GPS Participações e Empreendimentos S.A.

Parent company and consolidated financial statements as of December 31, 2020, 2019, and 2018

KPDS 802832

Contents

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Independent auditors' report on the parent company and consolidated financial statements

To the Shareholders and Directors of

GPS Participações e Empreendimentos S.A.

São Paulo – SP

Opinion

We have audited the parent company and consolidated financial statements of GPS Participações e Empreendimentos S.A. ("Company"), which comprise the statements of financial position as at December 31, 2020, and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying parent company and consolidated financial statements present fairly, in all material respects, the parent company and consolidated financial position of GPS Participações e Empreendimentos S.A. as at December 31, 2020, the parent company and consolidated financial performance and its parent company and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the parent company and consolidated financial statements, included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Determining the fair value of the consideration transferred and of the identifiable assets acquired and liabilities assumed in business combinations	
See Notes 3 and 8.1a to the parent company and consolidated financial statements.	
Key audit matters	**How the matter was addressed in our audit**
In recent years, the Company acquired several companies obtaining control through business combinations. The Company, with the support of a specialized consulting firm, applied judgments, estimates and significant assumptions for determining the fair values of the consideration transferred as well as the identifiable assets acquired and liabilities assumed in the aforementioned transactions, such as: (i) Consideration transferred: liabilities for acquisitions of subsidiaries - put option and future installments of a portion of the acquisition price - linked to operating performance established contractually to be achieved by the acquired entities; (ii) Acquired assets: predominantly customers portofolio and trademarks - the assumptions of which consist of an estimate of the present value of the expected net cash flows from customer relations, and the present value of future earnings to be generated throughout the remaining useful life of a particular asset; and (iii) Liabilities assumed: predominantly contingent liabilities arising from lawsuits - the main premise of which is the probability and magnitude of outflows determined by legal audit and due diligence reports issued by independent consultants. In light of the uncertainties related to the assumptions and estimates, which have significant risk of resulting in a material adjustment to the parent company and consolidated financial statements, we consider this matter to be significant in our audit.	Our audit procedures included, but were not limited to: – Analysis of documents (mostly contracts) related to these business combinations, considering the accounting standards in force to corroborate the accounting bases on which the transactions were made; – Review (i) of the accounting and financial information of the acquired entities and evaluation, (ii) with the assistance of our corporate finance, of the main assumptions and estimates used by Management in determining the fair values of the identifiable assets acquired, the liabilities assumed, present value of future payments of put options and the consideration transferred of the acquisition price linked to operating performance to be achieved by the acquired entities; and – Evaluation whether the disclosures in the parent company and consolidated financial statements include relevant information. Based on the evidence obtained summarized above, we consider appropriate the fair values of the consideration transferred as well as the identifiable assets acquired and liabilities assumed in the aforementioned transactions and related disclosures.

Impairment testing of goodwill	
See Notes 8.9 and 20(d) to the parent company and consolidated financial statements.	
Key audit matters	**How the matter was addressed in our audit**
The Company and its subsidiaries maintain significant amounts of goodwill paid for expectation of future profitability arised from business combinations. The determination of the value in use of the cash-generating units (CGU) is based on estimated future cash flows, discounted at present value, which involves significant estimates and assumptions, such as: (i) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) margin and the respective annual growth rate; (ii) discount rate based on weighted average cost of capital (WACC); (iii) leverage of CGU; (iv) average growth in net revenue; and (v) working capital in relation to the corresponding portion of net revenue. Due to the uncertainties regarding the assumptions used to estimate the recoverable amount of the cash generating units that have a significant risk of resulting in a material adjustment to the balances of parent company and consolidated financial statements, we considered this matter significant for our audit.	Our audit procedures included, but were not limited to: – Evaluation — with the assistance by our corporate finance specialists — of the appropriateness of the main estimates and assumptions used in order to project estimated future cash flows, as well as a sensitivity analysis of these main assumptions based on information such us: (EBITDA margin, expected growth of the market in which the CGU operate, discount rate based on the WACC, leverage of the cash-generating unit, average growth of net revenue, and working capital), and the consequent recalculation of estimated future cash flows, discounted at present value, determined by the Company and its subsidiaries. – Evaluation whether the disclosures in the parent company and consolidated financial statements include relevant information. Based on the evidence obtained through above summarized procedures, we consider the carrying amount of cash generating units that contain goodwill for expected future profitability to be appropriate, as well as related disclosures, in the context of parent company and consolidated financial statements taken as a whole.

Other matters - Statements of value added

The parent company and consolidated statements of value added (DVA) for the year ended December 31, 2020 prepared under the responsibility of the Company's Management, and presented herein as supplementary information for IFRS purposes, were submitted to audit procedures jointly performed with the audit of the Company's parent company and consolidated Financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these parent company and consolidated statements of value added were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the parent company and consolidated financial statements taken as a whole.

Responsibilities of Management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of parent company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the Company and its subsidiaries are responsible for overseeing financial reporting process.

Auditors' responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue audit report containing our opinion. Reasonable assurance means a high level of assurance, but not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in aggregate, can influence, within a reasonable perspective, the economic decisions of users taken based on these financial statements.

As part of the audit conducted in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain our professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and its subsidiaries.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

– Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report, unless a law or regulation has precludes the public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 19, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6

Cristiano Di Girolamo

Cristiano Seabra Di Girolamo
Accountant CRC BA-017826/O-4

GPS Participações e Empreendimentos S.A.

Statements of financial position as of December 31, 2020, 2019, and 2018

(In thousands of Reais)

		Parent Company			Consolidated		
Assets	**Note**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Current							
Cash and cash equivalents	10	42	3	6	731,669	742,045	541,350
Financial investments	11	-	-	-	102,300	-	-
Derivative financial instruments	12	-	-	-	20,571	6,483	5,407
Trade receivables	13	-	-	-	976,057	787,917	559,898
Dividends receivable	16.4	340,000	46,225	51,311	-	-	-
Inventories		-	-	-	6,784	3,572	3,560
Recoverable income tax and social security contribution	14	88	60	-	119,765	76,804	54,612
Recoverable taxes	15	-	-	-	152,498	109,785	93,135
Advances to supliers		-	-	-	9,616	5,447	12,934
Prepaid expenses		3	-	88	21,463	18,257	10,186
Other receivables		2	2	-	3,067	1,721	1,876
Total current assets		**340,135**	**46,290**	**51,405**	**2,143,790**	**1,752,031**	**1,282,958**
Non-current							
Long-term receivables							
Financial investments	11	-	-	-	249	249	292
Derivative financial instruments	12	-	-	-	22,805	11,941	11,381
Trade receivables	13	-	-	-	64,512	36,518	11,125
Loans receivable from related parties	16.3	13,569	11,020	17,972	13,569	11,020	17,972
Other receivables	16.2	61,057	37,597	9,265	-	-	-
Judicial deposits	27	-	-	-	116,216	94,908	55,935
Recoverable taxes	15	-	-	-	308	-	-
Indemnification asset	27	-	-	-	103,508	89,966	28,196
Deferred income tax and social security contribution	25	35	-	1,657	308,171	184,113	97,341
Investments	17	725,421	829,434	639,686	-	1,478	6,251
Property, plant, and equipment	18	-	-	-	213,388	106,350	66,340
Right-of-use assets	19	-	-	-	45,321	32,045	-
Intangible assets	20	-	-	-	1,450,530	1,056,317	836,013
Total non-current assets		**800,082**	**878,051**	**668,580**	**2,338,577**	**1,624,905**	**1,130,846**
Total assets		**1,140,217**	**924,341**	**719,985**	**4,482,367**	**3,376,936**	**2,413,804**

