long-term incentives. Does not consider benefits, as it is not possible to quantify the benefits for all employees.

As noted in the table above, when considering only fixed compensation, the ratio is 20.95 times. However, when variable compensation is included (profit sharing/bonus and long-term incentives), the ratio increases to 177.19 times, due to TOTVS's stronger focus on the variable portion of compensation, as exemplified in the compensation practices described in item 8.1.



#### **10.4 Description of the relationship between the issuer and labor unions**

The Company maintains an ongoing negotiation process to develop solutions with Labor Unions. Meetings are held to structure specific collective agreements, such as Profit Sharing, Time-Off Bank, among others, always seeking to meet the interests of the parties involved.

The Company's labor relations, both individual and collective, are conducted directly, based on respect and ethics, with the goal of fully complying with current labor legislation. At TOTVS, all employees are covered by collective bargaining agreements and/or labor conventions.

In the last three fiscal years ended December 31, 2024, 2023, and 2022, there were no employee strikes.

To ensure compliance with current labor regulations, the Company maintains a team dedicated to labor relations, always seeking synergy among stakeholders to preserve a harmonious and cooperative relationship between the parties.



### **10.5 Other relevant information**

There is no other relevant information besides that presented in the items above.



## **SECTION 11 – TRANSACTIONS WITH RELATED PARTIES**

### **11.1 Rules, Policies, and Practices**

Transactions with related parties are always conducted in compliance with the Brazilian Corporations Law (Law No. 6,404/76) and the best corporate governance practices, being contracted at usual market prices and conditions and in accordance with the recommendations of the Brazilian Corporate Governance Code. Furthermore, the operations carried out by the Company, including those with related parties, are always supported by prior due diligence of their terms and the Company's strict interest in executing them. Accordingly, the Company individually negotiates contracts with related parties, analyzing their terms against market conditions, as well as the particularities of each transaction, such as terms, amounts, compliance with quality standards, etc. Persons without personal interests in the matters negotiated participate in these negotiations.

The Company has a Related Party Transactions Policy, which establishes the rules, procedures, principles, and methodology for identifying and approving transactions with related parties and managing potential conflicts of interest. The current version of this policy was approved by the Board of Directors on December 22, 2021, and is available on the Company's Investor Relations website (<https://ri.totvs.com/en/esg/bylaws-policies-and-charters/>) and on the CVM website (<https://www.gov.br/cvm/pt-br>).

Key aspects of this Policy include the following:

- The Company's Compliance, Risks and Internal Controls area maintains an updated registry identifying individuals who have authority and responsibility for planning, directing, and controlling activities of any Company entity, subsidiaries and/or affiliates, directly or indirectly, as well as members of the Board of Directors, Advisory Committees to the Board, and Statutory Executive Officers of any Company entities, subsidiaries and/or affiliates ("Key Management Personnel") or persons with Significant Influence as defined by the Policy, as well as their related parties. This registry is consulted by transaction managers prior to the completion of any transaction to verify if it qualifies as a Related Party Transaction under applicable law.
- Each Key Management Personnel or person with Significant Influence must complete and update at least annually a questionnaire to collect information on parties related to them, according to the definitions in the Policy, as well as any transactions between those parties and the Company of which they are aware. They are responsible for informing close family members and managers of their related entities, if applicable.
- Key Management Personnel and persons with Significant Influence are instructed and periodically advised of their obligation to report any potential



related party transaction of which they become aware to the Compliance, Risks and Internal Controls area.

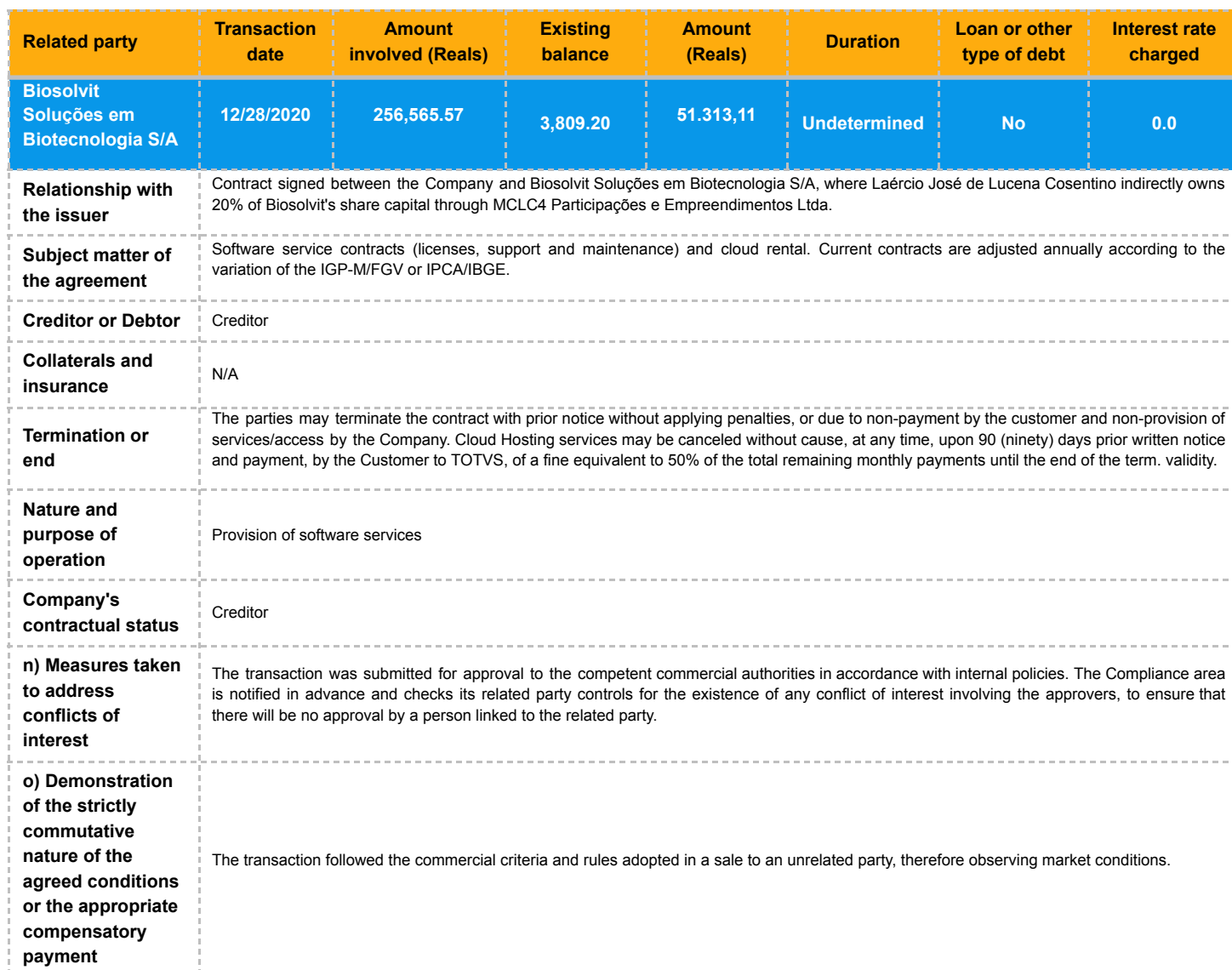
- Any transaction that may qualify as a Related Party Transaction must be reported to the Compliance, Risks and Internal Controls area, which issues an opinion, together with the Legal Department, to determine whether the transaction indeed qualifies as a Related Party Transaction subject to the procedures of the Policy.
- Such transactions must be accompanied by necessary documentation for analysis, including evidence and an opinion from the manager responsible for conducting the transaction, affirming that (a) there are demonstrable business reasons for the transaction with the related party, and (b) the transaction is executed under market conditions or terms offered to or by an unrelated third party, at least in equivalent circumstances, also considering the Company's monitoring costs.
- All Related Party Transactions must be submitted for approval to the Board of Directors, in accordance with the Company's Bylaws, except (i) transactions related to (a) fixed, variable, share-based compensation, and other benefits provided to members of the Board of Directors and Statutory Officers, provided the total amount was approved at the General Meeting, pursuant to Law No. 6,404/76 or by the Board of Directors, as applicable, and (b) transactions between the Company and any entity wholly owned, directly or indirectly, by the Company; and (ii) transactions or sets of related transactions whose total amount is less than R\$1,000,000.00 (one million reais), whether as a single transaction or multiple consecutive transactions with the same object and parties within twelve (12) months.
- Transactions submitted to the Board of Directors must be previously reviewed by the Company's Statutory Audit Committee, accompanied by opinions from the Compliance, Risks and Internal Controls area and the Legal Department, responsible for assessing compliance with the Policy's guidelines in the transaction process, as well as a technical opinion from the area responsible for conducting the transaction.
- Related party transactions must be formalized in writing, specifying key characteristics and conditions, such as price, terms, guarantees, termination conditions, responsibility for taxes and permits, among others. These characteristics must expressly include the Company's right to terminate any continuous related party transaction under conditions equivalent to those in agreements with unrelated parties.
- The Board of Directors, as well as the Audit Committee and their members, have discretionary access to all documents related to related party transactions, including any opinions or technical assessments, and may request additional opinions if necessary.

