

EARNINGS PRESENTATION

4Q22

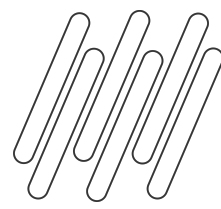
» Investor Relations

Dennis Herszkowicz
CEO

Gilsomar Maia
CFO/IRO

Sérgio Sérgio
IR Head

◀ 2023 / February

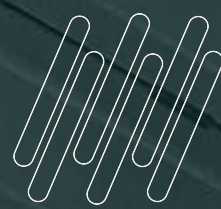


LEGAL NOTICE



All information contained in this presentation and any statements that may be made during this videoconference connected to TOTVS' business prospects, projections, and operating and financial goals are based on beliefs and assumptions of the Company's Management, as well as information currently available. Forward-looking statements are not any guarantee of performance. They involve risks, uncertainties and assumptions as they refer to future events and, hence, depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions, and other operating factors may also affect the future results of TOTVS and may lead those results to differ materially from those mentioned in such forward-looking statements.

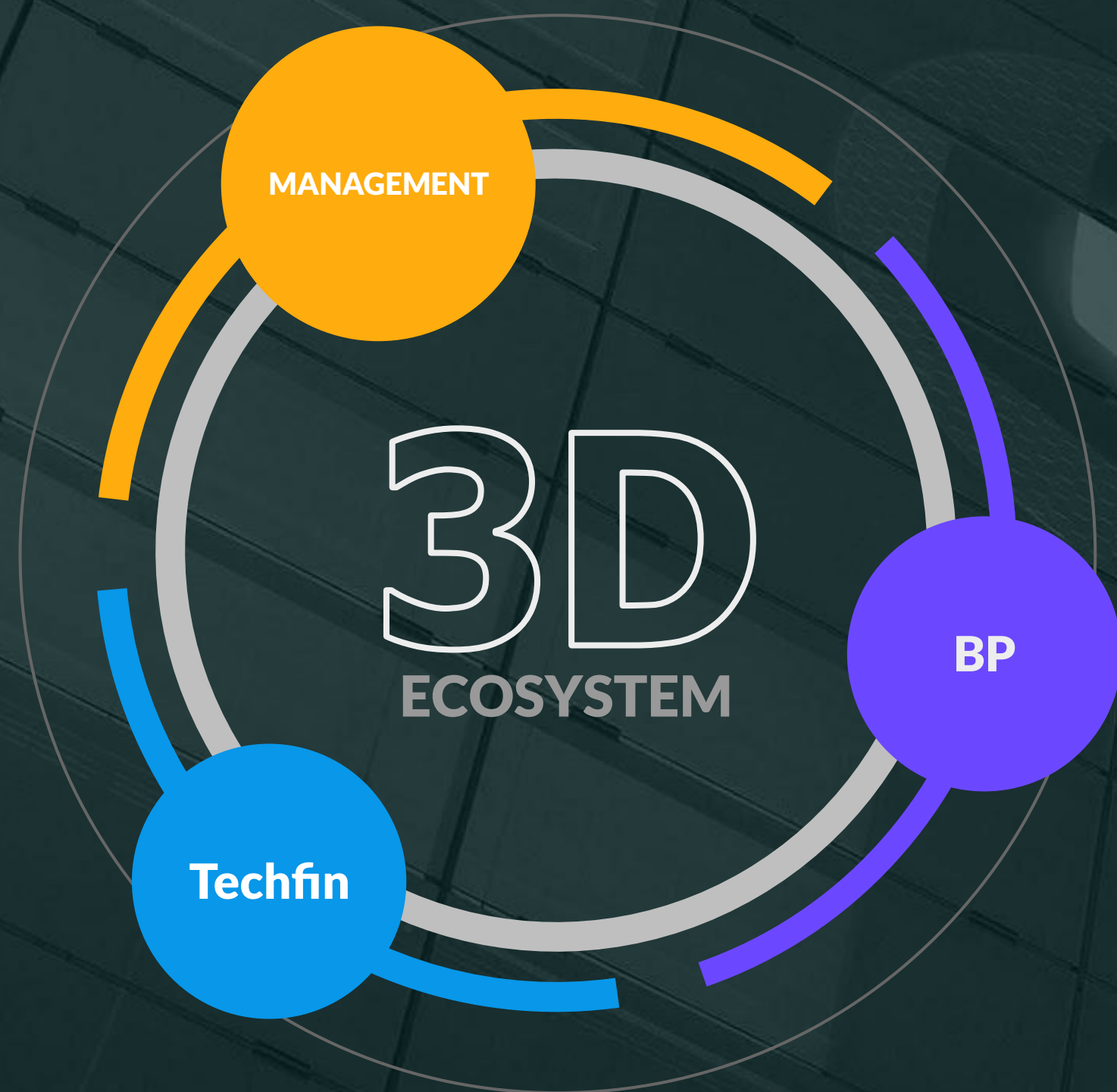




2022 RESULTS: HIGHLIGHTS

2022, A SPECIAL YEAR FOR TOTVS!

- + **Achievements and balanced earnings, with a dual mandate:** Revenue Growth, yes, but also profitability
- + **2022 Net Revenue** exceeding **R\$4 billion, +27% over 2021**
- + **Operating Cash Generation +71%** vs. 2021, reaching the level of **R\$1.2 billion in the year**

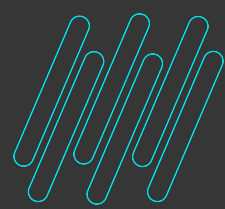


**BUILDING A 3D ECOSYSTEM
INTERCONNECTED AND INTERDEPENDENT**

01

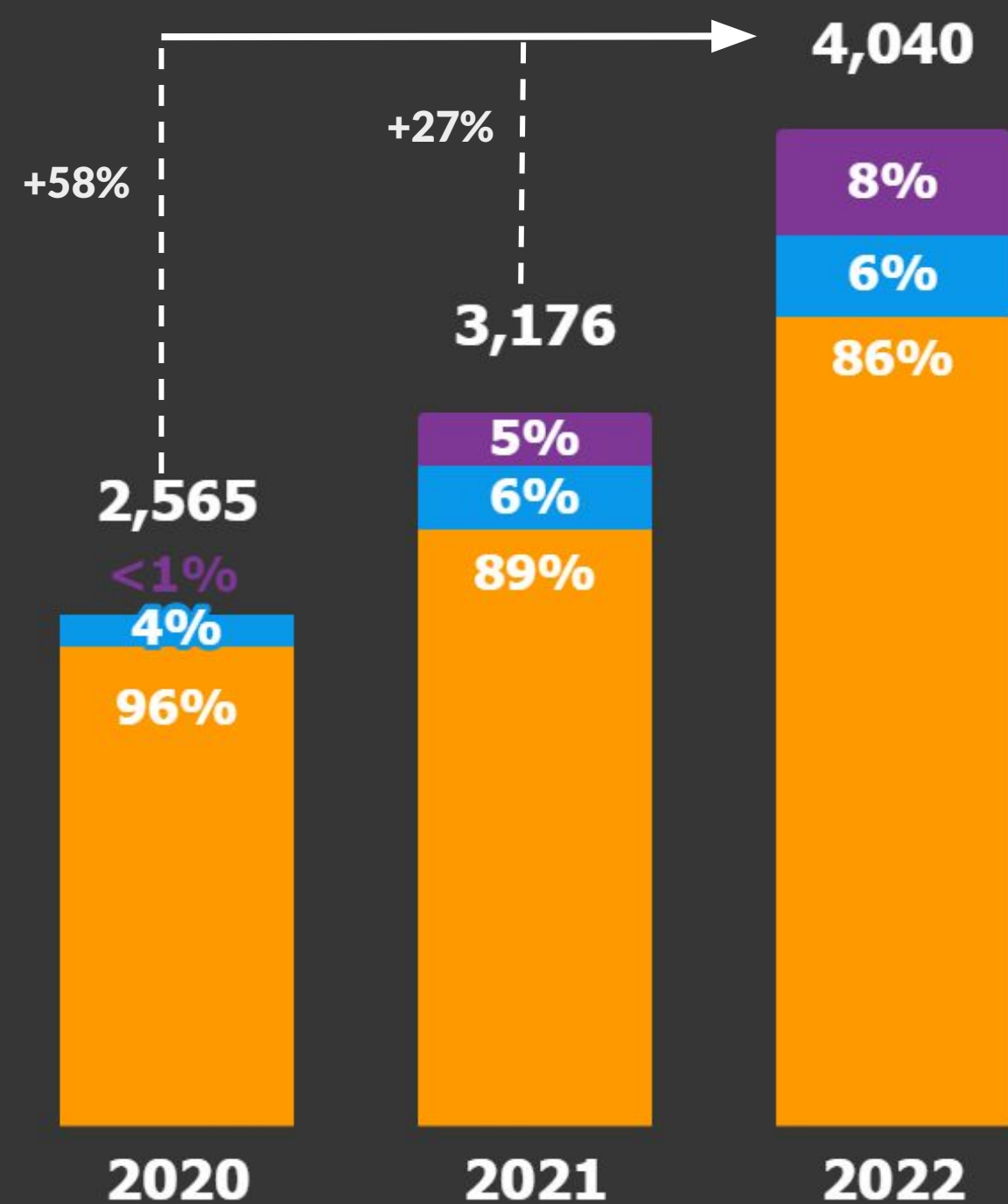
Financial & Operating Highlights





GROWTH

CONSOLIDATED REVENUE



● Management ● Techfin ● Biz Performance

2022 REVENUE



Management
R\$3.5 billion
19% CAGR (2020-22)