		Parent Company			Consolidated		
Liabilities	**Note**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Current							
Loans and borrowings	21	-	-	-	327,552	170,771	201,852
Debentures	22	-	-	-	3,246	3,428	-
Lease liabilities	23	-	-	-	16,880	6,574	-
Derivative financial instruments	12	-	-	-	-	-	63
Trade payables		-	-	-	77,581	67,336	61,875
Payroll and social charges	24	7	8	10	597,904	497,518	332,282
Income tax and social security contribution payable		161	-	-	20,515	20,177	9,618
Other tax obligations		9	7	2	72,865	46,196	36,977
Taxes to be paid in installments	26	14	13	13	5,151	5,273	3,572
Acquisition of subsidiaries	28	-	-	-	206,064	51,840	77,745
Dividends payable	16.5	400,000	45,652	50,673	400,000	49,065	78,898
Other liabilities		1	4	2	27,382	24,136	7,699
Total current liabilities		**400,192**	**45,684**	**50,700**	**1,755,140**	**942,314**	**810,581**
Non-current							
Loans and borrowings	21	-	-	-	616,629	553,146	579,387
Debentures	22	-	-	-	500,000	500,000	-
Lease liabilities	23	-	-	-	30,262	26,394	-
Taxes to be paid in installments	26	56	69	79	17,206	19,037	22,244
Deferred income tax and social security contribution	25 (a)	-	351	-	-	-	-
Acquisition of subsidiaries	28	-	-	-	261,027	224,693	154,461
Provision for lawsuits	27 (a)	-	-	-	322,432	130,163	65,391
Sub judice taxes	27 (b)	1,261	1,349	1,349	235,713	104,297	113,849
Other provisions	29 (c)	-	-	68,861	-	-	68,861
Other liabilities		-	-	-	5,251	-	32
Total non-current liabilities		**1,317**	**1,769**	**70,289**	**1,988,520**	**1,557,730**	**1,004,225**
Equity							
Share Capital	29 (a)	540,453	416,716	326,230	540,453	416,716	326,230
Earnings reserves	29 (f)	269,655	493,633	316,097	269,655	493,633	316,097
Equity valuation adjustments	29 (h)	(71,400)	(33,461)	(43,331)	(71,400)	(33,461)	(43,331)
Equity attributable to controlling interests		**738,708**	**876,888**	**598,996**	**738,708**	**876,888**	**598,996**
Non-controlling interests		**-**	**-**	**-**	**(1)**	**4**	**2**
Total equity		**738,708**	**876,888**	**598,996**	**738,707**	**876,892**	**598,998**
Total liabilities and equity		**1,140,217**	**924,341**	**719,985**	**4,482,367**	**3,376,936**	**2,413,804**

The notes are an integral part of parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of profit or loss

Fiscal years ended December 31, 2020, 2019, and 2018

(In thousands of Reais - except earnings per share)

		Parent Company			Consolidated		
	Note	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Net revenue from services rendered and goods sold	31	-	-	-	4,942,186	4,310,974	3,271,203
Cost of services rendered and goods sold	32 (a)	-	-	-	(4,001,002)	(3,547,172)	(2,650,920)
Gross profit		**-**	**-**	**-**	**941,184**	**763,802**	**620,283**
Income (expenses)							
General and administrative expenses	32 (c)	(163)	(212)	(1,088)	(475,118)	(409,878)	(255,851)
Expected credit losses on trade receivables	32 (b)	-	-	-	(2,128)	2,693	8,137
Other operating income	32 (d)	-	5,873	4,750	16,242	53,991	29,106
Other operating expenses	32 (d)	(285)	(2)	(1,863)	(15,349)	(34,368)	(44,066)
Operating profit		**(448)**	**5,659**	**1,799**	**464,831**	**376,240**	**357,609**
Finance income	33	851	546	739	127,060	87,102	78,108
Finance expenses	33	(31)	(30)	(662)	(175,680)	(140,508)	(123,466)
Net finance income (expenses)		**820**	**516**	**77**	**(48,620)**	**(53,406)**	**(45,358)**
Share of profit of equity-accounted investees	17 (a)	281,977	208,165	199,142		-	-
Profit before income tax and social security contribution		**282,349**	**214,340**	**201,018**	**416,211**	**322,834**	**312,251**
Current income tax and social security contribution	25 (c)	(88)	(66)	-	(151,992)	(133,507)	(104,112)
Deferred income tax and social security contribution	25 (c)	385	(2,008)	68	18,427	22,939	(7,051)
Profit for the year		**282,646**	**212,266**	**201,086**	**282,646**	**212,266**	**201,088**
Attributable to							
Controlling interests		282,646	212,266	201,086	282,646	212,266	201,086
Non-controlling interests		-	-	-	-	-	2
Basic and diluted earnings per share	34				50.02	37.82	35.95

The notes are an integral part of parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of comprehensive income

Fiscal years ended December 31, 2020, 2019, and 2018

(In thousands of Reais)

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Net income for the fiscal year	282,646	212,266	201,086	282,646	212,266	201,086
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the fiscal year	282,646	212,266	201,086	282,646	212,266	225,231
Attributable to						
Controlling interests	282,646	212,266	201,086	282,646	212,266	201,084
Non-controlling interests	-	-	-	-	-	2

The notes are an integral part of parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of changes in equity

Fiscal years ended December 31, 2020, 2019, and 2018

(In thousands of Reais)