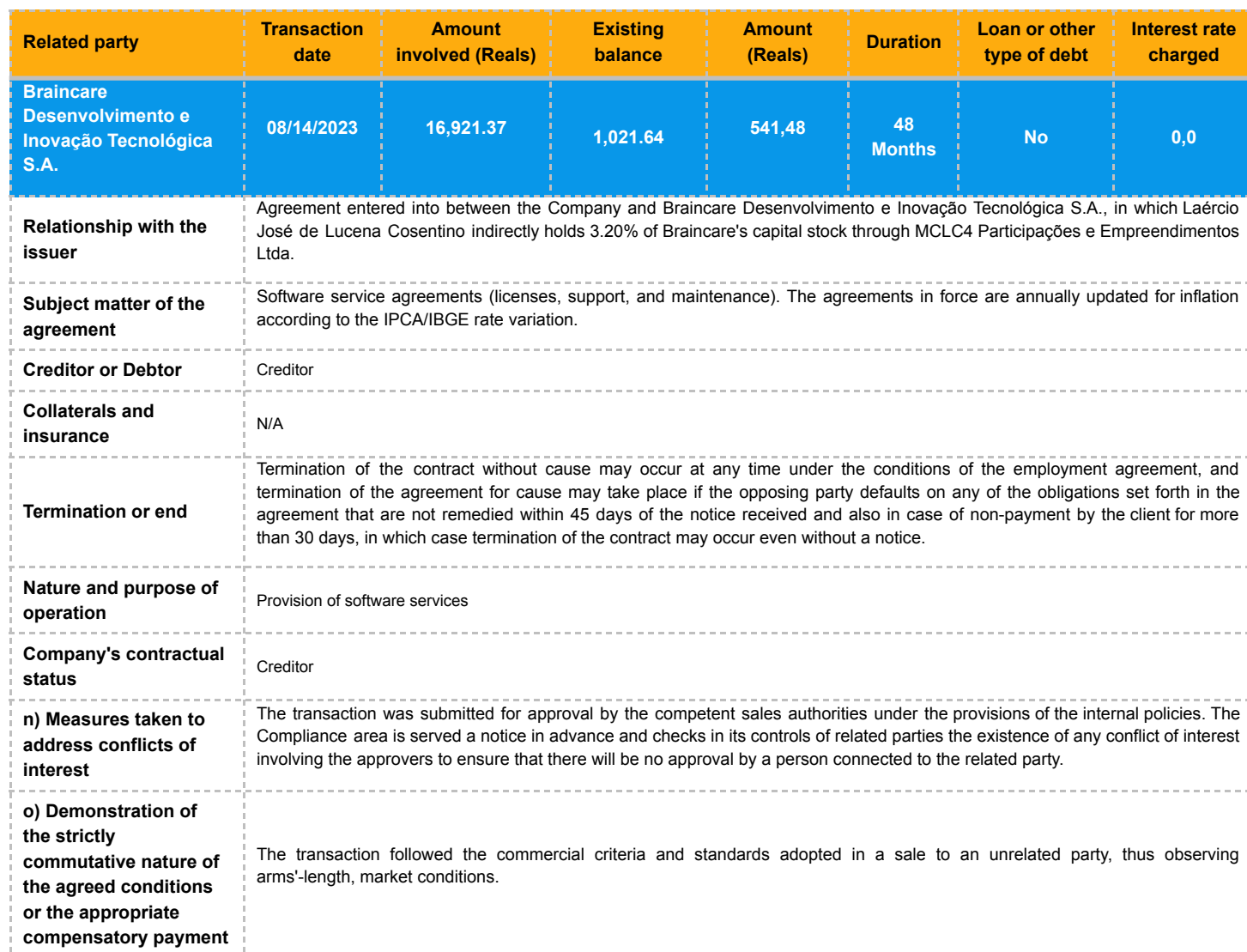


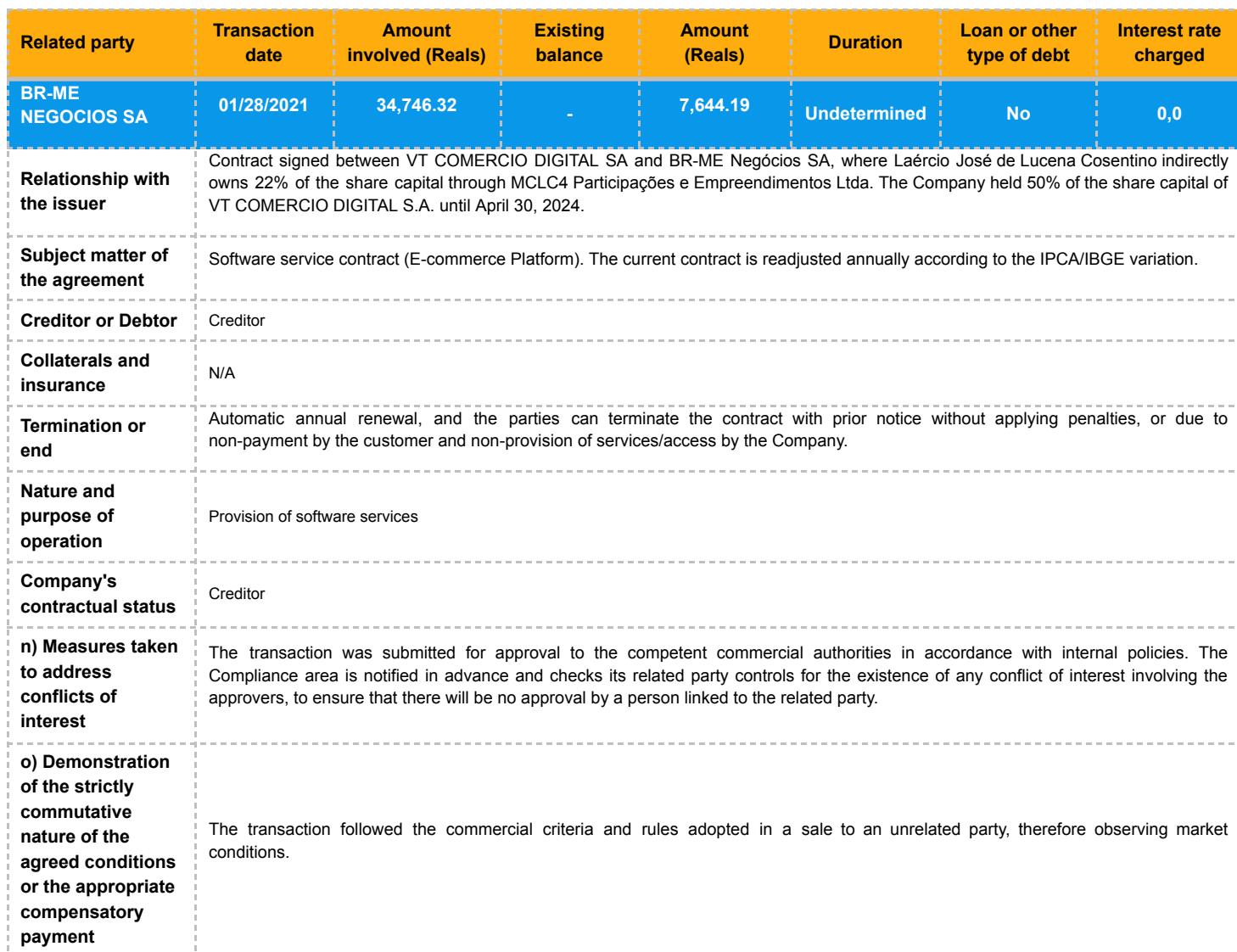


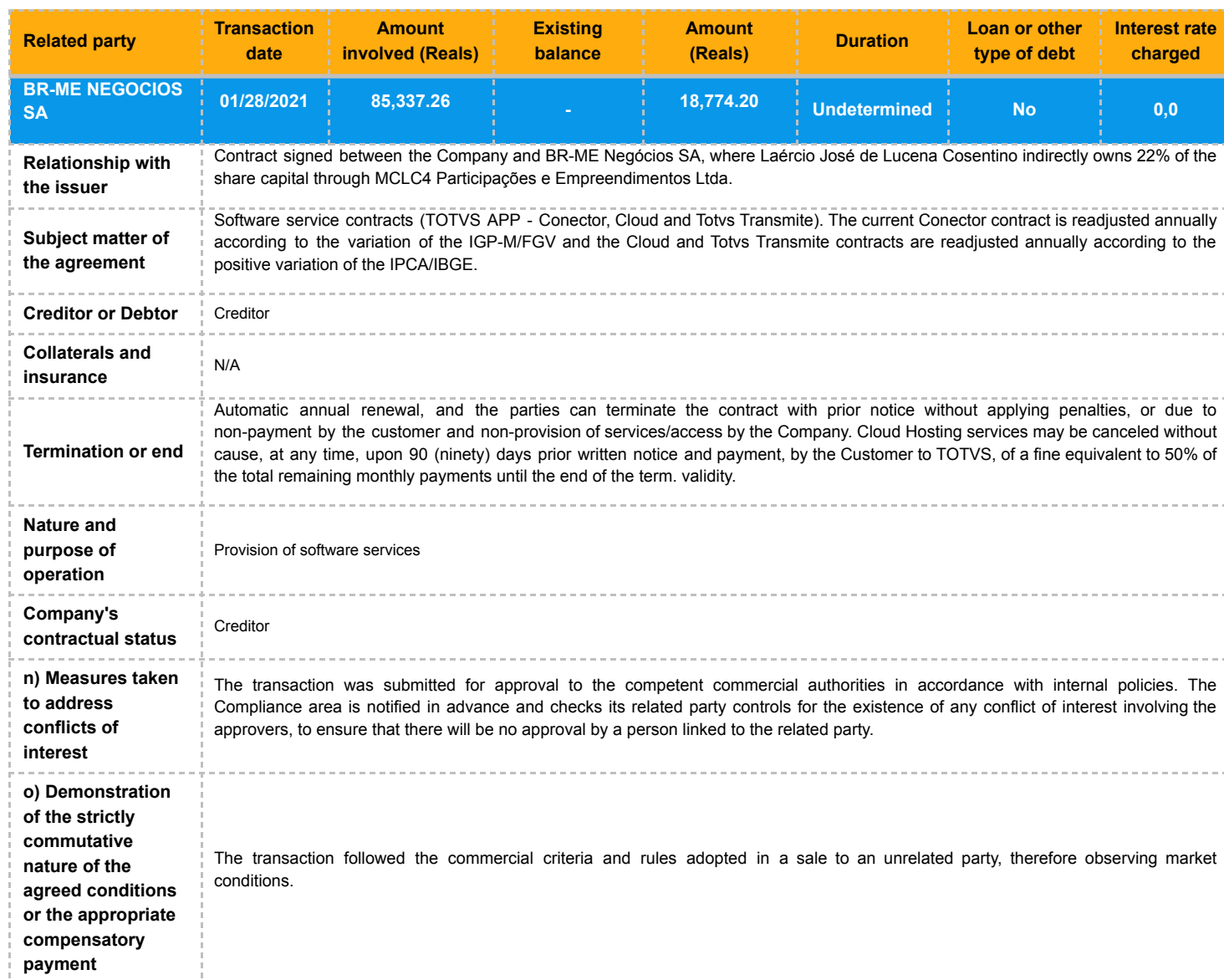
- The Board of Directors will define the content and format of information necessary for decision-making regarding a related party transaction, which will be made available together with the meeting notice in which the transaction will be reviewed.
- The Board of Directors may approve a related party transaction if it concludes, in good faith, that the transaction complies with market conditions and may, at its discretion, condition approval on modifications necessary to ensure compliance with market conditions.

