

EARNINGS PRESENTATION

1Q21

/ Investor Relations

Dennis Herszkowicz
CEO

Gilsomar Maia
CFO/ IRO

Sérgio Sérgio
IR Head



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FAZ

THE BRAZIL THAT MAKES IT HAPPEN, DOES IT WITH TOTVS

We started 2021 at the same pace we closed 2020: accelerating ! The construction of an Ecosystem of technologies for SMBs continued to consolidate, supported by a digitization journey aimed to exponentialize TOTVS' operations.

01

**Financial &
Operational
Highlights**

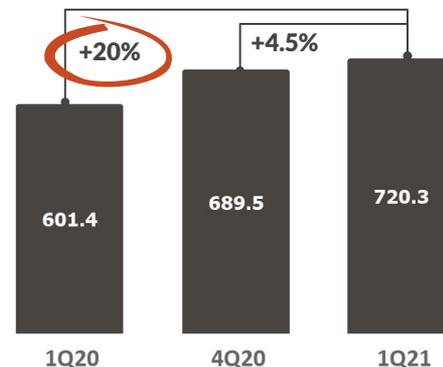


CONSOLIDATED RESULT

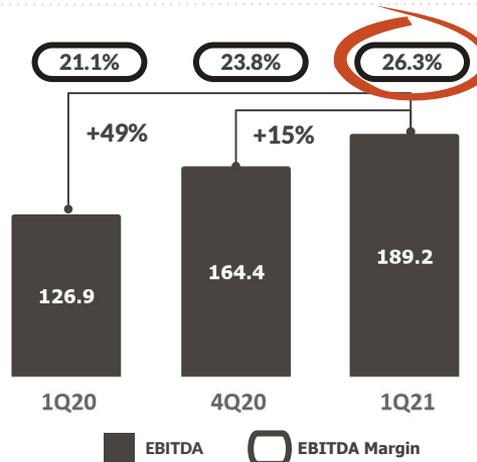
The Consolidated Result reached **46 POINTS** within the **RULE OF 40***, with **BALANCE** between **GROWTH** and **PROFITABILITY**



NET REVENUE



ADJUSTED EBITDA



* The Rule of 40 states that, at scale, a company's revenue growth rate plus EBITDA margin should be equal to or greater than 40%

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

02

**An Ecosystem
far beyond
ERP..**

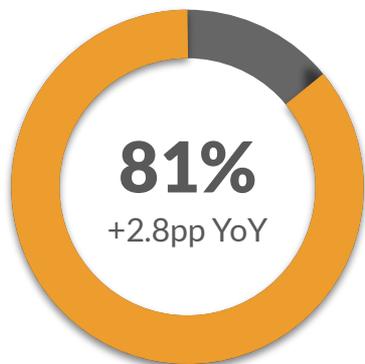
TECHNOLOGY

Acceleration of Recurring Revenue driving Technology Revenue (+11% vs. 1Q20), having reached **R\$665 million in 1Q21**