			Capital reserves		Earnings reserve								
	Note	**Share capital**	**Issue of common shares**	**Issue of preferred shares**	**Legal reserve**	**Retained earnings**	**Transaction costs**	**Realization effects - Long-Term Incentive**	**Accrued earnings**	**Equity valuation adjustments**	**Equity of controlling interests**	**Non-controlling interests**	**Total**
As of January 1, 2018		**46,847**	**205,476**	**8,907**	**9,369**	**300,844**	**(809)**	**(45,269)**	**-**	**(13,069)**	**512,296**	**2**	**512,298**
Capital increase without issuance of new shares	29 (e)	279,383	(205,476)	(8,907)	-	(65,000)	-	-	-	-	-	-	-
Capital transactions	29 (g)	-	-	-	-	(1,805)	-	-	-	-	(1,805)	(2)	(1,807)
Distribution of additional dividends	29 (d)	-	-	-	-	(8,054)	-	-	-	-	(8,054)	-	(8,054)
Fair value adjustments - ILP Shares	29 (c)	-	-	-	-	-	-	(23,592)	-	-	(23,592)	-	(23,592)
Put options updates	29 (h)	-	-	-	-	-	-	-	-	(30,262)	(30,262)	-	(30,262)
Net income for the fiscal year		-	-	-	-	-	-	-	201,086	-	201,086	2	201,088
Legal reserve	29 (f)	-	-	-	10,668	-	-	-	(10,668)	-	-	-	-
Mandatory minimum dividend	29 (d)	-	-	-	-	-	-	-	(50,673)	-	(50,673)	-	(50,673)
Retained earnings		-	-	-	-	139,745	-	-	(139,745)	-	-	-	-
As of December 31, 2018		**326,230**	**-**	**-**	**20,037**	**365,730**	**(809)**	**(68,861)**	**-**	**(43,331)**	**598,996**	**2**	**598,998**
Capital contribution to be received	29 (b)	-	17,033	-	-	-	-	-	-	-	17,033	-	17,033
Transfer from payment of capital reserve	29 (b)	17,033	(17,033)	-	-	-	-	-	-	-	-	-	-
Transfer from payment of profit reserve	29 (b)	71,450	-	-	-	(71,450)	-	-	-	-	-	-	-
Issue of common shares	29 (b)	2,003	-	-	-	-	-	-	-	-	2,003	-	2,003
Capital increase without issuance of new shares (Note 26 (e))		-	-	-	-	-	-	-	-	-	-	-	-
Capital transactions	29 (g)	-	-	-	-	63,780	-	-	-	-	63,780	3,328	67,108
WP spin-off effects	3.12	-	-	-	-	(40,942)	-	-	-	-	(40,942)	-	(40,942)
Distribution of additional dividends	29 (d)	-	-	-	-	(9,327)	-	-	-	-	(9,327)	(3,326)	(12,653)
ILP Plan Derecognition	29 (c)	-	-	-	-	-	-	68,861	-	-	68,861	-	68,861
Put options updates	29 (h)	-	-	-	-	-	-	-	-	9,870	9,870	-	9,870
Net income for the fiscal year		-	-	-	-	-	-	-	212,266	-	212,266	-	212,266
Legal reserve	29 (f)	-	-	-	9,611	-	-	-	(9,611)	-	-	-	-
Mandatory minimum dividend	29 (d)	-	-	-	-	-	-	-	(45,652)	-	(45,652)	-	(45,652)
Retained earnings		-	-	-	-	157,003	-	-	(157,003)	-	-	-	-
As of December 31, 2019		**416,716**	**-**	**-**	**29,648**	**464,794**	**(809)**	**-**	**-**	**(33,461)**	**876,888**	**4**	**876,892**
Capital contribution to be received	29 (b)	-	36,376	-	-	-	-	-	-	-	36,376	-	36,376
Transfer from payment of capital reserve	29 (b)	36,376	(36,376)	-	-	-	-	-	-	-	-	-	-
Transfer from payment of profit reserve	29 (b)	73,000	-	-	-	(73,000)	-	-	-	-	-	-	-
Issue of common shares	29 (b)	14,361	-	-	-	-	-	-	-	-	14,361	-	14,361
Capital transactions	29 (g)	-	-	-	-	(8,624)	-	-	-	-	(8,624)	(5)	(8,629)
Put options updates	29 (g)	-	-	-	-	-	-	-	-	(37,939)	(37,939)	-	(37,939)
Net income for the fiscal year		-	-	-	-	-	-	-	282,646	-	282,646	-	282,646
Legal reserve	29 (f)	-	-	-	14,132	-	-	-	(14,132)	-	-	-	-
Mandatory minimum dividend	29 (d)	-	-	-	-	-	-	-	(67,128)	-	(67,128)		(67,128)
Distribution of additional dividends	29 (d)	-	-	-	-	(357,872)	-	-	-	-	(357,872)	-	(357,872)
Retained earnings		-	-	-	-	201,386	-	-	(201,386)	-	-	-	-
As of December 31, 2020		**540,453**	**-**	**-**	**43,780**	**226,684**	**(809)**	**-**	**-**	**(71,400)**	**738,708**	**(1)**	**738,707**

The notes are an integral part of parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of cash flows – Indirect method

Fiscal years ended December 31, 2020, 2019, and 2018

(In thousands of Reais)

		Parent Company			Consolidated		
	Note	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Cash flows from operating activities							
Profit for the fiscal year		282,646	212,266	201,086	282,646	212,266	201,088
Adjustments for:							
Share of profit of equity-accounted investees	17 (a)	(281,977)	(208,165)	(199,142)	-	-	-
Gain from disposal of fixed assets		-	-	-	(1,483)	(611)	(94)
(Reversal) of provision for expected loss of billed services	32 (b)	-	-	-	2,478	(4,163)	(8,137)
(Reversal) of provision for expected loss of billing services	32 (b)				(350)	1,470	-
Depreciation and amortization	18 (c) / 20 (c)	-	-	-	27,154	18,314	10,345
Amortization of right of use asset	19 (a)	-	-	-	16,644	9,894	-
Amortization of intangible assets - Customer and brand portfolio	18 (c) / 20 (c)	-	-	-	55,777	50,489	26,624
(Reversal) of surplus value	32 (d)	-	(5,788)	(4,632)	-	-	-
(Reversal) of provision for sub judice taxes	27 (b)	198	-	(81)	(3,240)	(51,464)	(22,347)
Bargain purchase	3.16	-	-	-	(1,328)	-	-
Income tax and social security contribution	25 (c)	(297)	2,074	(68)	133,565	110,568	111,163
Constitution of provision for tax, civil and labor risks	27 (a)	-	-	-	80,109	81,236	39,264
Constitution of contingent liability		-	-	-	-	(13,341)	(8,473)
Income with derivatives - (Swap)	33	-	-	-	(53,168)	(17,126)	(21,819)
Adjustment of assets for inflation		(553)	(547)	(740)	(1,222)	(1,671)	(62)
Financial charges and exchange variation		(284)	4	626	111,300	86,102	83,355
		(267)	**(156)**	**(2,951)**	**648,882**	**481,963**	**410,907**
Changes in:							
Inventories		-	-	-	(3,212)	(12)	3,131
Trade receivables		-	-	-	(31,392)	(170,516)	(66,509)
Recoverable income tax and social security contribution		(28)	(60)	-	(85,187)	(80,206)	(44,310)
Recoverable taxes		-	-	-	(36,211)	(11,423)	(26,349)
Advances to supliers		-	-	-	(206)	9,286	(224)
Judicial deposits		-	-	-	9,515	(18,332)	3,950
Indemnity Asset		-	-	-	(15,175)	(47,734)	-
Right-of-use assets		-	-	-	(7,947)	(42,061)	-
Other assets		(23,464)	(26,246)	(5,559)	(5)	2,453	1,686
Trade payables		-	-	(12)	(29,824)	(13,917)	867
Lease liabilities		-	-	-	8,208	44,347	-
Salaries and welfare charges		(1)	(1)	-	(26,246)	85,291	9,231
Other tax obligations		102	(32)	(38)	(14,196)	(4,621)	(27,213)
Other liabilities		(2)	4	2	(21,811)	17,403	7,085
Provision for lawsuits	27 (a)	-	-	-	(51,881)	(42,512)	(42,403)
Cash (used in) generated from operating activities		**(23,660)**	**(26,491)**	**(8,558)**	**343,312**	**209,409**	**229,849**
Interest and exchange variation paid	21 (b)	-	-	-	(47,830)	(87,110)	(51,855)
Interest on debentures paid		-	-	-	(21,809)	-	-
Income tax and social security contribution paid		(41)	(43)	-	(64,824)	(39,384)	(38,876)
Net cash (used in) from operating activities		**(23,701)**	**(26,534)**	**(8,558)**	**208,849**	**82,915**	**139,118**
Cash flows from investing activities							
Financial investments		-	-	-	(102,300)	(19)	(92)
Redemptions of financial investments		-	-	-	-	362	459
Dividends received	16.4	45,652	60,000	50,000	-	-	-
Receipt of loans - (loan agreements)	16.3	2,003	9,498	8,556	2,003	9,498	8,556
Granting of loans - (loan agreements)	16.3	(4,000)	(1,999)	-	(4,000)	(1,999)	-
Proceeds from the sale of fixed assets		-	-	-	3,991	1,267	659
Write down of assigned value to brand	20 (b)	-	-	-	-	13,888	24,585
Write down of amount assigned to contingent allocation	20 (b)	-	-		2,723	(3,375)	(8,043)
Acquisition of fixed assets	18 (b)	-	-	-	(57,107)	(48,405)	(17,812)

GPS Participações e Empreendimentos S.A.