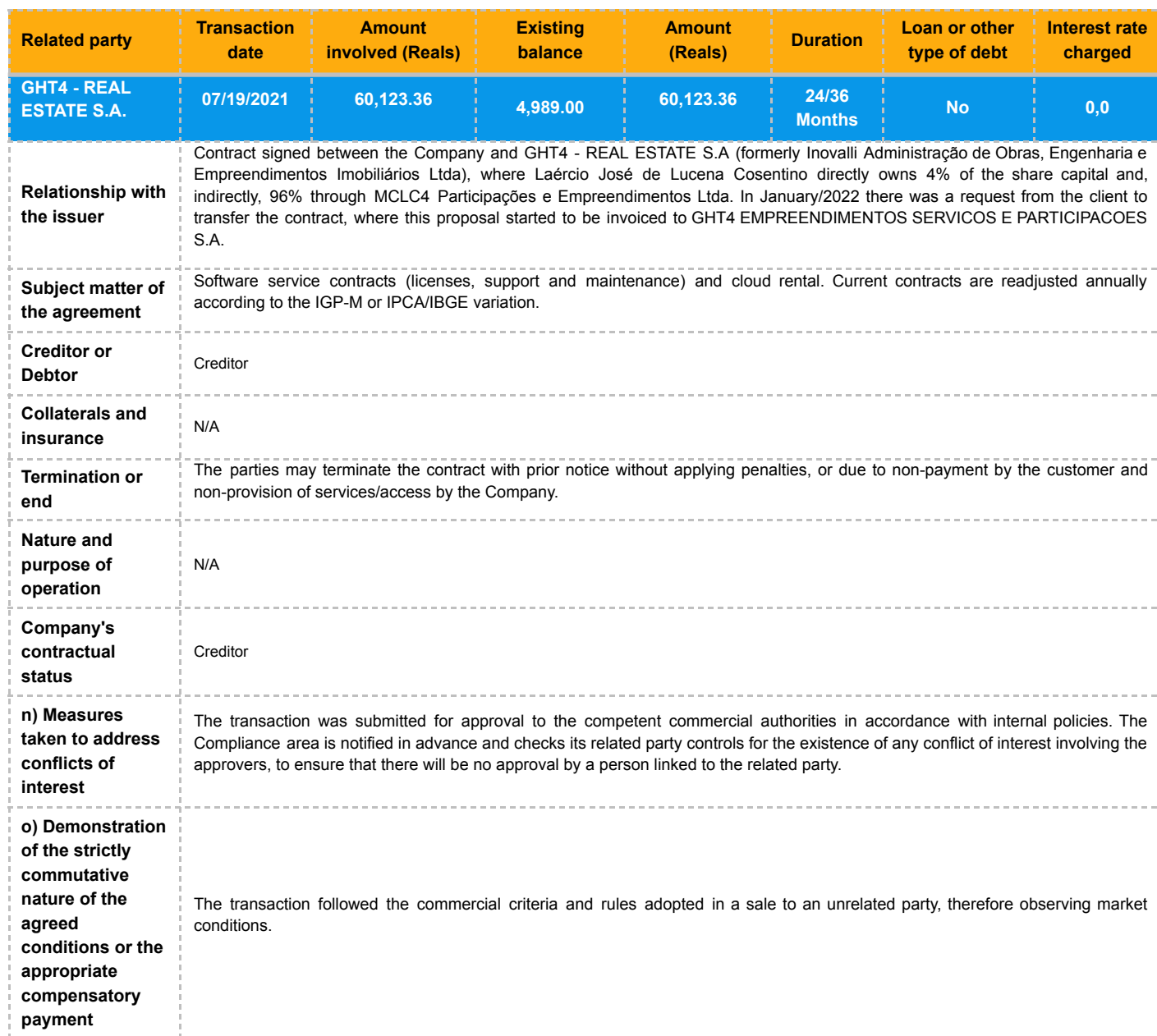
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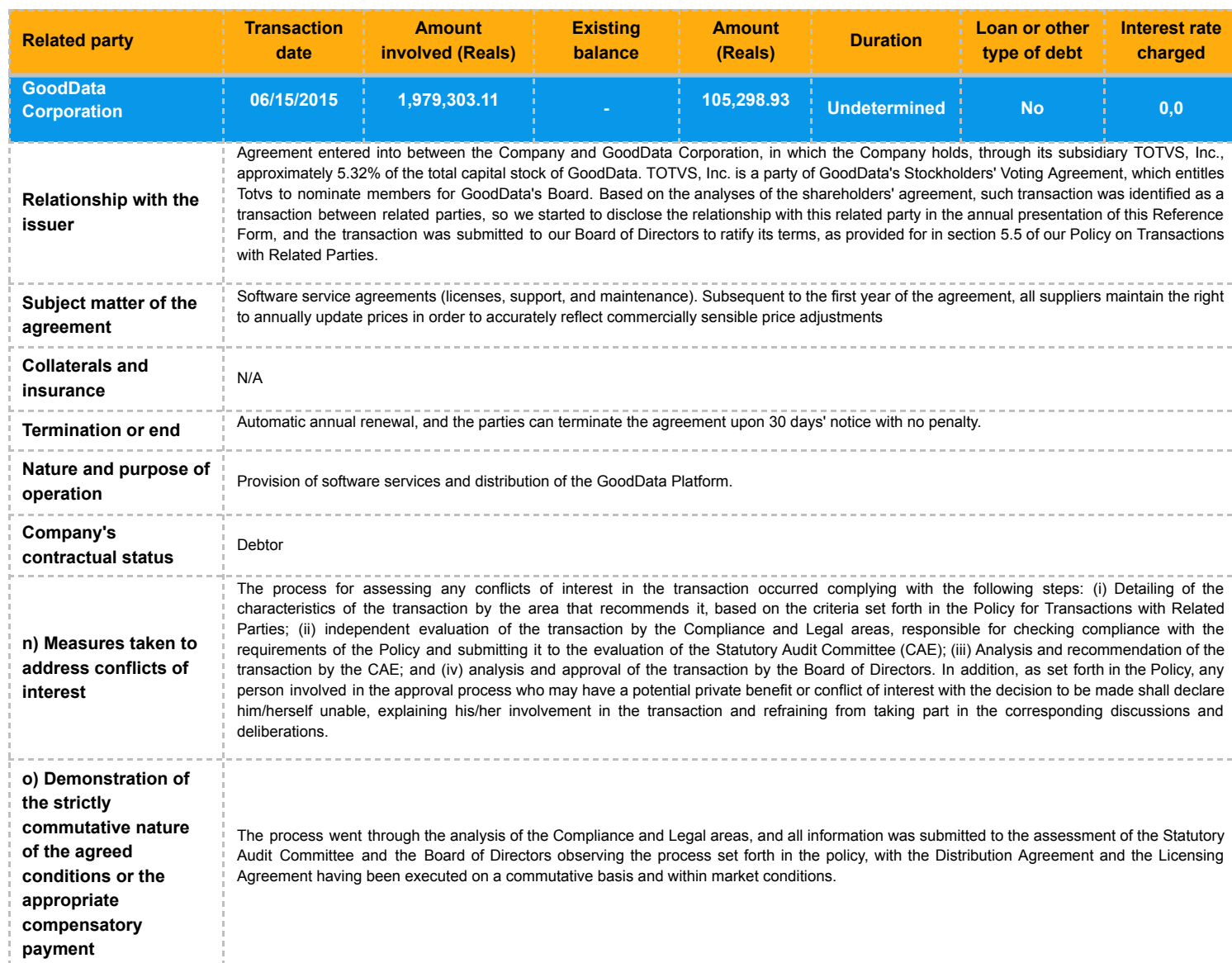


