

Totvs S.A.
1st Issue of Debentures
ANNUAL REPORT OF TRUSTEE
FISCAL YEAR 2017

1. PARTIES

ISSUER	Totvs S.A.
Corporate Taxpayer ID (CNPJ)	53.113.791/0001-22
LEAD MANAGER	Banco ABC Brasil S.A.
BOOKKEEPING INSTITUTION	Itaú Corretora de Valores S.A.
AGENT	ITAU UNIBANCO S.A.

2. ISSUE

ISSUE DATE	09/15/2017
MATURITY DATE	09/15/2020
TOTAL VOLUME ISSUED	200,000,000
NUMBER OF DEBENTURES	200,000
NUMBER OF SERIES	1

Rio de Janeiro

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TYPE	Unsecured
ALLOCATION OF PROCEEDS	The net proceeds raised by the Issuer from the Issue will be fully used for working capital, investments in connection with the Issuer's corporate purpose and/or prepayment of debt.

3. SERIES

SINGLE SERIES

ASSET CODE	TOTS11
MATURITY DATE	09/15/2020
TOTAL VOLUME ISSUED	200,000,000
UNIT PRICE ON ISSUE DATE	1,000
NUMBER OF SECURITIES	200,000
TRADED ON	Cetip
CURRENT INFLATION ADJUSTMENT	
CURRENT REMUNERATION	105.95% of DI Rate
CURRENT RISK RATING OF ISSUER/ISSUE*	

*As detailed in the transaction documents. If you have any questions, send an e-mail to grupo.covenants@pentagonotruster.com.br

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4. PAYMENTS MADE IN 2017

SERIES	SINGLE
PAYMENT DATE	AMORTIZATION INTEREST

5. ASSET POSITION ON 12.31.2017

SERIES	ISSUED	OUTSTANDING	CONVERTED	TREASURY	REDEEMED	CANCELLED	OPTIONAL PURCHASE	ROLLOVER
1	200,000	200,000	0	0	0	0	0	0

6. AMENDMENTS TO BYLAWS OF THE ISSUER (ESM), GENERAL MEETINGS OF HOLDERS (DGM/HGM) AND MATERIAL FACTS OCCURRED DURING THE FISCAL YEAR

Amendments to Bylaws An amendment to the Bylaws of the Company was approved at the ESM* held on 04/20/2017, as follows: (i) head paragraph of article 5, due to the resolution on capital increase and; (ii) head paragraph of Article 6 due to the resolution for increasing the authorized capital on account of the increase addressed in item (i).

*Moreover, we hereby inform that the aforementioned ESM was held in conjunction with the ASM of the Company.

General Meetings of Holders

There were no HGMs in the period.

Material Facts

Material Fact on 02/22/2017 – Announcement of financial guidance.

Material Fact on 09/06/2017 – Issue of Nonconvertible Debentures of TOTVS.

Material Fact on 11/08/2017 – Revision of financial guidance.

7. ECONOMIC, FINANCIAL AND CAPITAL STRUCTURE INDICATORS OF THE ISSUER*

INDICATOR	MARCH	JUNE	SEPTEMBER	DECEMBER
Net Debt/Adjusted EBITDA	N/A	N/A	N/A	Limit <= 2.50 Calculated = 1.1 Met

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8. ABOUT THE ASSET

8.1 CONTRACTUAL DESCRIPTION (OBJECT OF GUARANTEE)

The description is presented in Appendix II.

8.2 LISTING OF PERIODIC FINANCIAL MEASUREMENTS*

MINIMUM	CONTRACT	MEASUREMENT STATUS
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*As detailed in the transaction documents. If you have questions, send an e-mail to grupo.garantia@pentagonotruster.com.br

9. SUMMARY – MANDATORY INFORMATION – APPENDIX 15 OF CVM INSTRUCTION 583/16 AND ARTICLE 68, PARAGRAPH 1, ITEM B OF FEDERAL LAW 6,404/76:

Item I of Article 12 of Appendix 15 of Instruction 583/16 – “compliance by the issuer with its obligations to provide periodic information, indicating inconsistencies or omissions of which it is aware”	Item 10 of this report
Item II of Article 1 ² of Appendix 15 of Instruction 583/16 – “amendments in Bylaws in the fiscal year with significant effects for holders of securities”	Item 6 of this report
Item III of Article 12 of Annex 15 of Instruction 583/16 – “comments on economic, financial and capital structure indicators of the issuer related to contractual clauses designed to protect the interests of holders of securities and which establish the conditions that must not be breached by the issuer”	Item 7 of this report