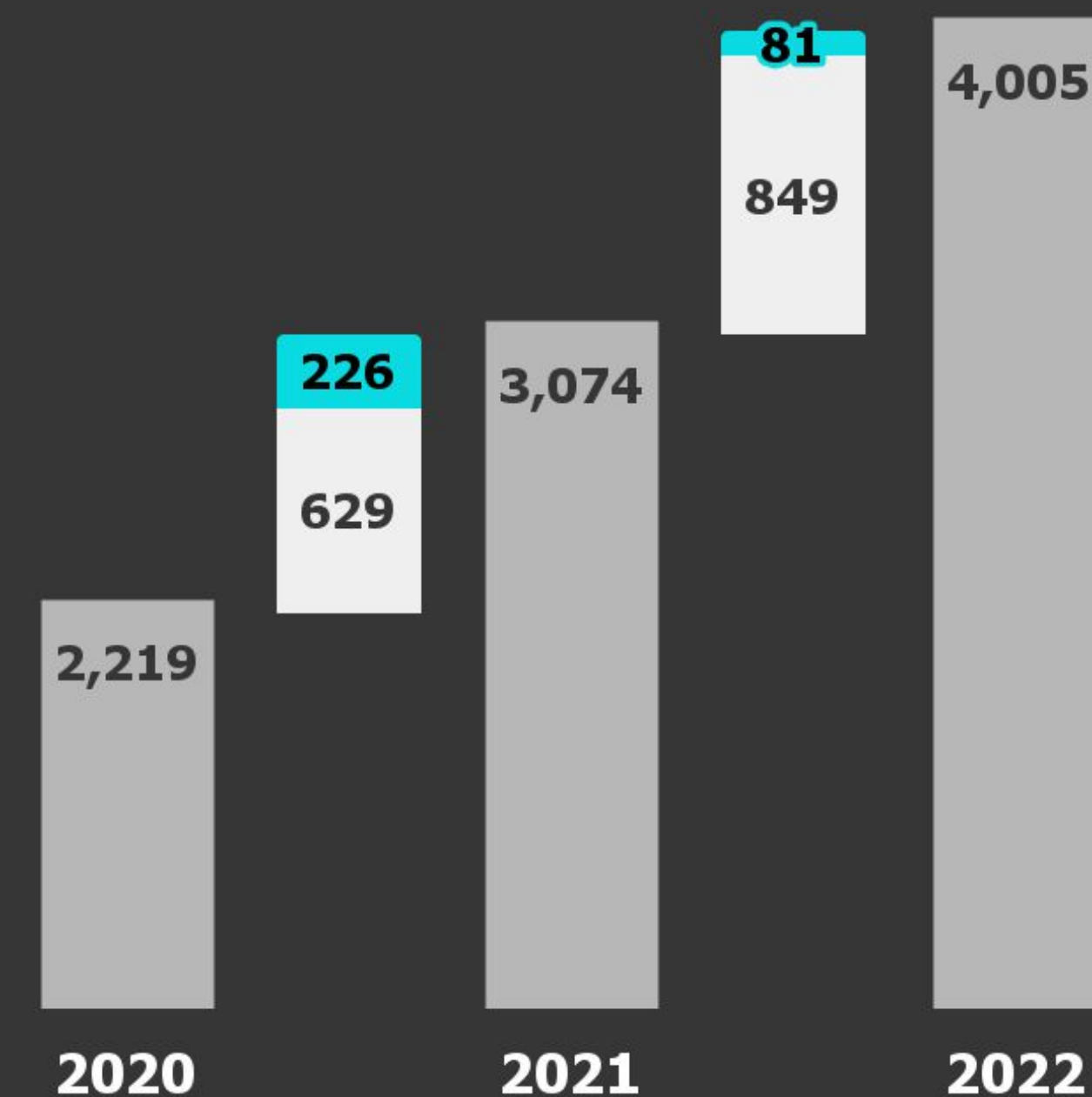


Biz Performance
R\$317 million
36% CAGR (2020-22)⁽¹⁾



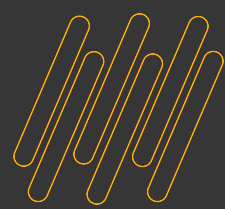
Techfin
R\$247 million
33% CAGR (2020-22)

CONSOLIDATED ARR



● ARR ● ARR Net Addition ● Inorganic Addition

Notes: (1) Considers the non-consolidated results of RD Station from Jan/20 to May/21 and Tail Target from Jan/20 to Dec/20.



PROFITABILITY

CONTRIBUTION MARGIN

ADJUSTED EBITDA

CASH EARNINGS



Management

R\$1,9 billion

21% CAGR (2020-22)



Biz Performance

R\$156 million

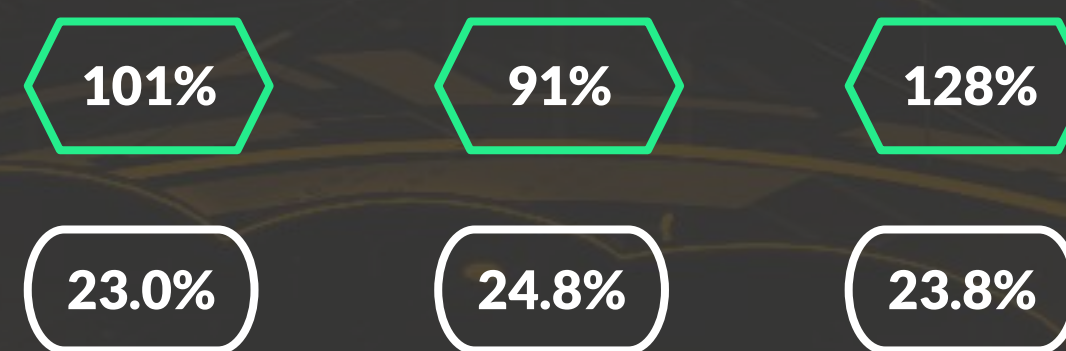
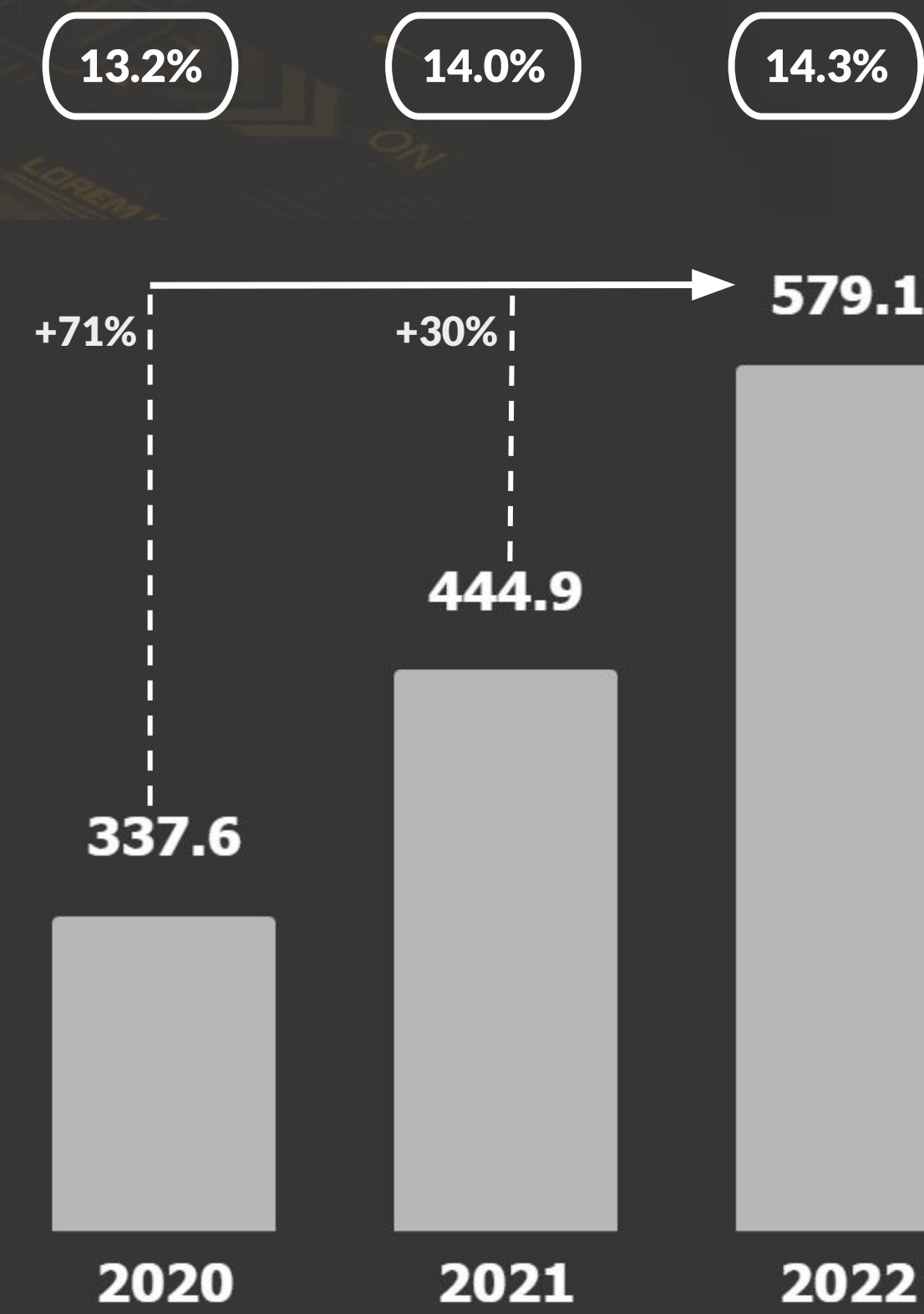
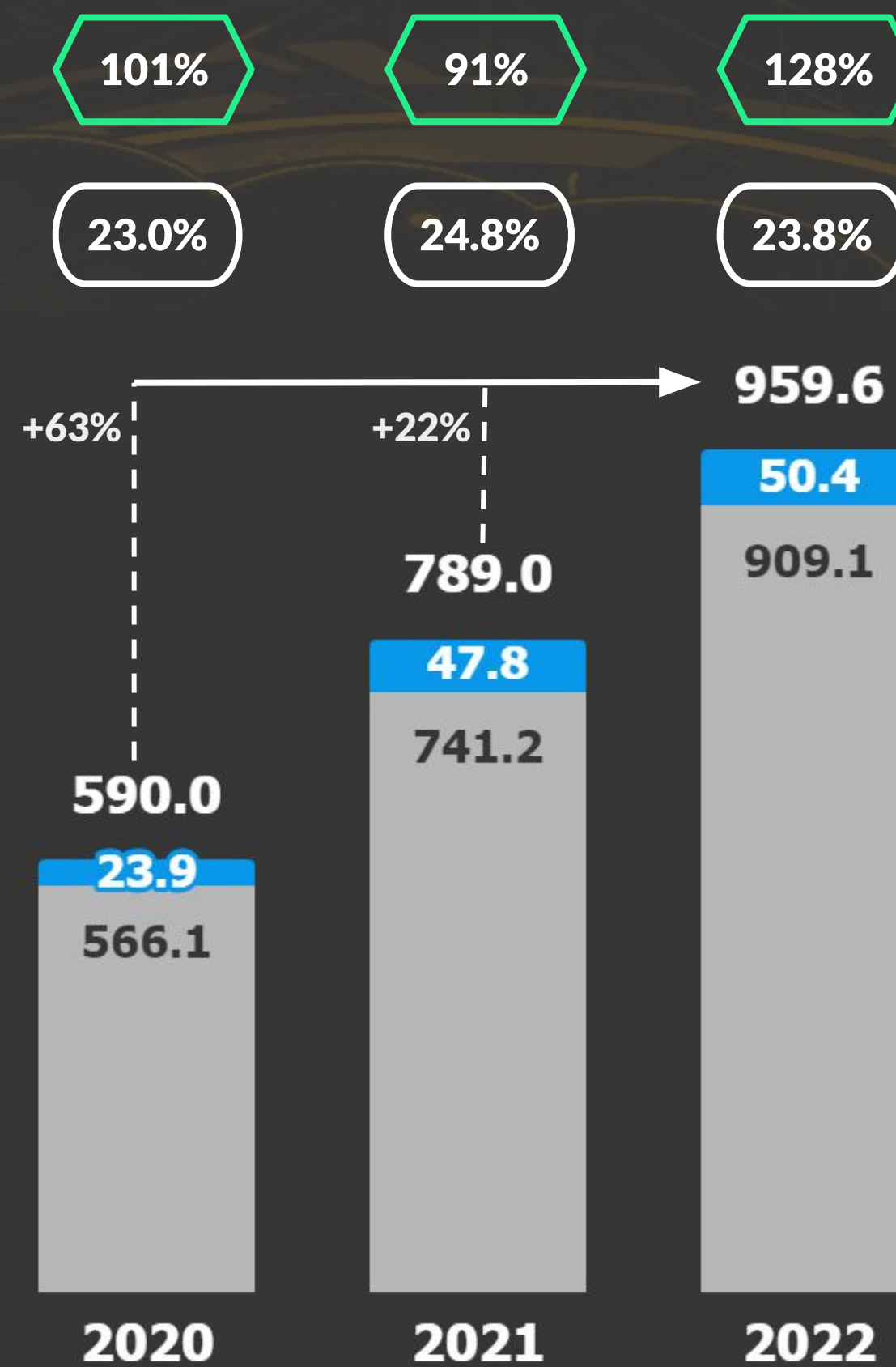
48% CAGR (2020-22) ⁽¹⁾