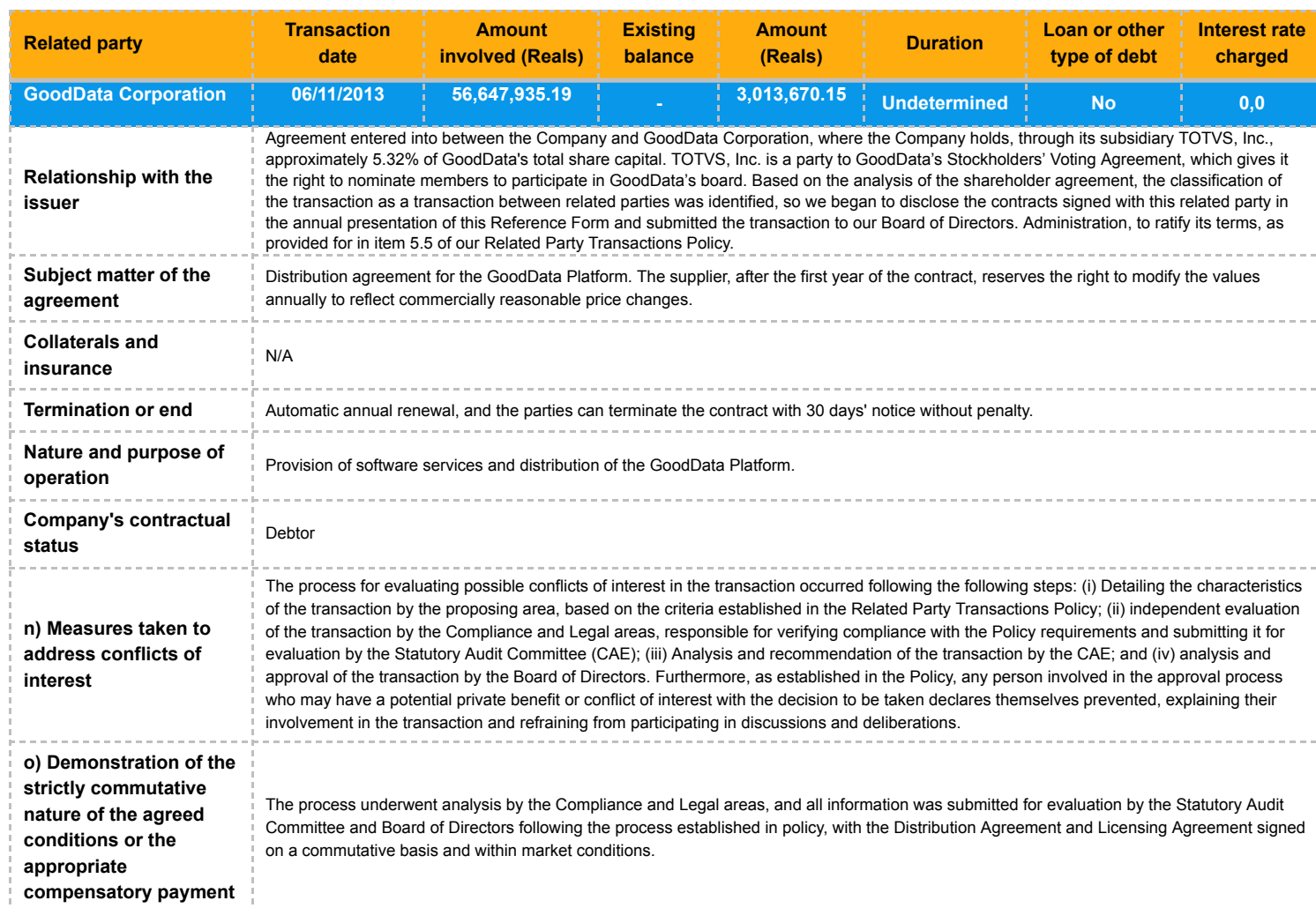


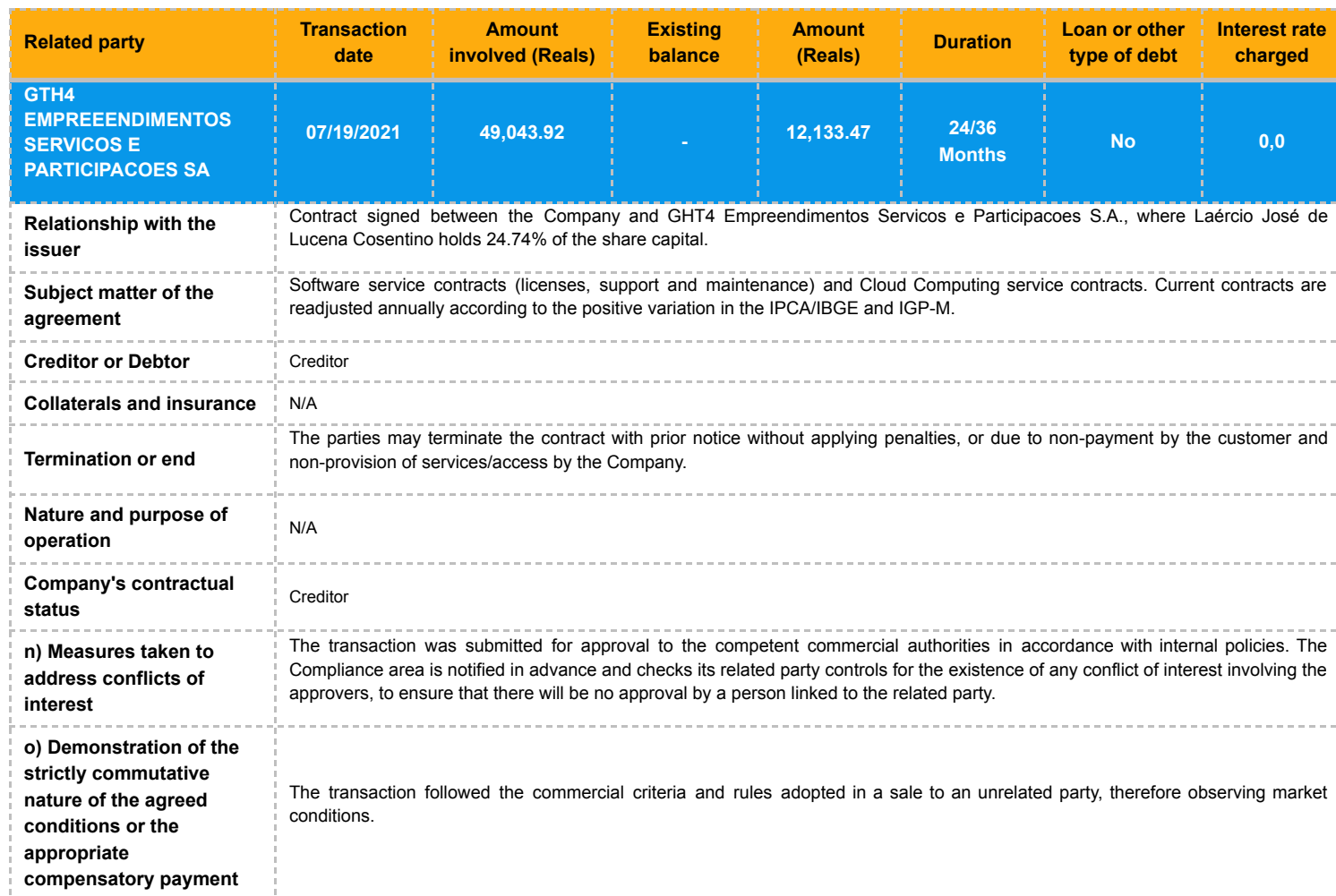




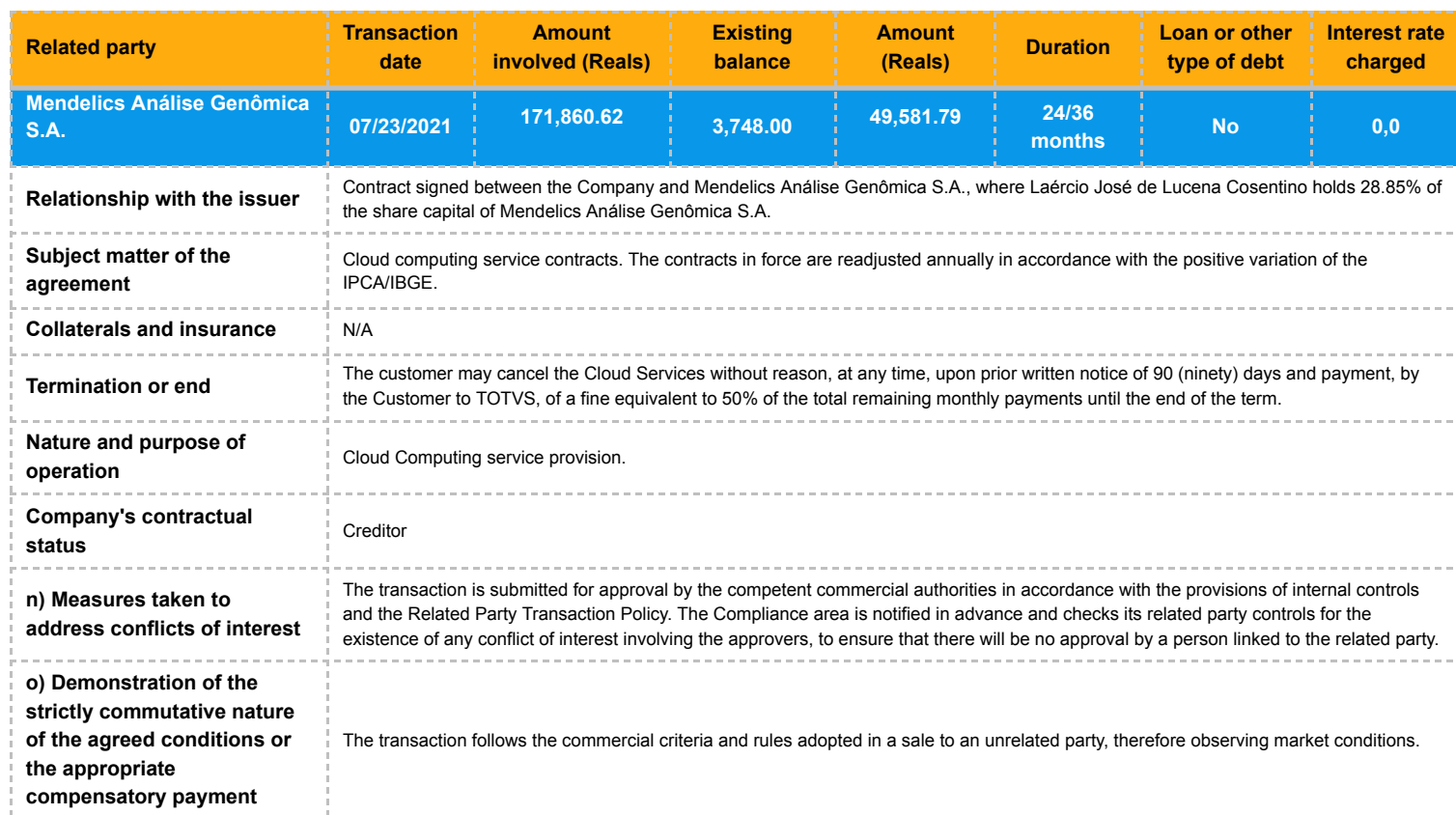


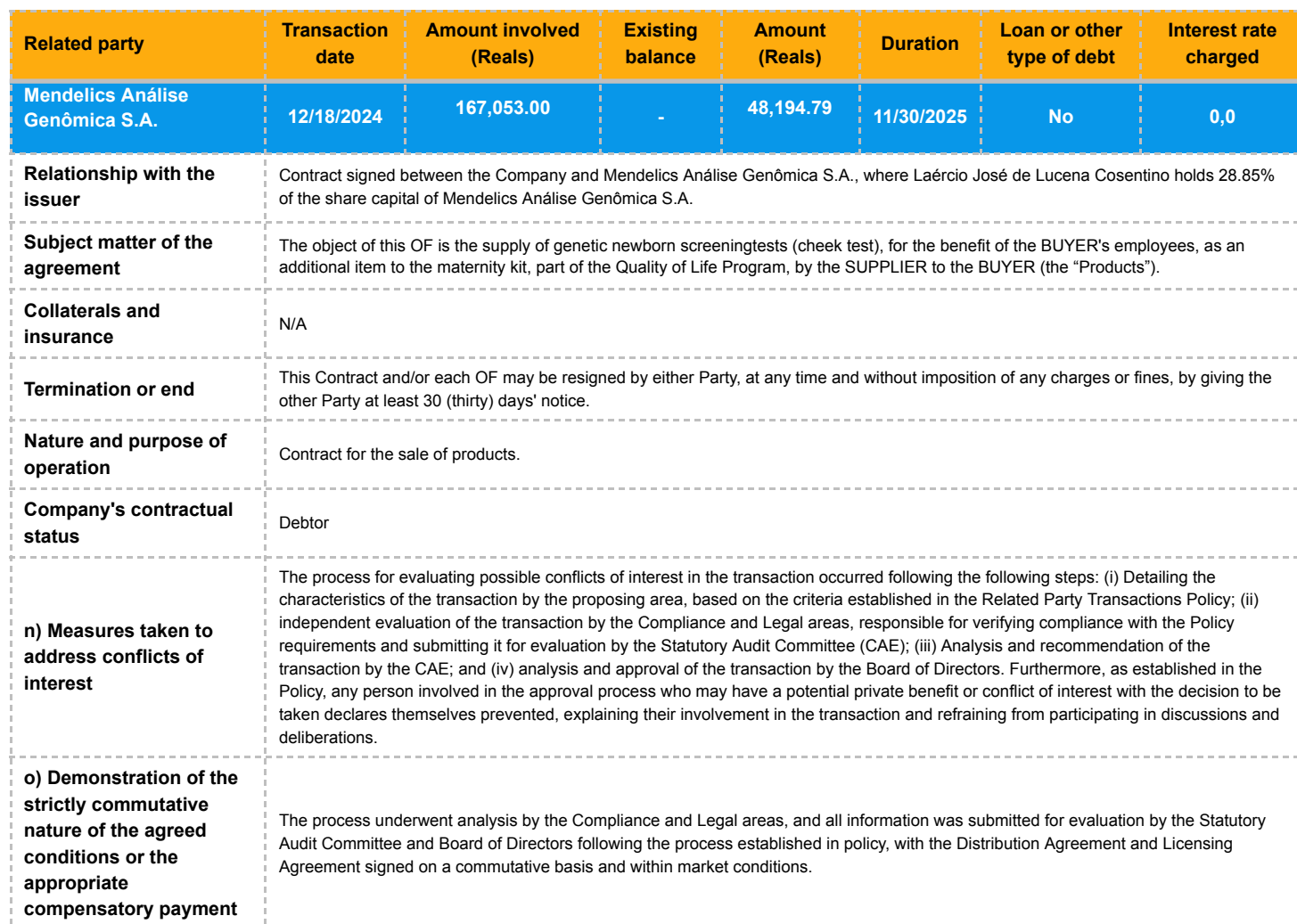