Statements of cash flows – Indirect method

Fiscal years ended December 31, 2020, 2019, and 2018

(In thousands of Reais)

		Parent Company			Consolidated		
	Note	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Acquisition of subsidiaries, net of cash obtained in the acquisition	3	-	-	-	(173,522)	(208,074)	(113,610)
Acquisition of intangible assets	20 (b)	-	-	-	(1,759)	(862)	(884)
					(1,759)		
Net cash from (used in) investing activities		**43,655**	**67,499**	**58,556**	**(329,971)**	**(237,719)**	**(106,182)**
Cash flows from financing activities							
Capital payment	29 (b)	14,361	1,999	-	14,361	1,999	-
Receipt of capital increase to be paid up	29 (b)	36,376	17,033	-	36,376	17,033	-
Payment of lease	23 (c)	-	-	-	(16,008)	(11,226)	-
Dividends paid	16.5	(70,652)	(60,000)	(50,000)	(74,547)	(100,541)	(80,316)
Financial derivatives		-	-	-	28,215	17,380	2,932
Fund raising for loans and borrowings	21 (b)	-	-	-	353,237	315,000	381,190
Fund raising from debentures	22	-	-	-	-	500,000	-
Payment of loans and borrowings	21 (b)	-	-	-	(230,888)	(384,146)	(146,944)
Net cash (used in) from financing activities		**(19,915)**	**(40,968)**	**(50,000)**	**110,746**	**355,499**	**156,862**
Net (decrease) increase in cash and cash equivalents		**39**	**(3)**	**(2)**	**(10,376)**	**200,695**	**189,798**
Cash and cash equivalents at 1 January		3	6	8	742,045	541,350	351,552
Cash and cash equivalents at 31 December		42	3	6	731,669	742,045	541,350

The notes are an integral part of parent company and consolidated financial statements.

GPS Participações e Empreendimentos S.A.

Statements of value added

Fiscal years ended December 31, 2020, 2019, and 2018

(In thousands of Reais)

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Revenues (1)	**-**	**-**	**-**	**5,387,878**	**4,692,081**	**3,569,937**
Gross sales and services revenue	-	-	-	5,387,311	4,696,244	3,578,074
Provision for expected loss of trade receivables	-	-	-	567	(4,163)	(8,137)
Inputs acquired from third parties (2)	**(80)**	**5,754**	**1,266**	**(427,698)**	**(402,245)**	**(315,379)**
Cost of goods sold	-	-	-	(68,339)	(83,491)	(69,481)
Materials, third party services, and other	(80)	5,754	1,266	(359,359)	(318,754)	(245,898)
Gross value added (3) = (1) + (2)	**(80)**	**5,754**	**1,266**	**4,960,180**	**4,289,836**	**3,254,558**
Depreciation and amortization (4)	-	-	-	(107,247)	(83,301)	(33,484)
Net value added produced (5) = (3) + (4)	**(80)**	**5,754**	**1,266**	**4,852,933**	**4,206,535**	**3,221,074**
Value added received in transfer (6)	**282,554**	**208,711**	**199,880**	**127,050**	**87,102**	**78,108**
Result from Equity accounting method	281,977	208,165	199,141	-	-	-
Financial revenues	577	546	739	127,050	87,102	78,108
Total added value to be distributed (7) = (5) + (6)	**282,474**	**214,465**	**201,146**	**4,979,983**	**4,293,637**	**3,299,182**
Distribution of value added	**(282,474)**	**(214,465)**	**(201,146)**	**(4,979,983)**	**(4,293,637)**	**(3,299,182)**
Personnel	**(125)**	**(125)**	**(125)**	**(3,287,465)**	**(3,357,450)**	**(2,506,808)**
Direct compensation	(104)	(104)	(104)	(2,997,725)	(2,634,724)	(1,978,901)
Benefits	-	-	-	(91,777)	(61,199)	(48,643)
Welfare charges	(21)	(21)	(21)	(197,963)	(661,527)	(479,264)
Taxes and fees	**297**	**(2,074)**	**68**	**(1,106,259)**	**(495,330)**	**(418,034)**
Federal	297	(2,074)	68	(897,810)	(311,294)	(277,300)
State	-	-	-	(5,836)	(5,665)	(6,489)
Municipal	-	-	-	(202,613)	(178,371)	(134,245)
Remuneration of third-party capital	**-**	**-**	**(3)**	**(303,613)**	**(228,591)**	**(173,254)**
Interest	-	-	-	(164,702)	(127,302)	(109,125)
Rentals	-	-	(3)	(138,911)	(101,289)	(64,129)
Interest on equity	**(282,646)**	**(212,266)**	**(201,086)**	**(282,646)**	**(212,266)**	**(201,086)**
Dividends to controlling interests	(67,128)	(45,652)	(50,673)	(67,128)	(45,652)	(50,673)
Dividends to non-controlling interests	-	(3,556)	(7,495)	(482)	(3,556)	(7,495)
Retained earnings	(215,518)	(163,058)	(142,918)	(215,036)	(163,058)	(142,918)

The notes are an integral part of parent company and consolidated financial statements.

Notes to the financial statements

(In thousands of Reais)

1 Operating context

GPS Participações e Empreendimentos S.A. ("Parent Company" or "Company") is a holding company incorporated on November 6th, 2007 as a closely-held corporation domiciled in Brazil. The registered address of the Headquarter is at Avenida Miguel Frias e Vasconcelos, 1215, in the City of São Paulo, State of São Paulo.

The consolidated financial statements include the Company and its subsidiaries (collectively referred throughout these explanatory notes as "Consolidated" or "Group"). The Group's main activities are the provision of: (i) property security services; (ii) sanitation and cleaning services (facilities); (iii) indoor logistics services; (iv) electronic security services, implementation, operation and building maintenance; (v) maritime hotel services (on oil platforms); (vi) kitchen services and meal sales; (vii) highway maintenance services and (viii) participation in companies through the acquisition of shares or capital quotas.

1.1 COVID-19 Situation

After a declaration by the World Health Organization ("WHO") of a global pandemic on March 11, 2020 resulting from the effects of the new Coronavirus ("COVID 19"), the Federal Senate declared state of public calamity in Brazil through Legislative Decree 06, 2020. As of March 20, 2020, GPS Group formed a crisis committee that has been working with the objective of minimizing risks to the community, maintaining its operations with a minimum impact on customers and promoting employee well-being. Part of the actions are related to the Provisional Measures (MP) implemented by the Federal Government, namely:

- **Provisional Presidential Decree 927 (03/22/2020)** — authorizes the employer to take the following measures, among others:

(i) Teleworking;

(ii) Anticipation of vacation and granting of collective vacation;

(iii) Anticipation of holidays;

(iv) Compensation of the compensatory time; and

(v) Deferred payment of the Guarantee Fund for Length of Service – FGTS.