Techfin

R\$150 million

21% CAGR (2020-22)



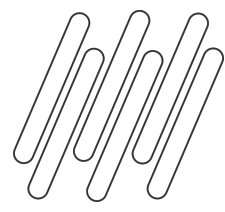
- Techfin
- Management + BP
- Adjusted EBITDA Margin
- Op. Cash Generation / Adjusted EBITDA
- Cash Earnings Margin

Notes: (1) Considers the non-consolidated results of RD Station from Jan/20 to May/21 and Tail Target from Jan/20 to Dec/20.

02

3-Dimensional Ecosystem





3-DIMENSIONAL ECOSYSTEM - MANAGEMENT

21% growth in Net Revenue vs 4Q21, with emphasis on the Recurring Revenue growth and the Renewal Rate, which reached 99%

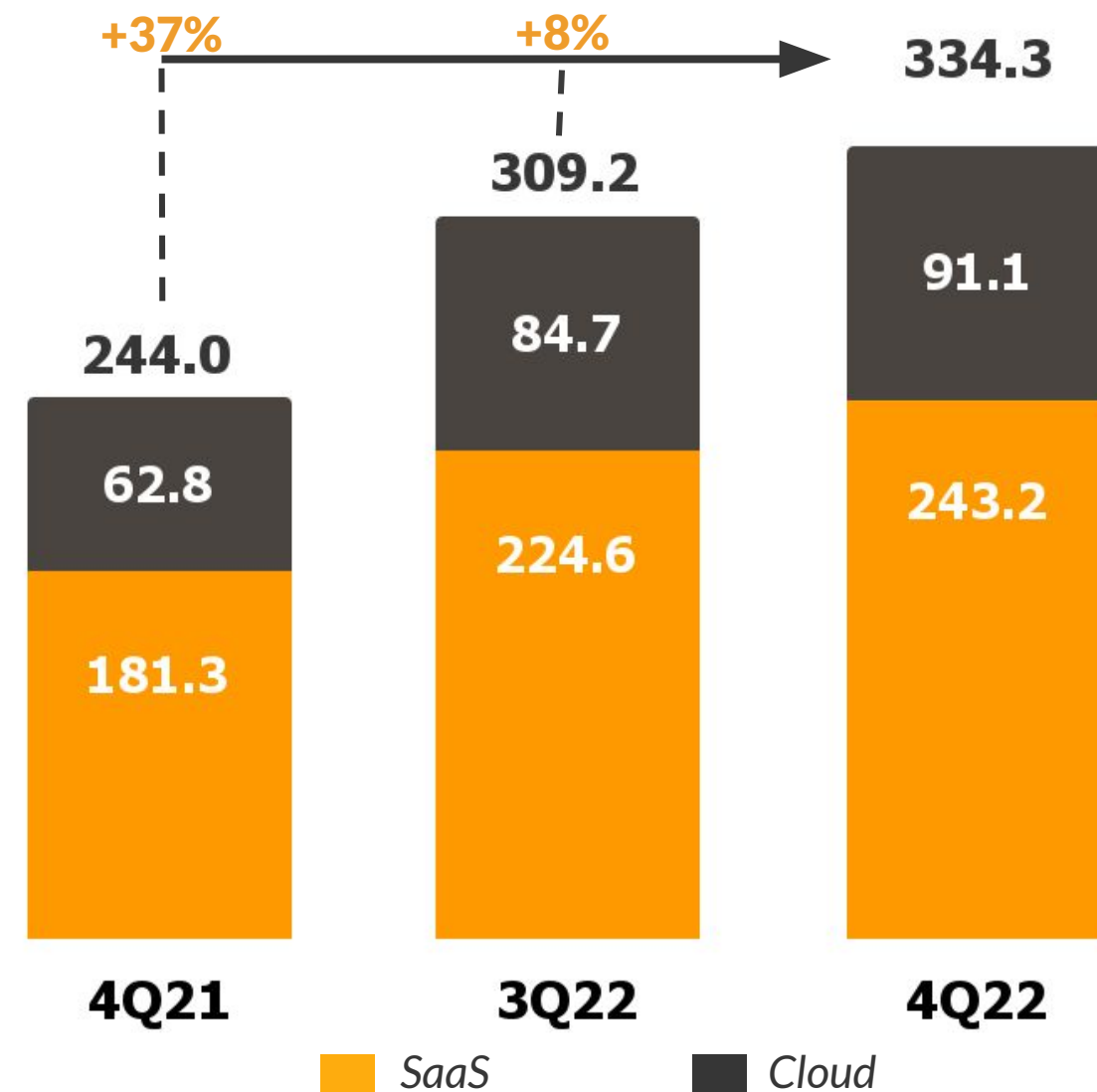
RECURRING REVENUE
R\$789 million (+25% vs 4Q21)

- SaaS Signings: **78%** of new signings in 4Q22
- New clients: **25%** of SaaS signings in 4Q22
- % Management Recurring Revenue: **86%**