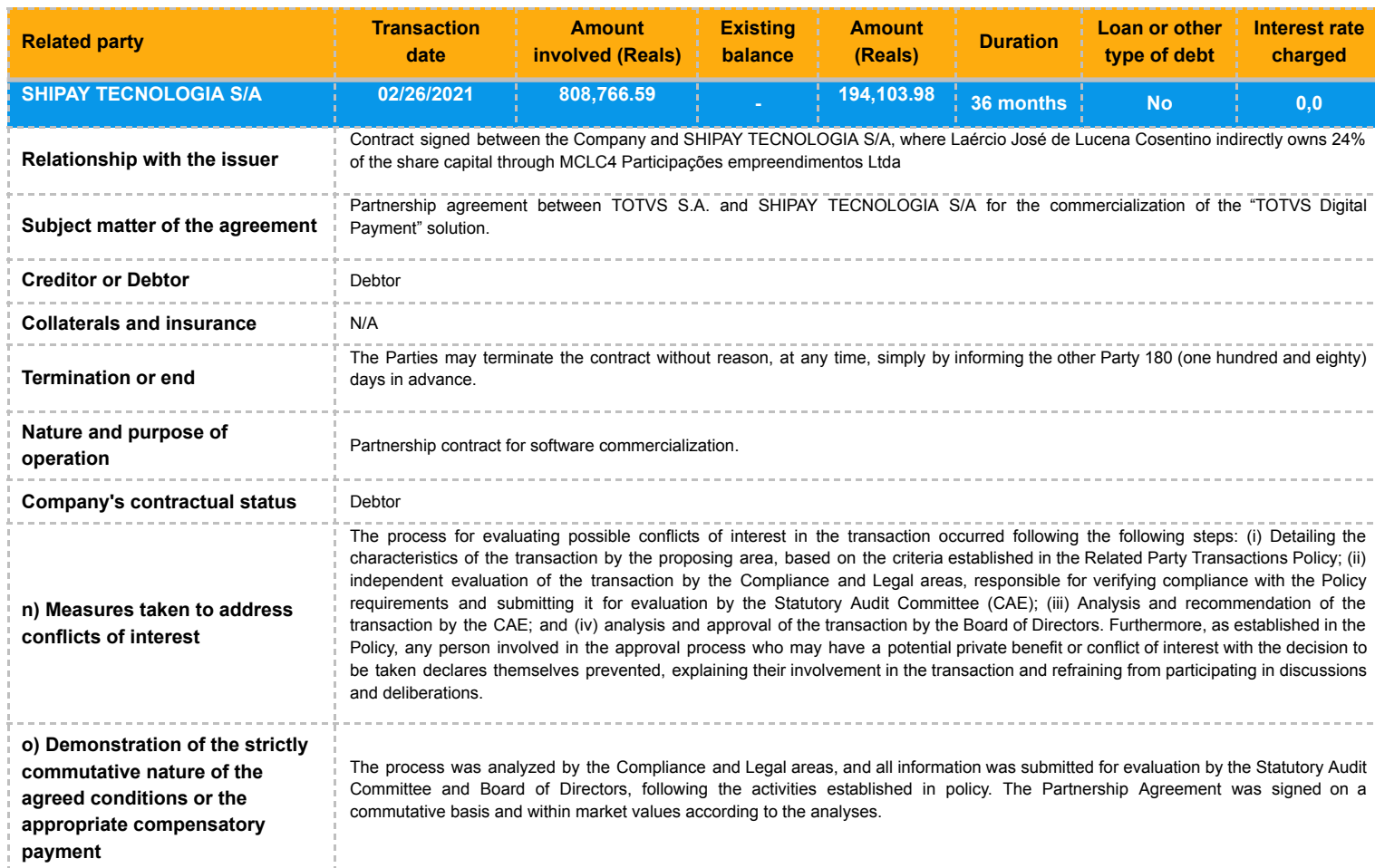




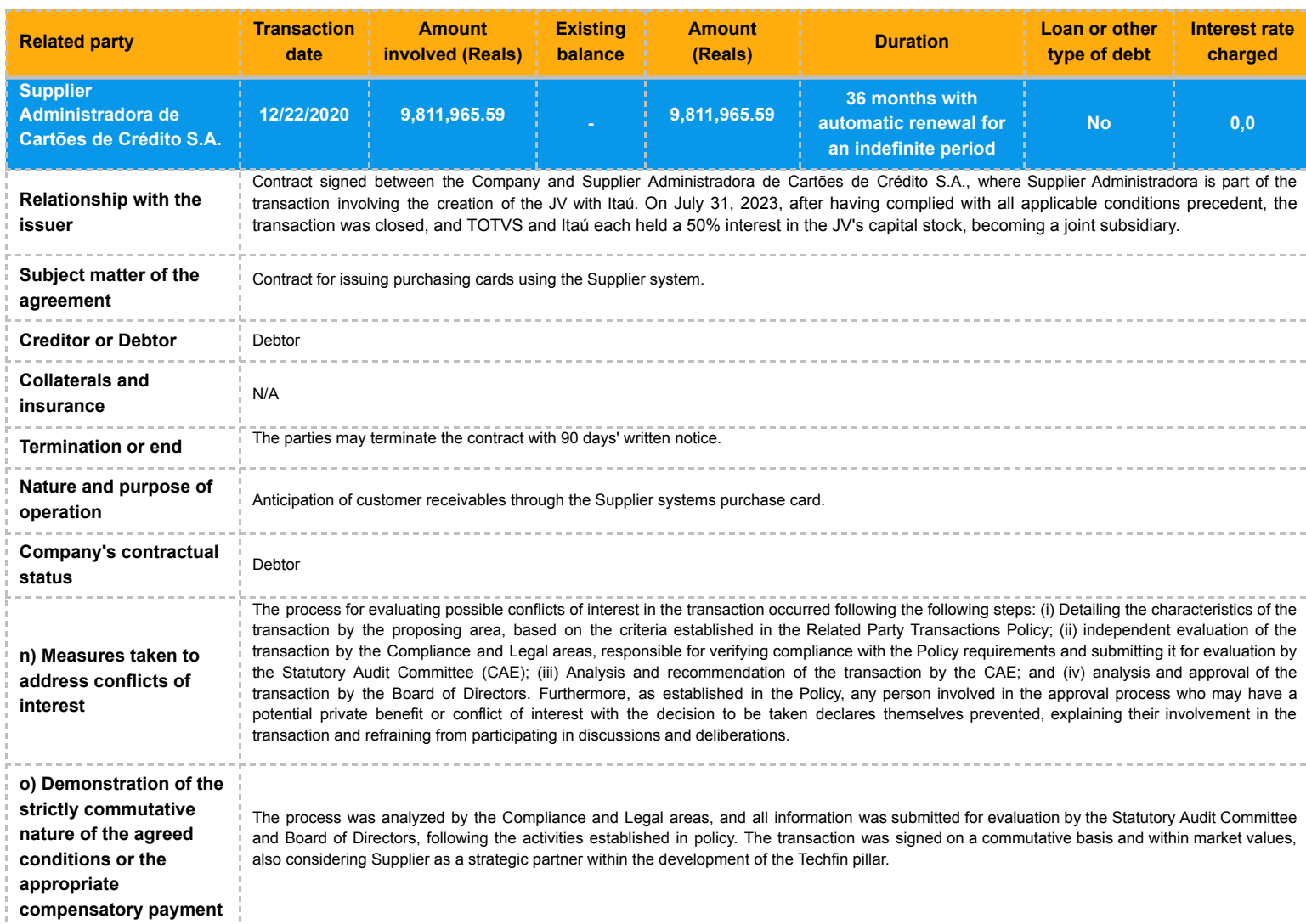
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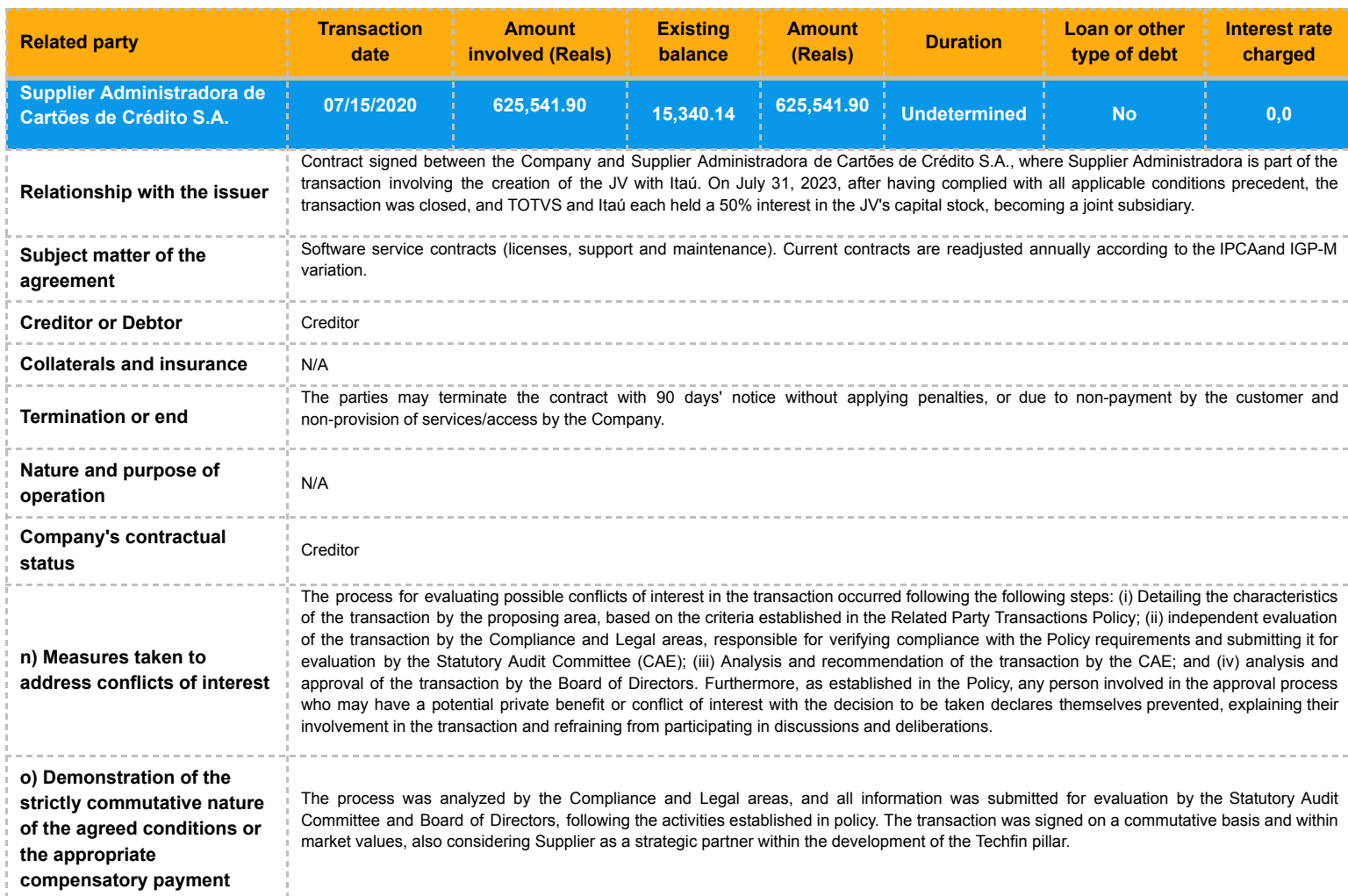