- **Provisional Presidential Decree 932 (03/31/2020)** — converted into Law 14.025 on 07/14/20, reduces the tax rates of contributions to social services (system "S") to the following percentages:

(i) National Service for the Learning of Cooperativism (SESCOOP): 1.25%;

(ii) Social Service of the Industry (SESI), Social Service of the Commerce (SESC), and Social Service of Transportation (SEST): 0.75%

(iii) National Commercial Learning Service (Senac), National Industrial Learning Service (Senai), and National Transportation Learning Service (SENAT): 0.5%; and

(iv) National Service for Rural Learning (SENAR): 1.25% on payroll, 0.125% on rural production revenue (Legal Entity and agro-industry), and 0.10% on rural production revenue (Individual and special insured party).

- **Provisional Presidential Decree 936 (04/01/2020)** — converted into Law no. 14.020 on 07/06/2020, establishes the Emergency Program for the Maintenance of Employment and Income, which provides for the:

(i) Partial reduction of working hours with proportional reduction of salary;

(ii) Temporary suspension of the employment contract;

(iii) Provisional guarantee of job security for the same time as the suspension; and

(iv) Monthly compensatory aid in cases of temporary suspension.

- **Administrative Rule 139 and 245 (04/03/2020 and 06/15/2020)** — extends the deadline for payment of federal taxes, where:

(i) Social security contributions due in March and April 2020 they were paid together with those due in July and September 2020, respectively; and

(ii) PIS/PASEP due in March and April 2020 they were paid together with those due in July and September 2020, respectively.

On December 31, 2020, Legislative Decree 06, 2020 ended, and, as a consequence, all the effects of measures linked to the state of public calamity were suspended.

Focusing on minimizing the risks to the community, maintaining its operations with minimal impact on customers, the Group has prioritized measures of:

(iii) Preservation of the health and working environment of employees, by actions that include:

- Home-office for employees whose activities allow remote work and for people over 60 years old or considered to be belonging to risk groups;
- Flexibility of entry and departure times at the offices of the Group companies;
- Adaptation of the facilities to facilitate the circulation of people and to increase distance; and
- Introduction of sterilization and sanitization routines of furniture and building facilities.

The Company has kept in operation the activities deemed essential to the population in accordance with the indication of restrictions by the competent bodies in each municipality in which it operates and in accordance with the demands of its customers. Given the high diversification and geographic breadth of the customer base, which mitigated the impact of the crisis, 2020 net revenue was 15% higher than in 2019, and 2% if the 2020 acquisitions were disregarded.

Monitoring the operational base since the beginning of the pandemic to preserve liquidity, it has ensured that:

1. **Maintenance of the customer portfolio:** the opportunities for increased scope and commercial expansion allowed to mitigate the volatility of revenue caused by contract terminations and scope reductions. Despite revenue reductions in second quarter compared to first quarter, second half recovered, driven by acquisitions in last quarter.

2. **Preservation of profitability:** through (i) the reduction of the cost base of the support team and administrative structure in relation to net revenue and (ii) the maintenance of operating profitability.

3. **Cash generation:** through (i) the renegotiation of payment terms with suppliers and other creditors and (ii) the more rigorous monitoring of customer payment terms, whose postponements did not significantly impact the accounts receivable inventory, which presented turnover (in days - excluding the acquisitions effect) of 53.1, 55.6 and 51.1 for 2018, 2019 and 2020, respectively. The consolidated indicator, however, evolved from 57.5 in 2018, to 63.2 in 2019 and finally 69.5 in 2020, an indicator impacted by the balances of companies acquired in the periods.

4. **Liquidity:** stability in liquidity indicators, as follows:

- General liquidity of 0.8 in 2018, 0.9 and 2019 and 0.8 in 2020; and

- Current liquidity of 1.6 in 2018, 1.8 in 2019 and 1.2 in 2020.

2 Description of the subsidiaries

The consolidated financial statements are composed of the financial statements of the Parent Company and directly and indirectly controlled companies, jointly referred to as "Company" or "Group". As of December 31, 2020, 2019, and 2018, the consolidated financial statements include the full consolidation of the following companies, all of them domiciled in Brazil:

	Direct Controlling Company (in 31, 2020)	December 31, 2020	December 31, 2019	December 31, 2018
Subsidiaries				
Top Service Serviços e Sistemas S.A. - (Top Service) (b)	GPS Participações e Empreendimentos S.A.	100.00	100.00	68,91
WP Participações V S.A. - (WP V) - (b) / (e)	-	-	-	100,00
GPS Predial Sistemas de Segurança Ltda. - (GPS RJ)	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
GPS Predial Sistemas de Segurança Ltda. - (GPS BA)	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
In-Haus Serviços de Logística Ltda.	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
Ecopolo Gestão de Águas, Resíduos e Energia Ltda.	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
GPS Tec Sistemas Eletrônicos de Segurança Ltda.	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
Servtec Operação e Manutenção Ltda.	Top Service Serviços e Sistemas S.A..	99.99	99.99	99,99
Tecs Consultoria e Assessoria em Segur. e Logística Ltda. (e)	-	-	-	99,90
Engeseg Empresa de Vigilância Computadorizada Ltda.	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
In Haus Industrial e Serviços de Logistica Ltda. (previously Servtec Instalações e Manutenção Ltda.)	Top Service Serviços e Sistemas S.A.	99.99	99.99	99,99
Proevi Proteção Especial de Vigilância Ltda. (e)	-	-	99.99	99,99
Uniseg Vigilância Patrimonial Ltda. (e)	-	-	-	99,99
Propar Participações Ltda.(a)	-	-	-	75,00
Proguarda Vigilância e Segurança Ltda. (a)	Top Service Serviços e Sistemas S.A.	99.99	99.99	75,00
Proguarda Administração e Serviços Ltda. (a)	Top Service Serviços e Sistemas S.A.	99.99	99.99	75,00
Proguarda Sistema Eletrônicos Ltda. (a) / (e)	-	-	99.99	75,00
Sempre Empresa de Segurança Ltda. (c) / (e)	-	-	99.99	60,00
Sempre Terceirização em Serviços Gerais Ltda. (c) / (e)	-	-	99.99	60,00