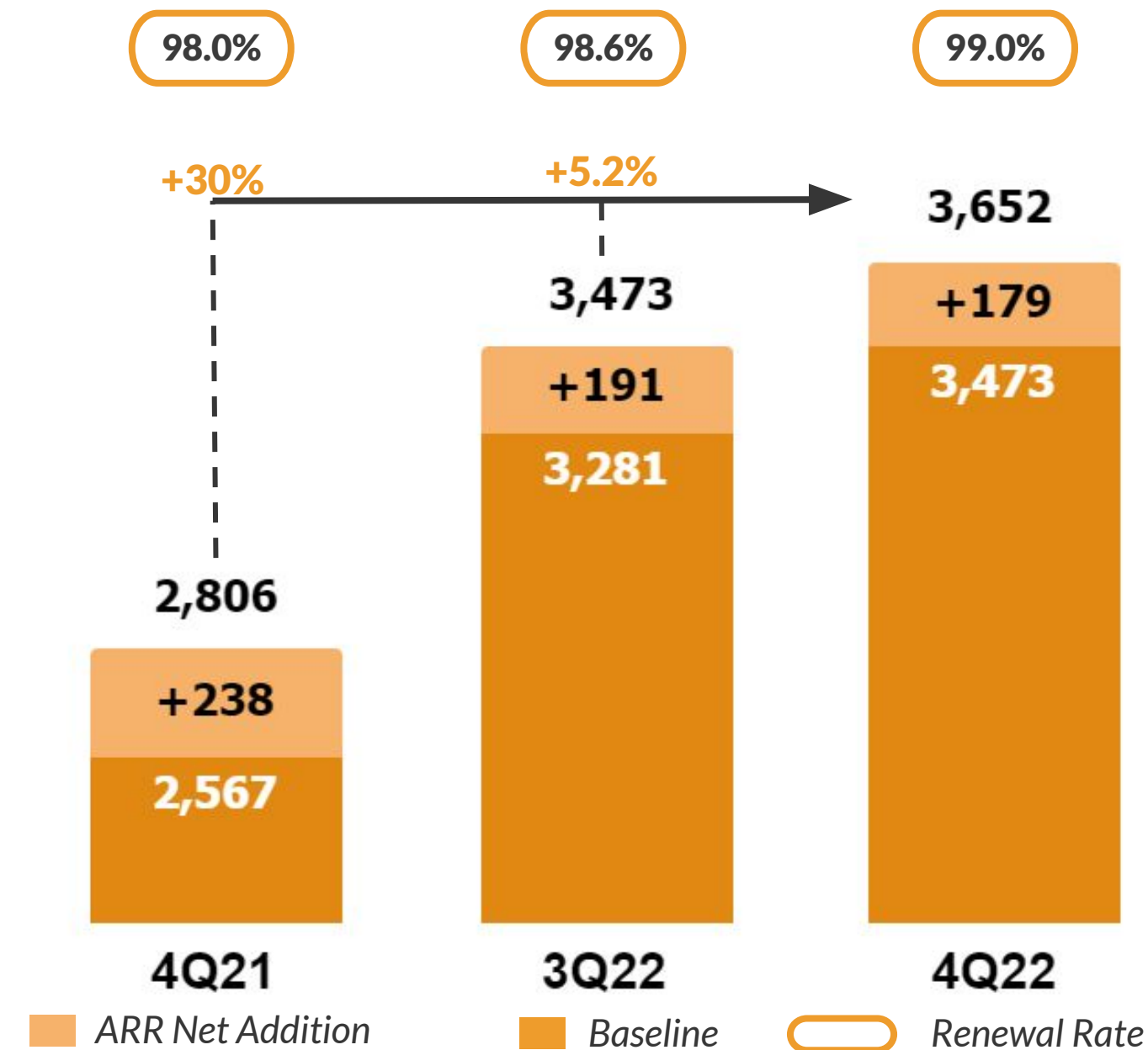
ARR NET ADDITION
R\$168 million

- Gross ARR Addition LTM (excl. Corporate Model)
- ~**78% Volume** - new signings
- ~**22% Price** - Inflation pass-through (Pricing Power)

SaaS - MANAGEMENT
(R\$ million)



ARR (R\$ million) and RENEWAL RATE

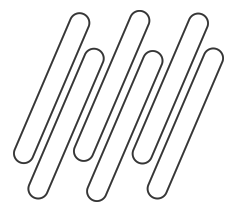


Highlights

ARR Addition (R\$ million)
LTM Volume (excl. Corporate Model)

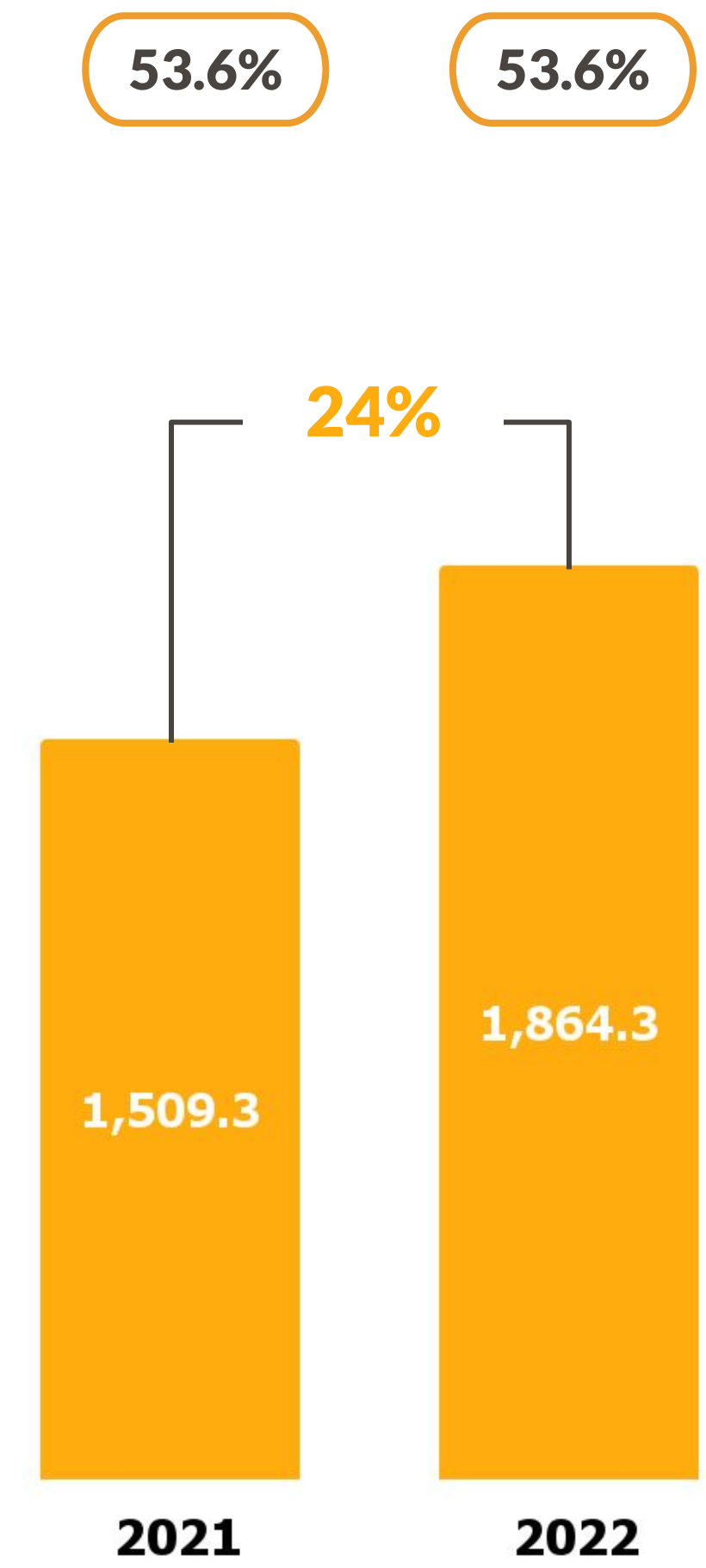
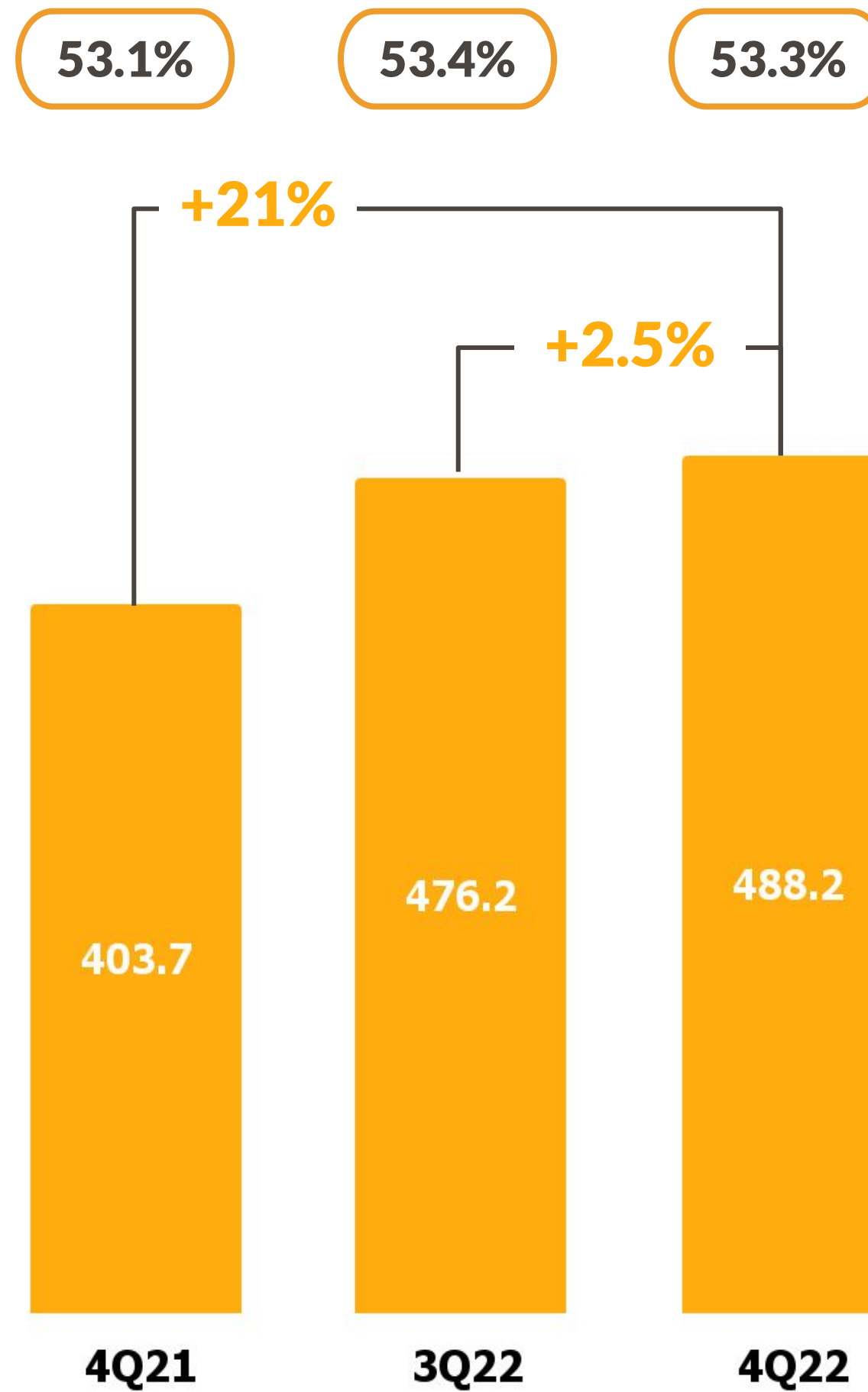
Quarter	% Volume excl. Corporate Model LTM	ARR Net Addition (R\$ million)	Corporate Model Addition (R\$ million)	Inorganic Addition (R\$ million)
4Q21	62%	+238	0	0
1Q22	67%	+196	+51	+14
2Q22	70%	+186	+28	0
3Q22	75%	+170	+21	0
4Q22	78%	+168	+11	0

- 16 p.p. growth in Volume year over year, increasing representativeness vs. Price
- If inflation continues to fall in the coming months, the natural behavior is a reduction in the Net Addition of ARR and a increase in the relevance of the Volume versus Price component



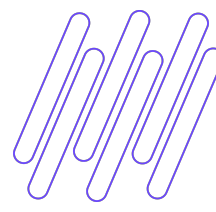
CONTRIBUTION MARGIN

The **Management Contribution Margin** reached the level of **R\$488 million** in **4Q22**, mainly associated with the continued growth in Recurring Revenue.