R\$539 million
TECHNOLOGY RECURRING REVENUE

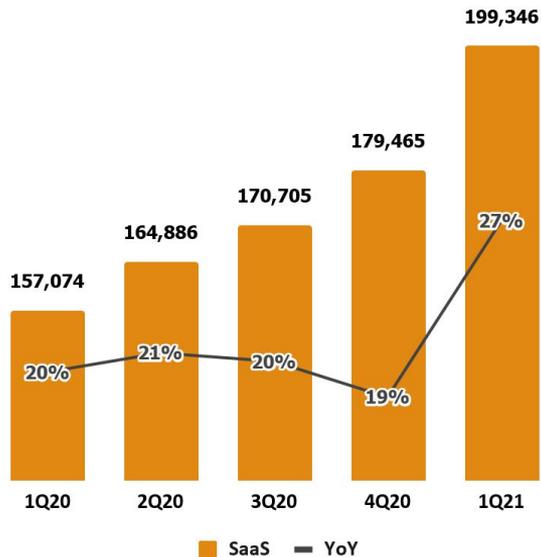
▲ **15%** vs. 1Q20

▲ **6.5%** vs. 4Q20



■ % of Recurring Revenue vs. Technology Revenue

R\$199 million
SAAS REVENUE



Highlights - Quarter



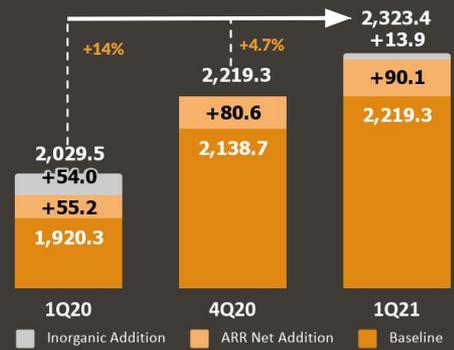
Expansion of Cloud Offerings

72% YoY *signings* growth, with the launch of a new version of the cloud services platform, T-Cloud, expanding services and improving the customer experience.

First product 100% PLG

"TOTVS Assinatura Eletrônica" is a *SaaS application*, with a simple and centralized platform that will simplify and speed up processes.

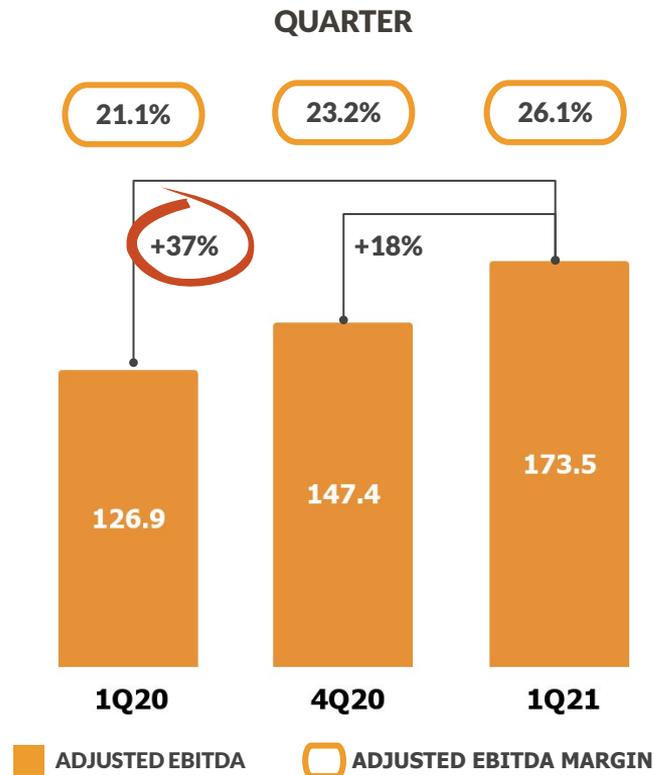
ARR - hist. record in net addition





ADJUSTED EBITDA

**Record-breaking
Gross Margin**
from Technology (72%) +
Discipline with expenses =
+500bp vs. 1Q20



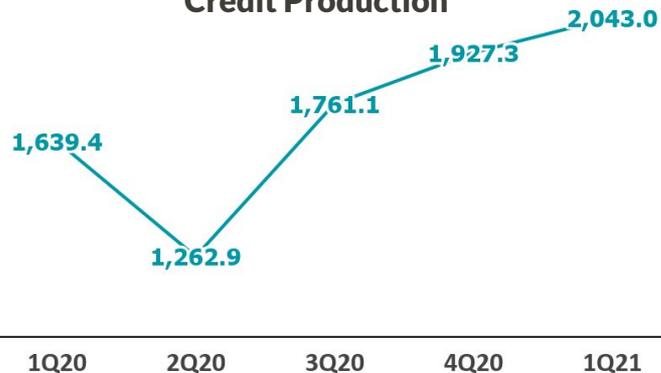
REVENUE

Historical record-breaking figures in Credit Production (+25% vs. 1Q20)
 Largest Credit Portfolio position ever recorded by Supplier
 Delinquency >90 DAYS = 0.7% (160bp below the Brazilian average)