	Direct Controlling Company (in 31, 2020)	December 31, 2020	December 31, 2019	December 31, 2018
Sempre Serviço de Limpeza, Jardinagem e Comércio Ltda. (c) / (e)	-	-	99.99	60,00
Sempre Sistemas de Segurança Ltda. (c) / (e)	-	-	99.99	60,00
GPS AIR - Serviços Auxiliares ao Transporte Aéreo Ltda.	In-Haus Serviços de Logística Ltda.	99.99	99.99	99,99
Graber Sistemas de Segurança Ltda.	GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	99.99	99.99	99.99
Visel Vigilância e Segurança Ltda.	Graber Sistemas de Segurança Ltda.	99.99	99.99	99.99
Fortaleza Limpeza Conservação e Serviços Ltda.	Graber Sistemas de Segurança Ltda.	80.00	80.00	80.00
Fortaleza Serviços de Vigilância Ltda.	Graber Sistemas de Segurança Ltda.	80.00	80.00	80.00
Fortaleza Sistemas de Segurança Eletrônica Ltda.	Graber Sistemas de Segurança Ltda.	80.00	80.00	80.00
Castelo de Luca Participações Ltda.	Top Service Serviços e Sistemas S.A.	60.00	60.00	60.00
LC Administração de Restaurantes Ltda.	Castelo de Luca Participações Ltda.	60.00	60.00	60.00
Onseg Serviços de Vigilância e Segurança Ltda. (d)	Graber Sistemas de Segurança Ltda.	99.99	99.99	99.99
Onserv Serviços Terceirizados Ltda. (d)	Graber Sistemas de Segurança Ltda.	99.99	99.99	99.99
Onservice Gestão de Serviços Terceirizados Ltda. (d)	Graber Sistemas de Segurança Ltda.	99.99	99.99	99.99
Poliservice - Sistemas de Segurança S.A. (d)	Graber Sistemas de Segurança Ltda.	60.00	60.00	60.00
Poliservice - Sistemas de Higienização e Serviços S.A. (d)	Graber Sistemas de Segurança Ltda.	60.00	60.00	60.00
Online - Monitoramento Eletrônico S.A. (d)	Graber Sistemas de Segurança Ltda.	60.00	60.00	60.00
RZF Projetos, Construções e Serviços Rodoviários Eireli - (RZF) (d)	Top Service Serviços e Sistemas S.A.	60.00	60.00	60.00
Magnus Segurança Patrimonial Ltda. (d) (e)	-	-	70.00	-
Magnus Serviços Ltda. (d) (e)	-	-	70.00	-
Top Service Sistemas Ltda. (previously Algar Segurança Eletrônica e Serviços Ltda. (d) (e)	-	-	99.99	-
Proteg Segurança Patrimonial Eireli (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
A&S Serviços Terceirizados Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
A&SS Serviços Terceirizados Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
Jam Soluções Prediais Ltda. (d)	Top Service Serviços e Sistemas S.A.	60.00	60.00	-
Quattro Serv Serviços Gerais Ltda. (d)	Top Service Serviços e Sistemas S.A.	60.00	60.00	-
Servis Segurança Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
SECOPI - Segurança Comercial Piauí Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
Ultralimpo Empreendimento e Serviços Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
Conservadora Amazonas Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
Polonorte Segurança da Amazônia Ltda. (d)	Top Service Serviços e Sistemas S.A.	70.00	70.00	-
Polonorte Serviços Empresariais Ltda. (d)	Top Service Serviços e Sistemas S.A.	70.00	70.00	-
Gol Segurança e Vigilância Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	80.00	-
BC2 Construtora S.A. (d)	Top Service Serviços e Sistemas S.A.	75.00	-	-
BC2 Infraestrutura S.A. (d)	Top Service Serviços e Sistemas S.A.	75.00	-	-
Presidente Altino Participações e Comercialização de Imóveis Próprios Ltda. (e)	-	-	100.00	-
Luandre Serviços Temporários Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	-	-
Luandre Temporários Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	-	-
Luandre Ltda. (d)	Top Service Serviços e Sistemas S.A.	80.00	-	-
Conbras Serviços Técnicos de Suporte Ltda. (d)	Top Service Serviços e Sistemas S.A.	100.00	-	-
ISS Sulamericana Brasil Ltda. (d) / (e)	-	-	-	-
ISS Servisystem do Brasil Ltda. (d)	Top Service Serviços e Sistemas S.A.	100.00	-	-
ISS Manutenção e Serviços Integrados Ltda. (d)	Top Service Serviços e Sistemas S.A.	100.00	-	-
ISS Serviços de Logística Integrada Ltda. (d)	Top Service Serviços e Sistemas S.A.	100.00	-	-
ISS Biosystem Saneamento Ambiental Ltda. (d) / (e)	-	-	-	-
ISS Catering Sistemas de Alimentação Ltda. (d) / (e)	-	-	-	-
Sunset Serviços Patrimoniais Ltda. (d)	Graber Sistemas de Segurança Ltda.	55.00	-	-
Sunset Vigilância e Segurança Ltda. (d)	Graber Sistemas de Segurança Ltda.	55.00	-	-
Sunplus Sistemas de Serviços Ltda. (d)	Graber Sistemas de Segurança Ltda.	55.00	-	-

(a) Increase in the interest through the exercise of the call option. In May 2018, the Group made, through the subsidiary Top Service Serviços e Sistemas S.A., the payment of R$25,211 to the owners of 50% of the Propar Group (comprised by the companies Propar Participações Ltda., Proguarda Vigilância e Segurança Ltda., Proguarda Administração e Serviços Ltda., and Proguarda Sistemas Eletrônicos Ltda.) as a consideration for the exercise of the 25% call option, totaling 75% interest in the Propar Group. On May 22, 2019, the Group made, through the subsidiary Top Service Serviços e Sistemas S.A., the payment of a further R$32,488 to the owners of the remaining 25% of the Propar Group (comprised by the companies Propar Participações Ltda., Proguarda Vigilância e Segurança Ltda., Proguarda Administração e Serviços Ltda., and Proguarda Sistemas Eletrônicos Ltda.) as a consideration for the exercise of the call option, increasing its interest in the Propar Group to 99.99%. Extinction of interest through the spin-off of the relevant assets and liabilities (total spin-off) of the subsidiary followed by reverse spin-off by subsidiaries In order to adopt the best practices of corporate governance, improving the management of companies belonging to the Group, and considering that costs reduction and simplification of its corporate structure are part of the Group's business strategy, the total spin-off of Propar Participações Ltda. was approved on June 30, 2019, with its consequent extinction, followed by the reverse spin-off of Propar Participações Ltda. net assets split by the following investee companies: Proguarda Administração e Serviços Ltda., Proguarda Sistemas Eletrônicos Ltda., and Proguarda Vigilância e Segurança Ltda. Additionally, after the extinction of Propar, Top Service Serviços e Sistemas S.A. became a direct controler of the companies Proguarda Administração e Serviços Ltda., Proguarda Sistemas Eletrônicos Ltda., and Proguarda Vigilancia e Segurança Ltda.

(b) As of December 31, 2018, the shareholding interest of Top Service Serviços e Sistemas S.A. was 68.91% held by GPS Participações e Empreendimentos S.A and 31.09% held by WP Participações V S.A. As a result of the corporate restructuring during 2019 presented in Note No. 2 (b), GPS Participações e Empreendimentos S.A. now has 100% interest in Top Service Serviços e Sistemas S.A. In October 26, 2015, Capital Mezzanino Fundo de Investimento em Participações ("Capital Mezzanino FIP") acquired an amount of 30.74% of the shares of GPS Participações e Empreendimentos S.A. ("GPS S.A."), through the special purpose entity WP Participações V S.A. ("WP V"). Following a reverse spin-off of WP V into GPS S.A., WP FIP became a direct investor of GPS S.A, holding 31.09% of Top Service Serviços e Sistemas S.A. ("Top Sevice"). Following a reverse spin-off of WP V into GPS S.A., WP FIP became a direct investor of GPS S.A, on July 31, 2018. Following the merger of shares, WP V became a subsidiary of GPS S.A., holding 31.09% of Top Service Serviços e Sistemas S.A. ("Top Sevice"). After that, GPS S.A. became the direct controlling company of 100% of Top Service, and, in October 2019, WP V was was fully incorporated into GPS S.A. and seized to exist.

(c) Increase in interest with the exercise of the call option. On July 3, 2019, the Group made, through the subsidiary Top Service Serviços e Sistemas S.A., the payment of R$6,956 to the owners of 40% of the Sempre Group, comprised by the companies Sempre Empresa de Segurança Ltda., Sempre Terceirização em Serviços Gerais Ltda., Sempre Serviço de Limpeza, Jardinagem e Comércio Ltda., and Sempre Sistemas de Segurança Ltda., as a consideration for the exercise of the call option, increasing its interest in the Sempre Group to 99.99%.