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Item IV of Article 1 ² of Annex 15 of Instruction 583/16 – “number of securities issued, number of securities outstanding and cancelled balance in the period”	Item 5 of this report
Item V of Article 12 of Appendix 15 of Instruction 583/16 – “redemption, amortization, conversion, renegotiation and payment of interest on securities in the period”	Items 4 and 5 of this report
Item VI of Article 1 of Appendix 15 of Instruction 583/16 – “constitution and utilization of amortization fund or other types of funds, when applicable”	Not applicable
Item VII of Article 1 of Appendix 15 of Instruction 583/16 – “allocation of proceeds obtained through the issue, according to information provided by the issuer”	Item 2 of this report
Item VIII of Article 1 of Appendix 15 of Instruction 583/16 – “list of assets and amounts submitted for your management, when applicable”	Not applicable
Item IX of Article 1 of Appendix 15 of Instruction 583/16 – “fulfillment of other obligations undertaken by issuer, debtor, assignor or guarantor in the indenture of issue, the agreement for securitization of credit rights or equivalent instrument”	Noncompliance, if any, is detailed in this report.
Item X of Article 1 of Appendix 15 of Instruction 583/16 – “maintenance of sufficiency and enforceability of guarantees”	Item 10 of this report
Item XI of Article 1 of Appendix 15 of Instruction 583/16 – “existence of other issues of securities, public or private, carried out by the issuer or associate, subsidiary, parent company or company belonging to the same group as the issuer where it acted in the same fiscal year as trustee, as well as the following information on such issues: a) name of issuer; b) issue amount; c) number of securities issued; d) type and guarantees involved; e) maturity and interest rate; and f) default in the period”	Appendix I of this report
Item XII of Article 1 of Appendix 15 of Instruction 583/16 – “declaration of non-existence of a conflict of interest situation that prevents the trustee from continuing to act as such”	Item 10 of this report

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10. DECLARATIONS FROM THE TRUSTEE:

Pentágono hereby declares:

- (i) that it is fully qualified and there is no conflict of interest situation that prevents it from continuing to act as trustee.
- (ii) that it is not aware of any omission or falsehood in the information disclosed by the Issuer or of any delays in its disclosure of information, nor of any depreciation and/or worthlessness of the guarantee(s) provided in this Issue, except for those indicated in items 6 and 8. Thus, according to information obtained from the Issuer, we believe that the guarantee(s) remain sufficient and enforceable, just as they were constituted, granted and/or issued.
- (iii) that the information contained in this report does not represent an investment recommendation or an analysis of the credit or economic or financial situation of the Issuer, nor an explicit or implicit guarantee of the timely payment of obligations related to the securities issued. Such information should not serve as the basis for taking any action without qualified professional guidance, preceded by a thorough examination of the situation at hand. Under no circumstance will the trustee be liable for any loss of revenue and profits or for other special, indirect, incidental or punitive damage arising from the use of information contained herein.
- (iv) that the documents, financial statements and other technical information used as the basis for preparing this report are available for holders of the security for consultation at the registered office of the trustee. For more information and to access the issue documents, we suggest you visit the Pentágono website (www.pentagonotruster.com.br), especially to access occasional information.
- (v) that the amounts and calculations in this report are derived from our interpretation of the transaction documents and do not imply any legal or financial commitment.

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(vi) that this report was prepared with all the information necessary to fulfill the requirements of CVM Instruction 583 of December 20, 2016, Federal Law 6,404 of December 15, 1976, and other applicable legal and contractual provisions, based on information obtained from the Issuer. Although we have endeavored to provide accurate and updated information, there is no guarantee of its accuracy on the date it is received, nor that such accuracy will remain in the future;

The electronic version of this report was sent to the Issuer and is also available at www.pentagonotrustee.com.br

PENTÁGONO S.A. DTVM

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APPENDIX I**DECLARATION ABOUT THE EXISTENCE OF OTHER ISSUES OF SECURITIES, PUBLIC OR PRIVATE, CARRIED OUT BY THE ISSUER, ASSOCIATES, SUBSIDIARIES, PARENT COMPANIES OR COMPANY BELONGING TO THE SAME GROUP AS THE ISSUER WHERE IT ACTED AS THE TRUSTEE IN THE PERIOD**

(Additional information may be obtained in the report for this security, available at www.pentagonotruster.com.br)

**With regard to data contained herein, we considered those at the date of signing of the respective Issue Indenture, except for the defaults that happened in the period.*

ISSUER	BEMATECH S.A.
ISSUE/SERIES	1st
TOTAL VOLUME ISSUED	R\$ 50,000,000.00
TYPE	Unsecured
GUARANTEES	Suretyship
NUMBER OF SECURITIES	500
MATURITY DATE	07/10/2019
INTEREST RATE ON DATE OF ISSUE	100% of DI + 2.25% p.a.
DEFAULTS IN THE PERIOD	N/A

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APPENDIX II

GUARANTEES OF THE ASSET – CONTRACTUAL DESCRIPTION (OBJECT OF GUARANTEE*)

(Additional information may be obtained from the respective guarantee contract(s))

Not applicable.

*Text extracted from the respective guarantee contract(s).

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