



TOTVS S.A.

(Publicly-Held Company)

CNPJ 53.113.791/0001-22

NIRE 35.300.153.171

MATERIAL FACT

TOTVS S.A. (B3: TOTS3) (the "Company"), pursuant to Section 157, § 4º, of Law No. 6,404, dated December 15, 1976, as amended, and the Brazilian Securities Commission (*Comissão de Valores Mobiliários*) ("CVM") Instruction No. 358, dated January 3, 2002, as amended, and Instruction No. 476, dated January 16, 2009, as amended ("CVM Instruction 476"), and in addition to the information disclosed in the material fact dated May 9 and in the announcement to the market dated May 16, 2019, hereby informs its shareholders and the market in general that, on May 22, 2019, the Company's Board of Directors approved the pricing of the primary public offering with restricted efforts in accordance with CVM Instruction 476 (the "Offering") of 27,000,000 common shares (which includes the Additional Shares (as defined below)) with no par value, free and clear of any liens or encumbrances (the "Shares"), to no more than 75 professional investors and subscribed by up to 50 professional investors in Brazil, to qualified institutional buyers (as defined under Rule 144A of the United States Securities Act of 1933, as amended (the "Securities Act")) and elsewhere to institutional and other investors that are not U.S. persons (as defined in Regulation S of the Securities Act). The Company's Board of Directors set the price per Share at R\$39.50 ("Price per Share") following the conclusion of the bookbuilding process and the extraordinary general shareholder's meeting of the Company held on May 16, 2019, which approved an increase of the Company's authorized capital stock from R\$1,300,000,000 to R\$2,500,000,000. The total amount of the Offering is R\$1,066,500,000.

The total number of Shares initially offered in the Offering was upsized by 35% of the total number of Shares initially offered, or 7,000,000 Shares, at the Price per Share (the "Additional Shares").

On May 22, 2019, in addition to the Price per Share, the Company's Board of Directors approved an increase in the Company's capital stock for purposes of the Offering. As a result of this approval, immediately following the consummation of the Offering, the Company's capital stock will total an aggregate R\$1,382,508,564.43, divided into 192,637,727 Shares.

The Offering has not been and will not be registered under the Securities Act, or any other U.S. federal or state securities laws, and the Shares may not be offered, sold, pledged or otherwise transferred in the United States or to U.S. investors, unless they are registered, or exempt from, or not subject to, registration under the Securities Act.

In order to comply with CVM Instruction 476 and to ensure the participation of current shareholders in the Offering, priority rights were given to existing shareholders of the Company to subscribe for up to all of the Shares placed through the Offering pro rata to their shareholdings in the Company's capital (the "Priority Offering"). Therefore, pursuant to the Priority Offering, all of the Shares offered in the Offering (including the Additional Shares) were offered to all of the existing shareholders of the Company before any other investors. **The Priority Offering which occurred in Brazil concurrently with the Offering has not been and will not be registered under the Securities Act or under any U.S. state securities laws. Accordingly, the Priority Offering was only available to investors in the United States or to U.S. persons in reliance on exemptions from registration provided under the Securities Act.**

This material fact notice is disclosed for informative purpose only and shall not, in any circumstances, be construed as an investment recommendation. This material fact notice does not constitute an offer to sell or the solicitation of an offer to buy the Company's securities, including the Shares, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

The Company will keep its shareholders and the market in general informed about the progress of the Offering through the disclosure of Notices to the Market or Material Facts on the following web pages: CVM (www.cvm.gov.br), B3 (www.b3.com.br) and Company (<http://ri.totvs.com>).

São Paulo, May 22, 2019.

Gilsomar Maia Sebastião
Chief Financial and Investor Relations Officer