Credit Revenue
R\$55 million
 +17% vs. 1Q20*



Credit Production



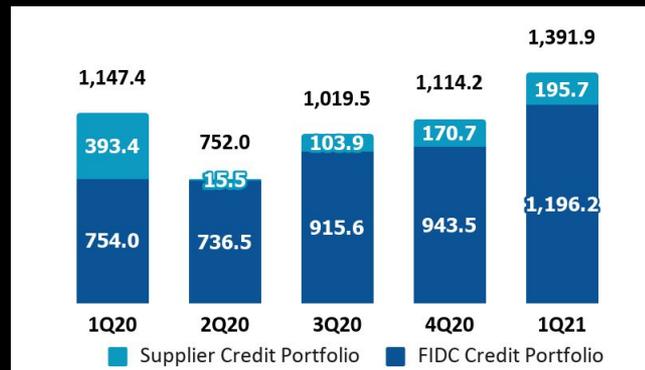
Business integration
+6 affiliates
 signed, of which
 3 already in production

*Data presented for comparison purposes only, not consolidated in the 2020 Company results.

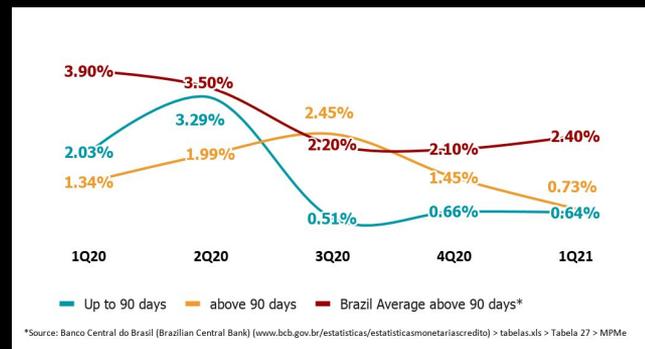


Highlights - Quarter

CREDIT PORTFOLIO



DEFAULT



*Source: Banco Central do Brasil (Brazilian Central Bank) [www.bcb.gov.br/estatisticas/estatisticasmonetariascredito] > tabelas.xls > Tabela 27 > MPME



ADJUSTED EBITDA

380bp reduction in the EBITDA Margin vs. 4Q20 due to the provision for credit losses and Average FIDC Cash Position (+45% vs. 4Q20)



ROE LTM
43%
24.6pp YoY

Provision for Expected Credit Losses / Revenue
3.3%
340bp below 2019
R\$1.4 million >4Q20
(effect of provision reversal in 4Q20)



ACQUISITION OF RD STATION APPROVED BY CADE*

The largest M&A transaction for SaaS in Latin America



* Brazilian antitrust agency

03

ESG

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TOTVS Investors Day 2021

This 100% digital event put the entire Senior Executive Team in directed contact with the market

2021 Annual Meeting

Held on April 20, this event was attended by more than 72% of the Company's capital stock





FINAL REMARKS

MANAGEMENT

- *Focus on SaaS, continuous evolution product quality, and cloudification enabled us to accelerate the Recurring Revenue growth*
- *Brazilian market of management software is far from mature and still has a lot of room for growth*
- *Innovation in our portfolio, such as HR, electronic signature, and the new T-Cloud platform work to strengthen even more our solid market position*

TECHFIN

- *We reached a new record-breaking production level of +R\$2 billion, of which R\$800 million in March*
- *We made progress in business integration, with 6 affiliates with signed contracts, 3 of which already in production*
- *We keep launching new products: “TOTVS Pagamento Instantâneo”, which offers customers instant payment via PIX integrated with TOTVS management solutions*

BIZ PERFORMANCE

- *With RD Station, which is seen in the Brazilian market as a synonym for digital marketing, we took a fundamental step to establish the dimension of Biz Performance*

THANK YOU



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+55 (11) 2099-7773

+55 (11) 2099-7097

+55 (11) 2099-7089

+55 (11) 2099-7105

ri@totvs.com

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



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