(d) Acquisition of control by purchasing equity. For details of the business combination, see Note No. 3.

(e) In order to adopt the best corporate governance practices, improving the management of the companies belonging to the Group, and considering that the reduction of costs and the simplification of its corporate structure is part of the Group's corporate strategy, the extinctions of companies were approved in accordance with below:

Year	Company	Extinguished in:	Incorporated by:
2019	Tecs Consultoria e Assessoria em Segurança Logística Ltda.	May 31, 2019	Top Service Serviços e Sistemas S.A
2019	Uniseg Vigilância Patrimonial Ltda.	May 31, 2019	Top Service Serviços e Sistemas S.A Proguarda Administração e Serviços Ltda. Proguarda Sistemas Eletrônicos Ltda.
2019	Propar Participações Ltda.	June 30, 2019	Proguarda Vigilância e Segurança Ltda.
2019	WP Participações V S.A.	October 31, 2019	GPS Participações e Empreendimentos S.A.
2020	Proguarda Sistemas Eletrônicos Ltda.	October 31, 2020	GPS Tec Sistemas Eletrônicos de Segurança Ltda.
2020	Presidente Altino Participações e Comercialização de imóveis Próprios Ltda.	October 31, 2020	Onservice Gestão de Serviços Terceirizados Ltda.
2020	Magnus Segurança Patrimonial Ltda.	October 31, 2020	Graber Sistemas de Segurança Ltda
2020	Magnus Serviços Ltda.	October 31, 2020	Top Service Serviços e Sistemas S.A.
2020	Proevi Proteção Especial de Vigilância Ltda.	October 31, 2020	Graber Sistemas de Segurança Ltda
2020	Top Service Sistemas Ltda.	November 30, 2020	Top Service Serviços e Sistemas S.A.
2020	Sempre Empresa de Segurança Ltda.	December 31, 2020	Graber Sistemas de Segurança Ltda.
2020	Sempre Serviços de Limpeza, Jardinagem e Comércio Ltda.	December 31, 2020	Top Service Serviços e Sistemas S.A.
2020	Sempre Terceirização em Serviços Gerais Ltda.	December 31, 2020	Top Service Serviços e Sistemas S.A.
2020	Sempre Sistemas de Segurança Ltda.	December 31, 2020	GPS Tec Sistemas Eletrônicos de Segurança Ltda.
2020	ISS Sulamericana Brasil Ltda.	December 31, 2020	ISS Servisystem do Brasil Ltda.
2020	ISS Biosystem Saneamento Ambiental Ltda.	December 31, 2020	ISS Servisystem do Brasil Ltda.
2020	ISS Catering Sistemas de Alimentação Ltda.	December 31, 2020	ISS Servisystem do Brasil Ltda.

3 Acquisition/spin-off of subsidiaries

The Group has as its strategic objective to seek leadership in the market sectors in which it operates, for which purpose it has a structured program of inorganic growth. This program includes acquisitions from groups of companies or companies in the same business segments.

Such acquisitions are mainly aimed at:

- The increase in the portfolio of services offered, strengthening the one stop shop position;
- The expansion of the customers portfolio;
- The achievement of operational and fiscal synergies;
- The consolidation of presence in the regions in which it operates; and
- The expansion of the territorial base by entering new markets.

The evaluation techniques used to measure fair value of relevant acquired assets and liabilities are as follows:

Acquired Assets	Valuation Method
Trademark and customer portfolio	Income approach that considers future cash flows attributed to intangible assets discounted to present value.
Surplus value of fixed assets	To determine the value in use of these items, they were evaluated based on the market value of the equivalent products.
Contingent liabilities	The fair value of contingent liabilities was determined based on legal audit and due diligence reports issued by independent consultants and took into account the probability and magnitude of outflows.

All partial acquisitions refer to the acquisition of control. For the partial acquisitions of the shares of the acquired companies, the Group adopted the anticipated-acquisition methodology where, on the same acquisition date, an instrument to purchase and sell the residual shares of the capital of the companies is mutually agreed between the acquired companies and the acquirer. Since the control acquisition already occurs at this moment, the acquisitions are totally recorded (at 100%, even if the purchase on the acquisition date is partial), regardless of the percentage of shares acquired. See note 17.

See accounting policy 8.1 (a) for Group business combinations.

We present the recent acquisitions made by the Group.

		2018		
Acquired group	**Note**	**Cash and cash equivalents**	**Payment**	**PUT liquidation**
Onseg	3.1 (b) / (a)	4,001	(57,555)	-
Poliservice	3.2 (b) / (a)	4,386	(19,680)	-
RZF	3.3 (b) / (a)	7,779	(21,330)	-
Proguarda	2 (a)	-	-	(25,211)
Magnus	3.4 (b) / (a)	-	(2,000)	-
Algar	3.5 (b) / (a)	-	(2,000)	-
Jam	3.8 (b) / (a)	-	(2,000)	-
		-	-	-
		16,166	**(104,565)**	**(25,211)**

		2019		
Acquired group	**Note**	**Cash and cash equivalents**	**Payment**	**PUT liquidation**
Magnus	3.4 (b) / (a)	4,091	(28,127)	-
Algar	3.5 (b) / (a)	5,549	(37,137)	-
Proteg	3.6 (b) / (a)	430	-	-
Quattro	3.7 (b) / (a)	476	(4,652)	-
Jam	3.8 (b) / (a)	2,451	(7,183)	-
Servis	3.9 (b) / (a)	1,998	(77,212)	-
Polonorte	3.10 (b) / (a)	648	(7,899)	-

		2019		
Acquired group	**Note**	**Cash and cash equivalents**	**Payment**	**PUT liquidation**
Gol	3.11 (b) / (a)	7,097	(27,898)	-
Proguarda	2(a)	-	-	(32,488)
Sempre	2 (e)	-	-	(6,956)
BC2	3.13 (b) / (a)	-	(1,262)	-
		-	-	-
		-	-	-
		22,740	**(191,370)**	**(39,444)**

		2020		
Acquired Group	**Note**	**Cash and cash equivalents**	**Payment**	**PUT Liquidation**
BC2	3.13 (b) / (a)	4,699	(60,920)	-
Luandre	3.14 (b) / (a)	6,432	(99,398)	-
Conbras	3.15 (b) / (a)	22,335	(70,367)	-
Sunset	3.17 (b) / (a)	3,458	(12,918)	-
ISS	3.16 (b) / (a)	58,849	-	-
RZF	3.3 (b) / (a)	-	-	(9,647)
Magnus	3.4 (b) / (a)	-	-	(16,045)
		95,773	**(243,603)**	**(25,692)**

3.1 Onseg Serviços de Vigilância e Segurança Ltda., Onserv Serviços Terceirizados Ltda., and Onservice Gestão de Serviços Terceirizados Ltda. - called "Onseg Group"

On January 29, 2018, through the indirect subsidiary Graber Sistemas de Segurança Ltda., the Group acquired 100% of the capital quotas, which also represent 100% of the voting capital of the Onseg Group's companies. Headquartered in the City of Joaçaba, State of Santa Catarina, the companies are operating in service provision segments, such as: security, private surveillance, and personal security; remote monitoring of electronic devices, locks, cameras, and alarms; cleaning, conservation, and specialized labor in banking establishments, public offices, agencies, industries, conservation of offices, apartments, residences, buildings and condominiums; telephone operators, executive secretary, typist, attendant, doormen, watchman, pouch, receptionist, administrative assistant, office-boy, and reader.