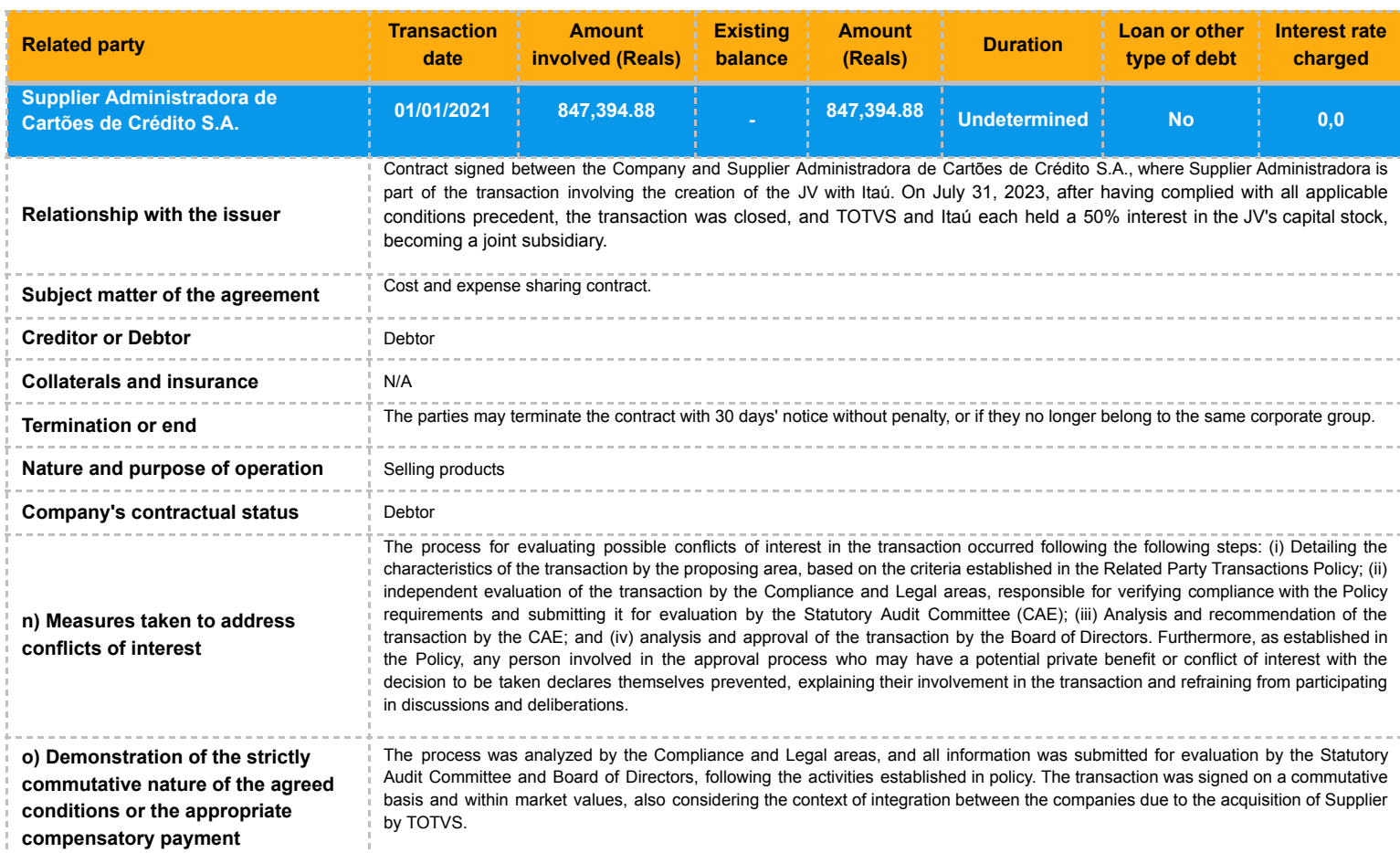


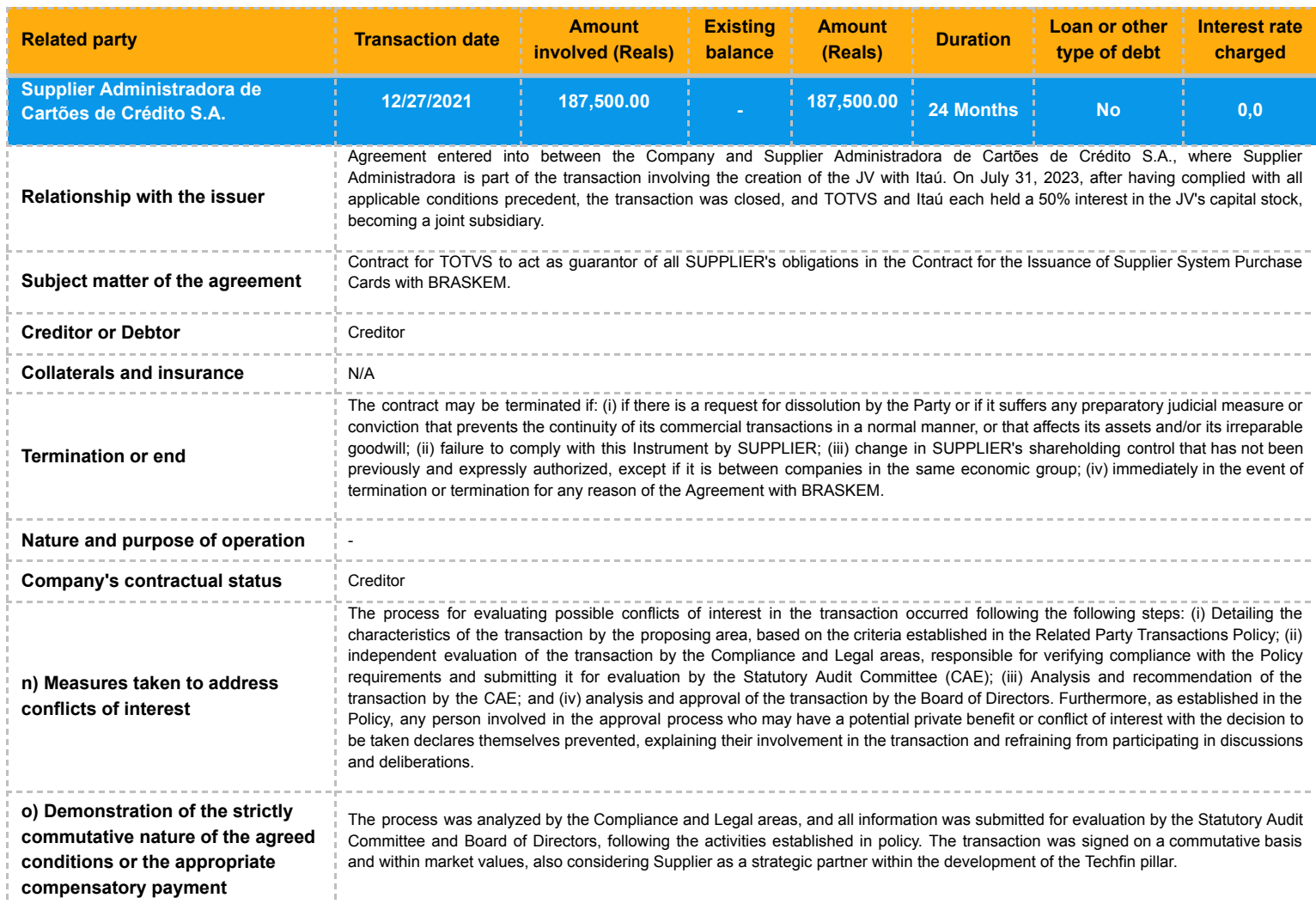


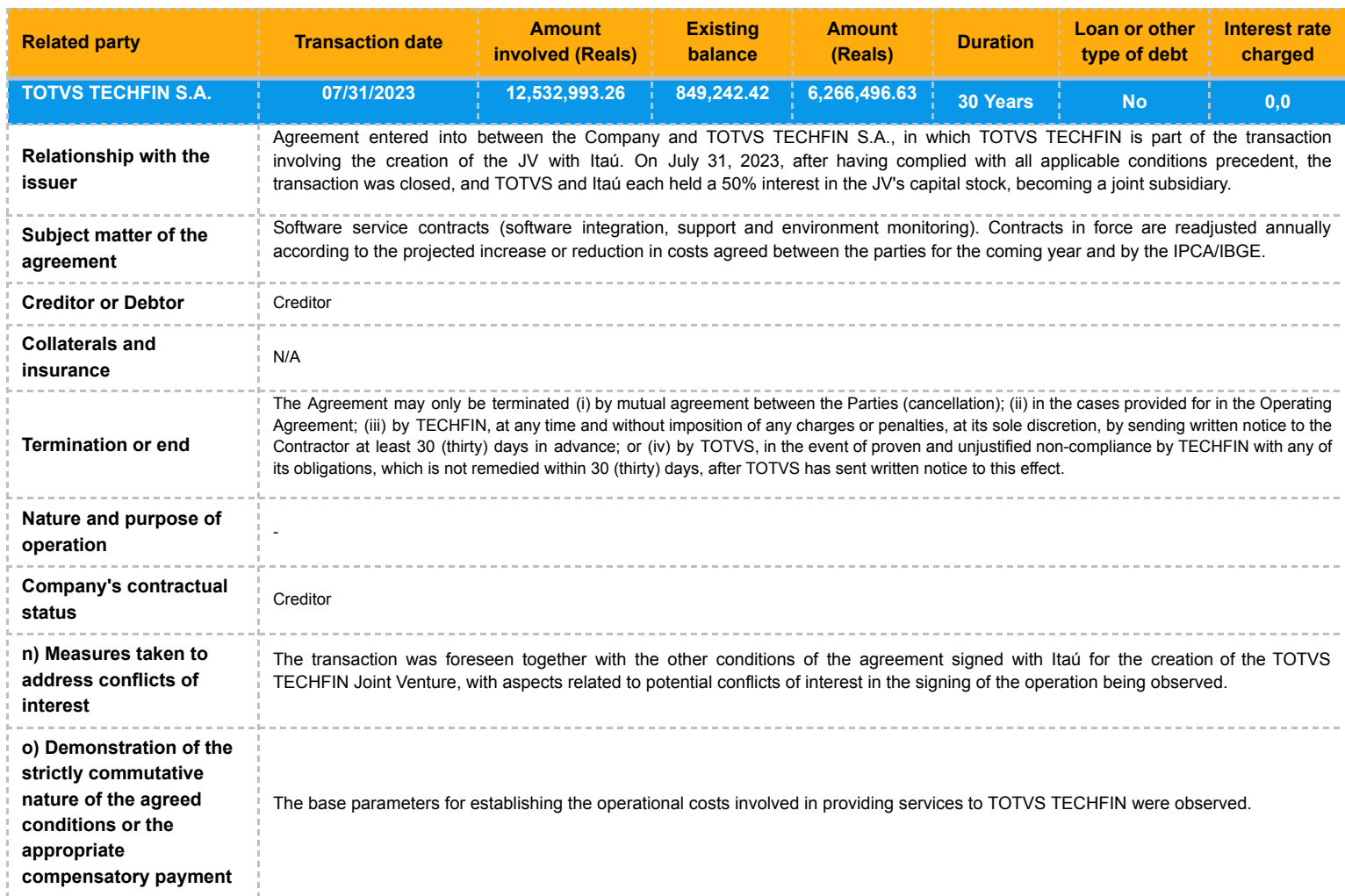


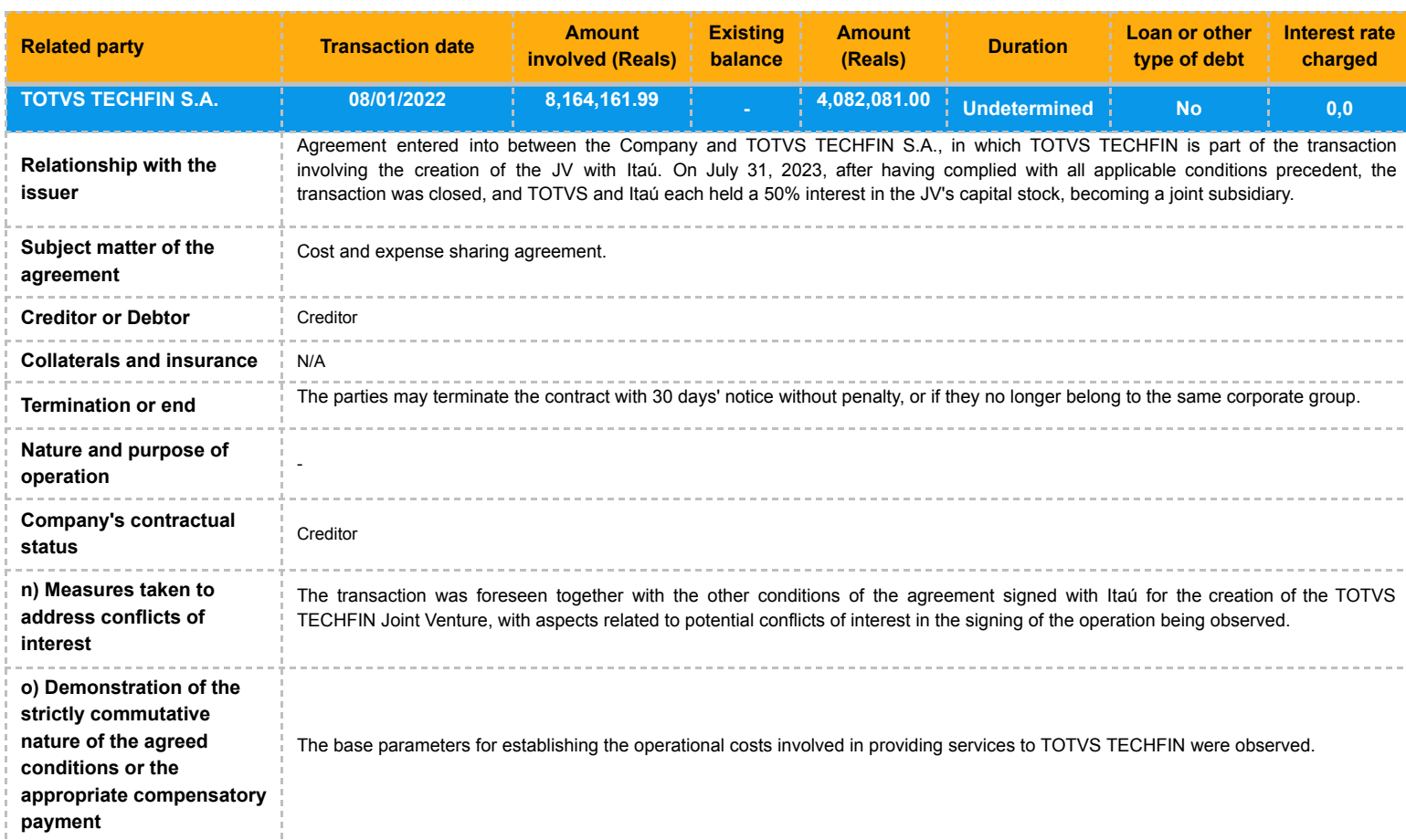


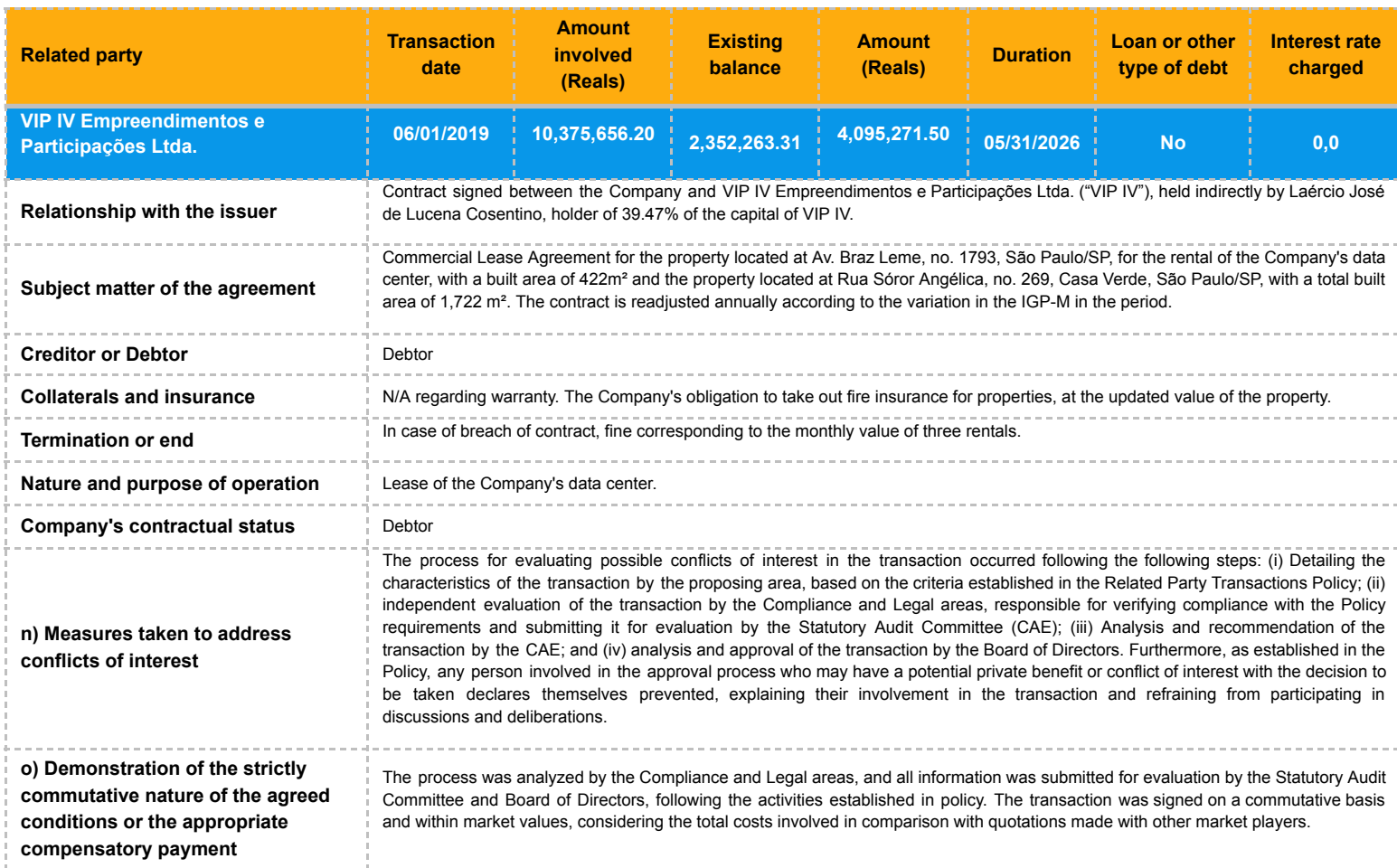
















### **11.3 Other Relevant Information**

There is no other relevant information, in addition to that presented in the items above.



## SECTION 12 – CAPITAL STOCK AND SECURITIES

### 12.1 General information on the capital stock

Date of authorization or approval	Capital amount (Reals)	Payment term	Number of common shares (Units)	Number of preferred shares (Units)	Total number of shares (Units)
Type of Capital	Paid-Up Capital				
November 6, 2024	2,962,584,687.27	-	599,401,581	0	599,401,581
Type of Capital	Issued share capital				
November 6, 2024	2,962,584,687.27	-	599,401,581	0	599,401,581
Type of Capital	Subscribed Capital				
November 6, 2024	2,962,584,687.27	-	599,401,581	0	599,401,581
Type of Capital	Authorized Capital				
April 20, 2021	4,000,000,000.00	-	599,401,581	0	599,401,581



## **12.2 Foreign issuers - Rights and rules**

Not applicable, considering that the Company is not a foreign issuer.



