



TOTVS S.A.

Publicly-Held Company
CNPJ/MF No. 53.113.791/0001-22
NIRE 35.300.153.171

MATERIAL FACT

TOTVS S.A. (B3: TOTS3; “TOTVS”; or “Company”), pursuant to the terms of Regulation No. 358/2002 issued by the Brazilian Securities and Exchange Commission (“CVM”), and article 26 of the *Novo Mercado* Regulation, hereby informs its shareholders and the market in general that signed, on the date hereof, an agreement (“Agreement”) with VTEX S.A. (“VTEX”) for (i) the creation of a joint venture which will be focused on the development and distribution of software solutions for e-commerce for companies in the Brazilian market; and (ii) the sale for VTEX of the totality of the interest held by the Company in the capital stock of **CIASHOP S.A.** (“CIASHOP”), representing 70.47% of the capital stock of CIASHOP, for the amount of R\$21,175,000.00 (twenty one million, one hundred and seventy five thousand Reais), subject to adjustments, to be paid on the closing of the transaction. The total amount attributed to CIASHOP was R\$30,048,966.08 (thirty million, forty eight thousand, nine hundred and sixty six Reais and eight cents).

With this movement, TOTVS will associate itself to one of the main platforms of digital commerce, offering integrated solutions on management software and e-commerce to its more than 30 thousand clients. This is the initial step of the strategy of becoming a business partner, that helps the client to improve its sales performance. We will keep moving forward on the value chain, seeking to capture new revenue sources.

By means of the Agreement, TOTVS will use all of its structure and franchises to distribute VTEX solutions all over the country. There will also be an integration between the solutions, allowing a more efficient and productive use experience, making TOTVS’ clients more competitive.

The conclusion of the transaction depends on its approval by the Brazilian antitrust authorities, and on the verification of other conditions typical to this type of transaction. The Company will keep the market informed on any material developments.

São Paulo, May 9, 2019

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Investor Relations Officer

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