% Contribution Margin

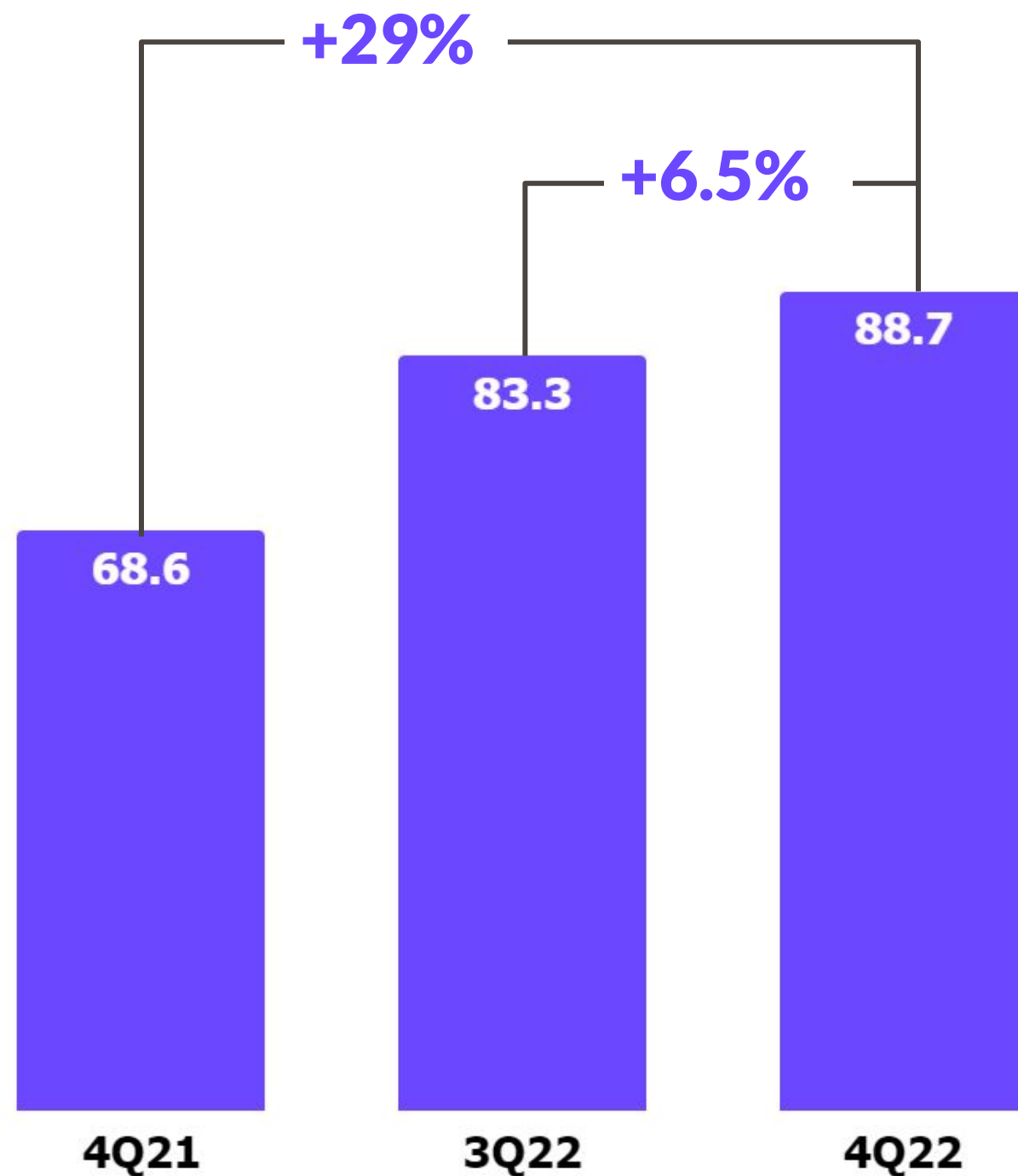
Contribution Margin (R\$ million)



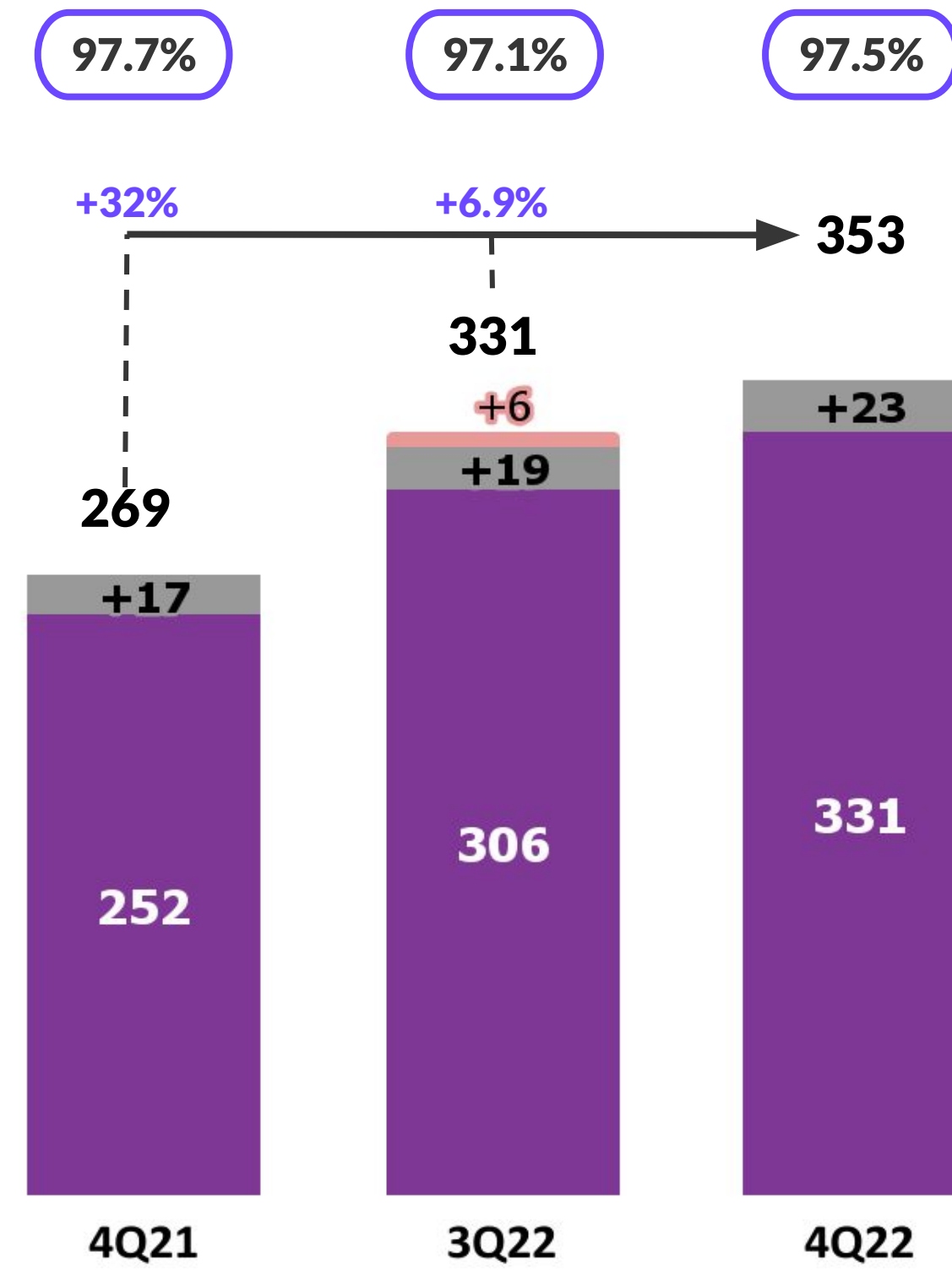
3-DIMENSIONAL ECOSYSTEM - BUSINESS PERFORMANCE

Net Revenue for the quarter grew 29% versus 4Q21, driven by the 30% increase in Recurring Revenue.