## 12.3 Other securities issued in Brazil

Security	Debentures
Security details	5 <sup>th</sup> Issue of Simple Debentures – TOTVS S.A.
Date of issue	Jul 19, 2024
Expiration date	Jul 19, 2031
Quantity (units)	1,500,000
Global par value	R\$1,500,000,000.00
Outstanding debit balance	R\$1,500,000,000.00
Circulation restrictions	No
Convertibility	No
Possibility of redemption	Yes
Redemption basis and calculation	<p>The Issuer may, at its sole discretion and regardless of the Debenture Holders' consent, as from July 19, 2026 (inclusive), that is, from the 24<sup>th</sup> (twenty-fourth) month (inclusive) from the Issue Date, proceed with the early redemption of all the Debentures ("Optional Early Redemption").</p> <p>The amount payable to the Debenture Holders in the scope of the Optional Early Redemption shall correspond to the Unit Face Value or the balance of the Unit Face Value, plus the respective Remuneration, calculated pro rata temporis from the First Subscription Date or from the immediately preceding Remuneration Payment Date, as applicable, until the Optional Early Redemption Date, plus any applicable Default Charges due and unpaid until the Optional Early Redemption Date.</p>
Characteristics of values debt securities	Refers to the 5 <sup>th</sup> issue of simple, non-convertible, unsecured debentures, single series, in the amount of R\$ 1,500,000,000.00, for public distribution, pursuant to CVM Instruction No. 160, with Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. acting as trustee.
Conditions for changing the rights guaranteed by such securities	There is no scheduled renegotiation of debentures.
Other relevant features	Remuneration: On the Unit Face Value or the balance of the Unit Face Value, as the case may be, remuneration interest will accrue corresponding to 100% of the accumulated variation of the DI Over Rate, plus an exponential spread of 0.95% per year.



## 12.4 Number of security holders

Securities	Individuals	Companies and organizations	Institutional Investors
Debentures	0	0	42



## **12.5 Brazilian markets in which securities are admitted to trading**

The Company's common shares are listed for trading in Brazil on B3 – Brasil, Bolsa, Balcão, under the ticker code “**TOTS3**”, in the Novo Mercado segment, which represents the highest level of corporate governance on the exchange.

The debentures issued by the Company are traded on the CETIP segment of B3, under the trading code TOTS15.



## **12.6 Information on the class and type of security admitted to trading in foreign markets**

There are no securities admitted to trading on foreign markets.





## **12.7 Securities issued abroad**

There are no securities issued abroad.



## 12.8 Allocation of resources from public offerings

### 3<sup>rd</sup> Issue of Debentures

#### **a. How the resources resulting from the offer were used**

The funds raised from the 3<sup>rd</sup> public issue of debentures were fully used to achieve the Company's Strategic Plan and the Company's corporate purpose.

#### **b. Whether there were or not any significant deviations between the effective usage of such funds and the proposed usage as disclosed in the prospectuses of the corresponding distribution**

There were no deviations between the actual use of the funds and the proposals disclosed.

#### **c. If there were any deviations, clarify the reasons for such deviations**

Not applicable, since there were no deviations.

### 4<sup>th</sup> Issue of Debentures

#### **a. How the resources resulting from the offer were used**

The net proceeds obtained by the Company from the 4<sup>th</sup> issue will be fully used for the early redemption of all simple, non-convertible debentures, unsecured, single series, from the Company's 3<sup>rd</sup> issue.

#### **b. Whether there were or not any significant deviations between the effective usage of such funds and the proposed usage as disclosed in the prospectuses of the corresponding distribution**

There were no deviations between the actual use of the funds and the proposals disclosed.

#### **c. If there were any deviations, clarify the reasons for such deviations**

Not applicable, since there were no deviations.

### 5<sup>th</sup> Issue of Debentures

#### **a. How the resources resulting from the offer were used**

The net proceeds obtained by the Company from the 5<sup>th</sup> issue will be fully used for the early redemption of all simple, non-convertible debentures, unsecured, single series, from the Company's 4<sup>th</sup> issue.



**b. Whether there were or not any significant deviations between the effective usage of such funds and the proposed usage as disclosed in the prospectuses of the corresponding distribution**

Not applicable, as the facts that will generate the use of such resources have not yet taken place in full.

**c. If there were any deviations, clarify the reasons for such deviations**

Not applicable, as the facts that will generate the use of such resources have not yet taken place in full.



## 12.9 Other Relevant Information

### **5<sup>th</sup> issue of Debentures**

**Remuneration:** On the Debentures Face Value per Unit or on the balance of the Face Value per Unit, as the case may be, remuneration interests will accrue corresponding to the accumulated variation of 100% (one hundred percent) of the daily average rates of DI – Interbank Deposits of one day, “over extra-group,” expressed as a percentage per year, based on 252 (two hundred and fifty-two) Business Days, calculated and published daily by B3 – Brasil, Bolsa, Balcão, in the daily newsletter available on its website (<http://www.b3.com.br>), plus exponentially, a spread of 0.95% (ninety-five hundredths percent) per year, based on 252 (two hundred and fifty-two) Business Days.

**Guarantees:** None.

### **Events Triggering Automatic Early Maturity:**

The following events shall constitute an Early Maturity Event that triggers the automatic maturity of the obligations arising from this Indenture, applying the provisions set forth in Clause 7.3 below (each an “Automatic Early Maturity Event”):

(i) Non-payment by the Issuer, within the term and in the manner established in this Indenture, of any pecuniary obligation owed to the Debenture Holders under this Indenture, not remedied within three (3) Business Days counted from the respective due date;

(ii) A first-instance decision issued by a judge or court declaring the invalidity, nullity, or unenforceability of this Indenture;

(iii) (a) Declaration of bankruptcy of the Issuer and/or any of its subsidiaries representing 15% (fifteen percent) of the Issuer’s consolidated net revenue, as verified by the Issuer’s most recent financial statements (the “Relevant Subsidiaries”); (b) a motion for self-bankruptcy filed by the Issuer and/or its Relevant Subsidiaries; (c) a bankruptcy petition filed by third parties against the Issuer and/or its Relevant Subsidiaries not dismissed within the legal term; (d) a petition for judicial or out-of-court reorganization of the Issuer and/or its Relevant Subsidiaries, regardless of the approval of the respective petition; (e) liquidation, dissolution, or extinction of the Issuer and/or its Relevant Subsidiaries, except when such liquidation, dissolution or extinction results from a corporate restructuring involving the Relevant Subsidiaries of the Issuer as provided in item (viii) below and which does not constitute an Early Maturity Event; or (f) filing by the Issuer and/or any of its Relevant Subsidiaries of



mediation, conciliation under article 20-B of the Bankruptcy Law, or an out-of-court recovery plan to any creditor or class of creditors, regardless of whether judicial approval of said plan has been requested or obtained, or anticipatory measures for any of such procedures as provided in paragraph 12 of article 6 of the Bankruptcy Law, or any similar procedure in another jurisdiction;

(iv) Transformation of the Issuer's corporate form such that it ceases to be a corporation under articles 220 to 222 of the Brazilian Corporations Act;

(v) Any form of transfer, assignment, or promise of assignment by the Issuer to third parties, in whole or in part, of the obligations assumed under this Indenture, without the prior consent of the Debenture Holders, subject to the quorum established in Clause 10.4.1 below;

(vi) Non-payment on the due date, subject to the applicable cure period, of any financial obligation of the Issuer in a unit or aggregate amount exceeding R\$70,000,000.00 (seventy million Reais), or its equivalent in other currencies (this amount to be monthly updated by the General Price-Market Index published by Fundação Getúlio Vargas ("IGP-M") from the Issue Date), such financial obligation arising from funds raised by the Issuer in the financial or capital markets, in Brazil or abroad, unless the Issuer proves, within a maximum period of five (5) Business Days counted from the date of such non-payment, or until the end of the applicable cure period (if longer than said five Business Days), that said non-payment: (i) has been remedied by the Issuer; or (ii) had its effects suspended by any judicial or arbitral measure;

(vii) The proceeds from the Issue are allocated to a destination other than that provided for in Clause 4 of this Indenture; and

(viii) Spin-off, merger, incorporation (only when the Issuer is incorporated) or acquisition of shares or any form of corporate restructuring involving the Issuer that implies a change in the control structure (as defined in article 116 of the Brazilian Corporations Act), in accordance with the terms set forth in item 7.1.2(viii) of this Indenture, except if (a) prior consent of the Debenture Holders has not been obtained, subject to the quorum established in Clause 10.4.1 below; or (b) such operations involve the Issuer and its Relevant Subsidiaries.



## SECTION 13 – IDENTIFICATION OF THE PERSONS RESPONSIBLE FOR THE CONTENT OF THE FORM

### DECLARATION

#### FOR THE PURPOSES OF ITEM 13.1 OF THE REFERENCE FORM

**DENNIS HERSZKOWICZ**, Brazilian citizen, married, with a background in advertising and marketing, bearer of the Brazilian identification document RG No. 20.310.061 SSP/SP, and with the Brazilian Tax Id. (“**CPF/MF**”) under No. 165.783.068-38, in his capacity of Chief Executive Officer of TOTVS S.A., a corporation headquartered at Avenida Braz Leme, 1000, Casa Verde district, in the Capital City of Sao Paulo, State of Sao Paulo, CEP 02511-000 (Brazil), enrolled with the National Registry of Companies of the Ministry of Economy under the Tax Id. (“**CNPJ/MF**”) No. 53.113.791/0001-22 (the “**Company**”), hereby state, pursuant to Exhibit C of CVM Resolution No. 80, of March 29, 2022, as amended (“**CVM Resolution No. 80**”), that: (i) he reviewed the reference form; (ii) all information provided in the form complies with the provisions of CVM Resolution 80, in particular arts. 15 to 20; and (iii) the information provided therein depicts truly, accurately, and completely the Company's activities and the risks inherent in its activities.



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**DENNIS HERSZKOWICZ**  
Diretor-Presidente



**DECLARATION**

**FOR THE PURPOSES OF ITEM 13.1 OF THE REFERENCE FORM**

**GILSOMAR MAIA SEBASTIÃO**, Brazilian citizen, married, bachelor of accounting, bearer of the Brazilian identification document (RG) No. 24.733.092-9 SSP/SP, and with Brazilian Tax Id. ("CPF/MF") under No. 174.189.288-07, in his capacity of Investor Relations Officer of TOTVS S.A., a corporation headquartered at Avenida Braz Leme, 1000, Casa Verde district, in the Capital City of Sao Paulo, State of Sao Paulo, CEP 02511-000 (Brazil), enrolled with the National Registry of Companies of the Ministry of Economy under the Tax Id. ("CNPJ/MF") No. 53.113.791/0001-22 (the "**Company**"), hereby state, pursuant to Exhibit C of CVM Resolution No. 80, of March 29, 2022, as amended ("**CVM Resolution No. 80**"), that: (i) he reviewed the reference form; (ii) all information provided in the form complies with the provisions of CVM Resolution 80, in particular arts. 15 to 20; and (iii) the information provided therein depicts truly, accurately, and completely the Company's activities and the risks inherent in its activities.



**GILSOMAR MAIA SEBASTIÃO**