REVENUE (R\$ million)



ARR (R\$ million) and Renewal Rate



■ Inorganic Addition ■ ARR Net Addition
■ Baseline Renewal Rate

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Highlights

Digital Commerce

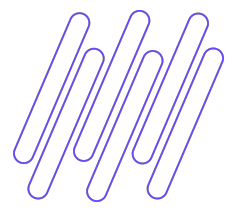
- GMV (Gross Merchandise Volume) grew +155% versus 4Q21, reaching R\$640 million in annualized basis

Integration

- Tail Shoppers is a SaaS Data Intelligence platform, which uses data from Management products

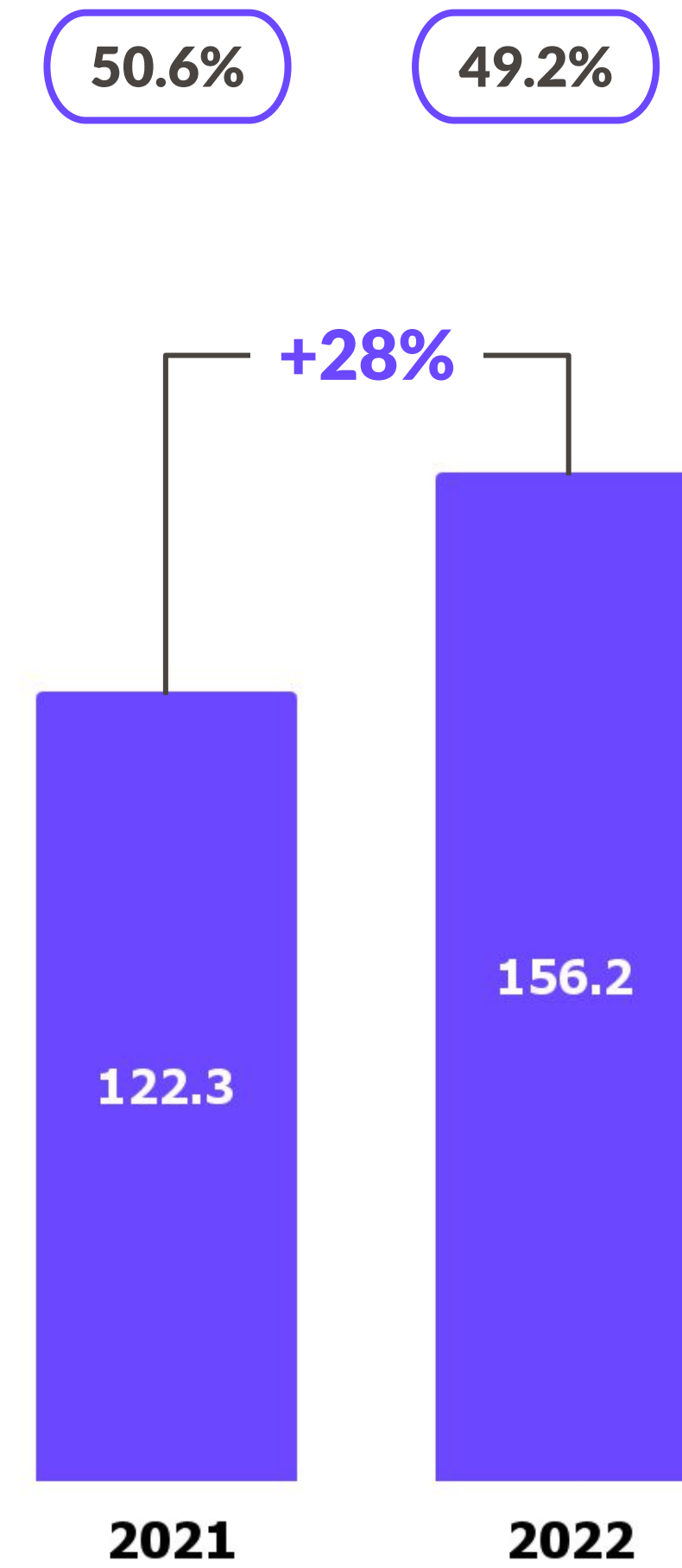
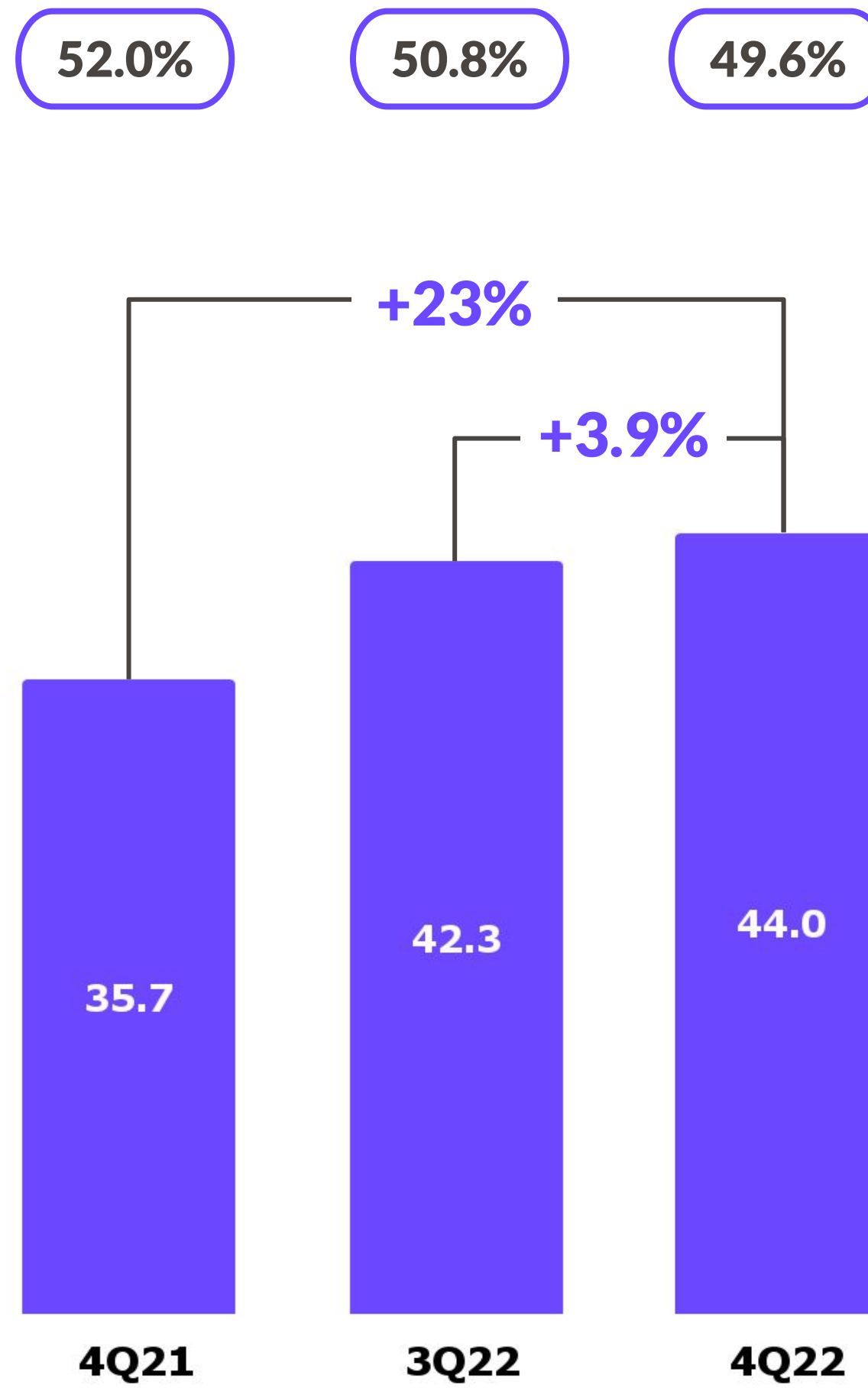
Multi Product

- +43% year over year increase in the number of multi-product clients at RD Station



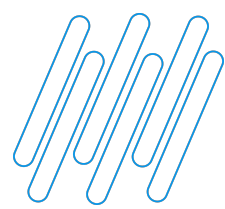
CONTRIBUTION MARGIN

Amount 23% higher than 4Q21, mainly due to the 30% growth in Recurring Revenue



% Contribution Margin

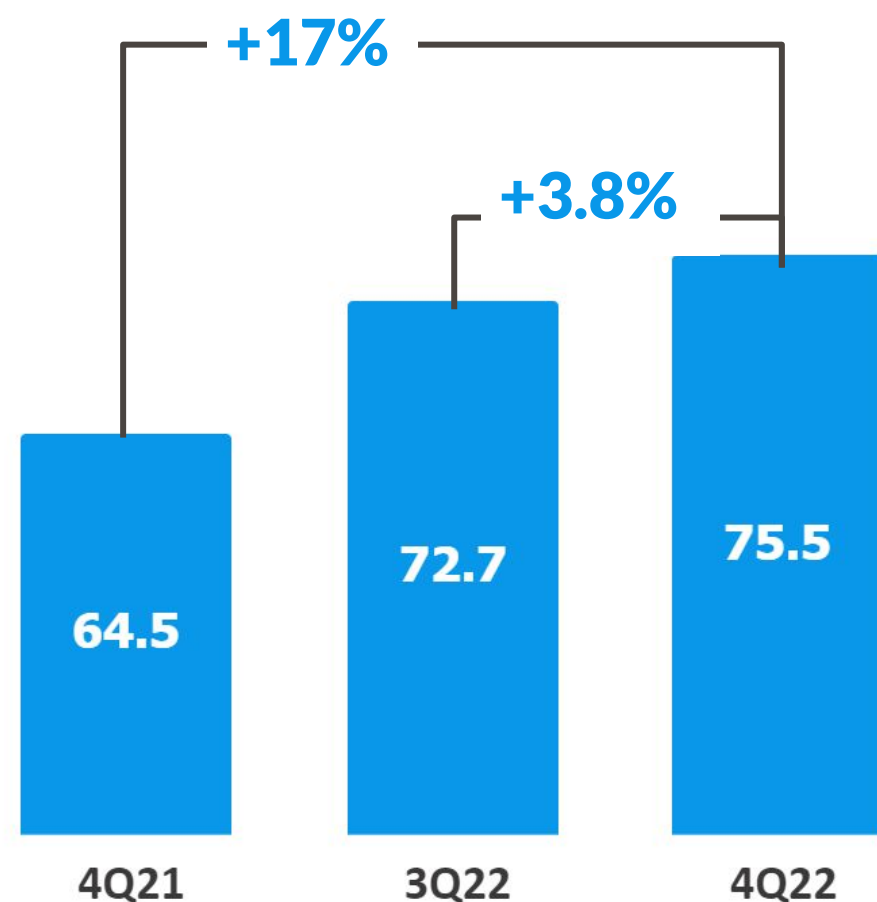
Contribution Margin (R\$ million)



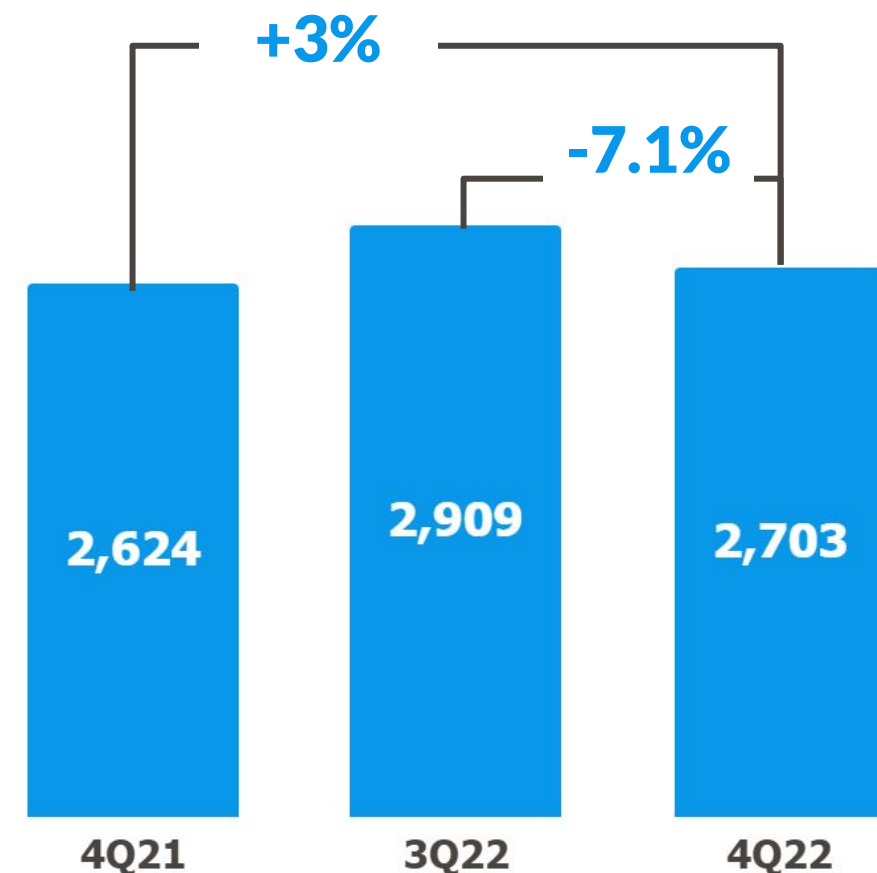
3-DIMENSIONAL ECOSYSTEM - TECHFIN

Revenue Net of Funding grew 25% in 2022 against 2021 with Credit Production of R\$10.8 billion in the period

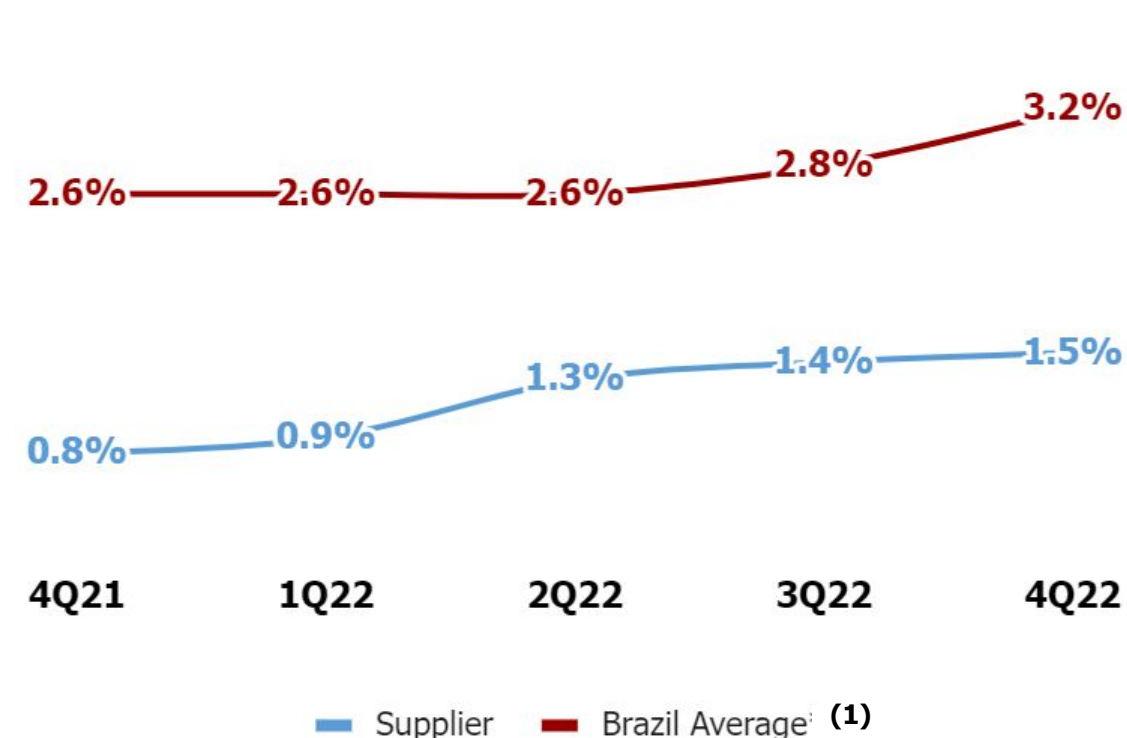
Techfin Revenue - Net of Funding (R\$ mn)



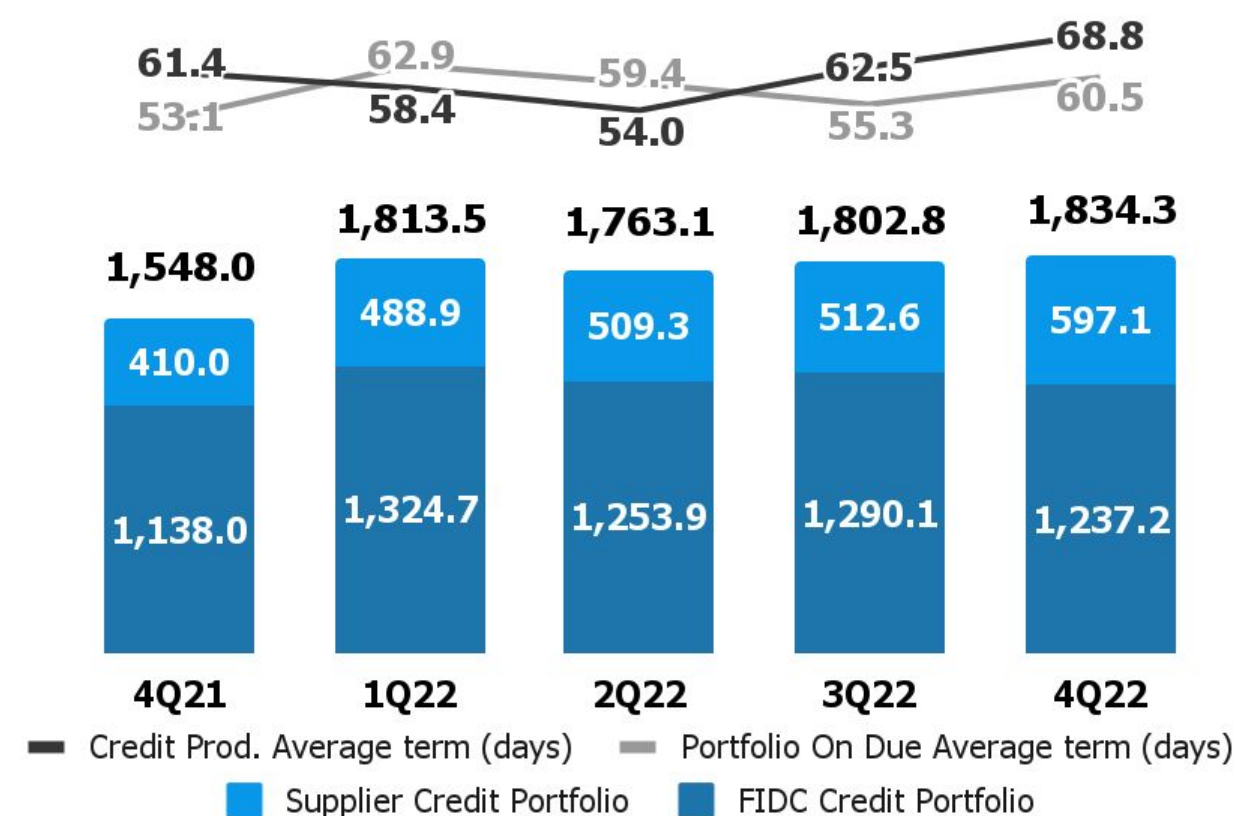
Credit Production (R\$ mn)



Delinquency above 90 days



Credit Portfolio (R\$ mn)



×
Highlights

Credit Production LTM (R\$ bn)

CAGR (2019-22) 19%

Year	Credit Production LTM (R\$ bn)
2019	6.5
2020	6.6
2021	9.8
2022	10.8

Supplier's pipeline - "Mais Negócios" product (cross-sell with TOTVS)

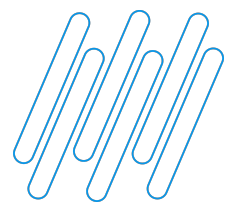
70%

Prospecting Affiliates

33%

Affiliates in Implementation

Notes: (1) Source: Banco Central do Brasil (www.bcb.gov.br/estatisticas/estatisticasmonetariascredito) > tabelas.xls > Tabela 23 > MPMe

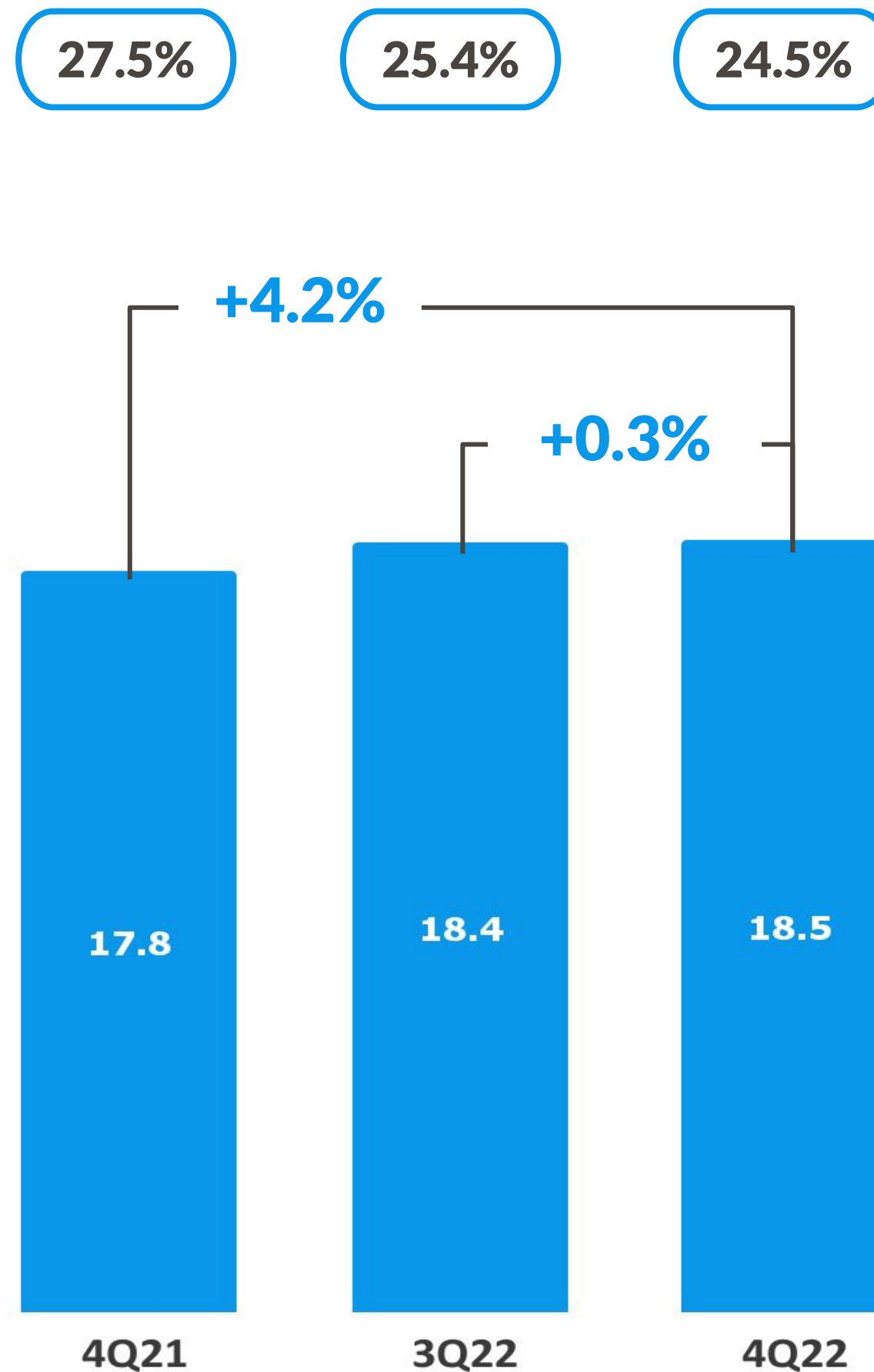
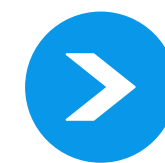


EBITDA MARGIN

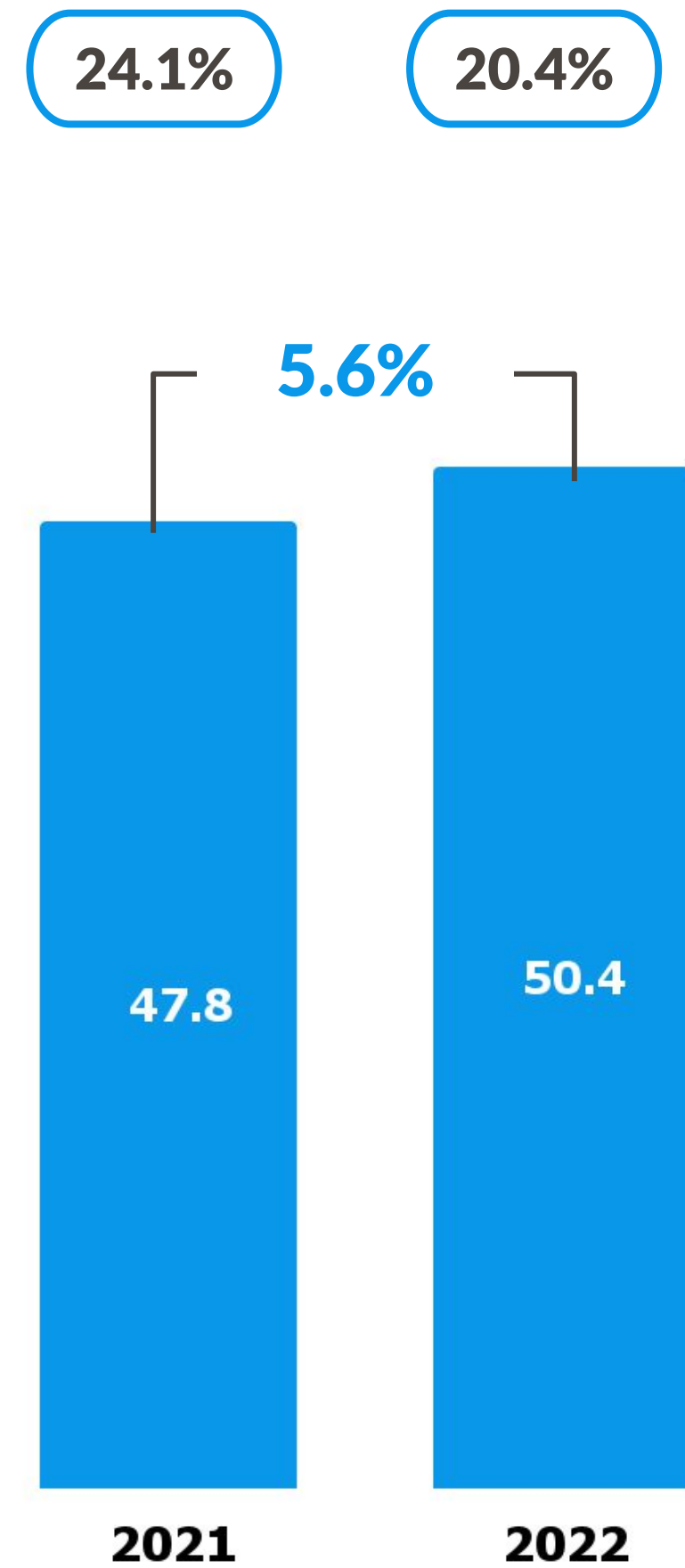
Techfin's EBITDA Margin ended the quarter at 24.5%, 90 basis points below 3Q22, due to higher Provision for Expected Credit Losses.

EBITDA Margin would be 37.2% in 4Q22 and 24.3% in the year, excluding the provision for the affiliate which entered in judicial reorganization.

CONTRIBUTION MARGIN R\$150 million +11% vs 2021	CASH EARNINGS R\$28 million +56% vs 2021
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% EBITDA TECHFIN

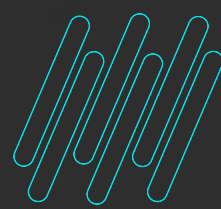


EBITDA TECHFIN (R\$ million)



03

ESG

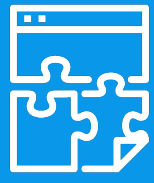


2022 HIGHLIGHTS IN ESG & HUMAN CAPITAL





IOS
AMONG THE
200 NGOs IN
THE WORLD

**DIVERSITY &
INCLUSION
POLICY**




LAUNCH OF THE
TALENT NETWORK
#ELASNATOTVS (FOCUS IN GENDER)
& **#INCLUSAONATOTVS**
(FOCUS IN PEOPLE WITH DISABILITIES)

ICO2 B3
EFFICIENT CARBON INDEX



IMPLEMENTATION OF
**FLEXIBLE
WORK
MODEL**

IGPTWB3
INDEX
GPTW B3




USE OF
**RENEWABLE
ENERGY**

MSCI
Score
▲ A
vs. BBB (2021)



**1ST POSITION
IN ANEFAC**
FOR THE SECOND
CONSECUTIVE YEAR

**CARE AND
MENTAL
HEALTH
INITIATIVES**



**EDUCATION
FOR WORK**



RISK MANAGEMENT
**WITH
ANALYSIS &
ESG CRITERIA**



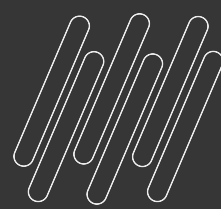
**1ST CARBON INVENTORY
UNDER THE CDP
(CARBON DISCLOSURE PROJECT)**
▲ C-
vs. score F (2021)

**INDEPENDENT
ASSURANCE
IN ESG**
IIRC & GRI



IMPLEMENTATION OF
**ESG POLICY
GUIDELINES**

RECOGNITION
**EMPLOYER
BRANDING
BRAZIL**



FINAL REMARKS

We will always remain the same, with consistency and balance between growth and profitability, while always being different, daring and transforming the Company and the market!

In 2023, we will continue to be focused, more and more, on becoming the trusted advisor to our clients, through innovation, which for TOTVS, is to do something new and different, which adds value.

Through technology, we will continue to focus on helping companies leverage their business, become more profitable, grow their operations, and continually improve their bottom line. This is our purpose: to improve the results of companies, to believe that everyone can grow, and work together to do so, that is: to believe in a Brazil that makes it happen!



MANAGEMENT

Growth in Management Recurring Revenue continues to be driven by growth in SaaS Revenue, which reached R\$1.2 billion in 2022.



BUSINESS PERFORMANCE

Recurring Revenue grew 31% in 2022, focus on expanding the portfolio of solutions, in addition to starting the process of accelerating integration with other dimensions.



TECHFIN

Growth, with 25% increase in Revenue Net of Funding. With the Joint Venture with Itaú, we will accelerate the development of the financial products portfolio, in addition to bringing security and funding efficiency.

THANK YOU



Investors Relations

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



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