a. *Consideration transferred*

The acquisition was effected for the amount of R$57,855, being R$39,855 paid by bank transfer on the date of signature of the purchase and sale instrument, and an additional amount of R$18,000 to be paid in a single installment if the acquired companies had the performance agreed in the agreement. Such performance was achieved, and the payment was made in June 2018.

b. Identifiable assets acquired and liabilities assumed

	Fair value
Cash and cash equivalents	4,001
Trade receivables	14,121
Recoverable taxes	7,109
Judicial deposits	5,401
Deferred income tax and social security contribution (d)	2,115
Fixed assets	1,127
Intangible assets (b)	31,704
Other assets (c)	1,384
Loans and borrowings	(239)
Trade and other payables	(1,838)
Labor liabilities	(16,531)
Tax liabilities	(6,085)
Contingent liabilities (a)	(2,482)
Sub Judice Taxes	(4,215)
Total of identified assets, net	**35,572**

(a) R$ 2,357 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$125 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer and brand portfolio. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income. The brand intangible stems from the ease with which consumers easily identify a business by products and services.

(c) Refers to prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables
"Trade receivables" comprises gross contractual amounts due of R$16,894, of which R$2,773 are estimated as non-recoverable on the acquisition date, with R$14,121 being the net receivable amount, which is not significantly different to the fair value.

Contingent liabilities and sub judice taxes
The Onseg Group is a defendant in lawsuits alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are lawsuits where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$125 (see Note No. 27(a)).

The Onseg Group has identified tax risks (not related to lawsuits) subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$4,214 (see Note No. 27(b)).

c. Revenue and results
In the fiscal year ended December 31, 2018, the Group consolidated, the amounts of net revenue and net income for the period from January 1 to December 31, 2018, from the acquisition of Onseg of R$127,484 and R$8,673, respectively.

d. *Goodwill*

Goodwill recognized from the acquisition was identified as follows:

Consideration transferred (A)	57,855
Fair value of identifiable net assets (B)	35,572
Total of goodwill (A – B)	**22,283**

This goodwill is attributed mainly to the skills and technical talent of the Onseg Group's workforce and to the synergies expected in the integration of the Onseg Group into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$ 608 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.2 Poliservice - Sistemas de Segurança S.A., Poliservice - Sistemas de Higienização e Serviços S.A. and Online - Monitoramento Eletrônico S.A. - called "Poliservice Group"

On June 25, 2018, through the indirect subsidiary Graber Sistemas de Segurança Ltda., the Group acquired 60% of the capital quotas, which also represent 60% of the voting capital of the Poliservice Group companies, thus obtaining its control. Headquartered in the city of Pinhais, state of Paraná, Poliservice Group companies are operating in the service provision segments, such as: security, armed and unarmed surveillance, and private personal security; cleaning, gardening, concierge, janitorial, and reception; monitoring of electronic security systems, installation and sale of alarms and tracking electronic equipment.

a. *Consideration transferred*

The acquisition was made for the amount of R$35,600, being:

(i) R$2,000 paid via bank transfer on the date of signing the purchase agreement;

(ii) R$17,680 paid on August 30, 2018, date of signature of the purchase agreement;

(iii) Additional amount of R$ 3,160, paid in a single installment, until November 30, 2019, if the acquired companies obtain the performance agreed in agreement in the period from September 1, 2018, to August 31, 2019. In the fourth quarter of 2019, EBITDA for the aforementioned period was determined, where the companies did not reach the minimum operating performance agreed in the purchase and sale contract, so the additional installment was not paid; and

(iv) Put option in the amount of R$12,760, based on the Quota Acquisition Purchase and Sale Agreement entered into between the parties, which provides for a call option ("CALL") held by Graber and a put option ("PUT") held by the holders of the remaining 40%, in order to complete the acquisition of 100% of the Group.

(v) The call and put options are valid throughout 20 years from the date of the purchase agreement.

During the entire term of the agreement, either party may anticipate the exercise of the respective option, which can be calculated considering the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2021, until the end of the term of the agreement. As a result of this clause, the Group, recorded the equivalent to the present value of the exercise price of the call and put option in determining the consideration paid. Such calculation is updated each quarter. See Note No. 28.

b. Identifiable assets acquired and liabilities assumed

	Fair value
Cash and cash equivalents	4,386
Trade receivables	5,440
Recoverable taxes	9,561
Judicial deposits	1,977
Deferred income tax and social security contribution (d)	2,584
Fixed assets	821
Intangible assets (b)	13,736
Other assets (c)	2,428
Loans and borrowings	(792)
Trade and other payables	(2,303)
Labor liabilities	(11,240)
Tax liabilities	(6,805)
Contingent liabilities (a)	(2,282)
Sub Judice Taxes	(5,768)
Total of identified assets, net	**11,743**

(a) R$ 1,061 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$1,221 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer and brand portfolio. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income. The brand intangible stems from the ease with which consumers easily identify a business by products and services.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$6,049, of which R$609 are estimated as non-recoverable on the acquisition date, with R$5,440 being the net receivable amount.

Contingent liabilities and Sub Judice taxes

The Poliservice Group is a defendant in lawsuits alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are lawsuits where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$1,221 (see Note No. 27(a)).

The Poliservice Group has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$5,768 (see Note No. 27(b)).

c. *Revenue and results*

In the fiscal year ended December 31, 2018, the Group consolidated, the amounts of net revenue and net income for the period from August 1 to December 31, 2018, from the acquisition of R$34,638 and R$346, respectively (if the acquisition date were at the beginning of the reporting period, management estimates such amounts would have been R$87,716 and R$1,352, respectively).

d. *Goodwill*

Goodwill recognized from the acquisition was identified as follows:

Consideration transferred (A)	35,600
Fair value of identifiable net assets (B)	11,743
Total of goodwill (A – B)	**23,857**

This goodwill is attributed mainly to the skills and technical talent of the Poliservice Group's workforce and to the synergies expected in the integration of the entity into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$583 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.3 RZF Projetos, Construções e Serviços Rodoviários Eireli - called RZF

On November 26, 2018, through its subsidiary Top Service Serviços e Sistemas S.A, the Group acquired 60% of the capital quotas, which also represent 60% of the voting capital of RZF,, thus obtaining its control. Headquartered in the City of Araras, State of São Paulo, the company operates in the provision of cleaning, pruning, maintenance, and conservation services of green areas on roads, public roads, parks, and gardens, through contract or assignment of labor, execution of works, and repairs of civil construction, including road works, infrastructure, and other related works and services.

a. *Consideration transferred*

The acquisition was made for the amount of R$61,784, being:

(i) R$21,330 paid via bank transfer on the date of signing the purchase agreement;

(ii) Additional amount of R$12,454 related to earn-out, paid in a single installment, in May 15, 2020, if the acquired company had obtained the performance agreed in the agreement in the period from January 1 to December 31, 2019. In the second quarter of 2020, EBITDA for the aforementioned period was determined, where the company achieved the minimum operating performance agreed in the purchase and sale contract, thus making the payment of the additional installment;

(iii) Put option in the amount of R$28,000, based on the Quota Acquisition Purchase and Sale Agreement entered into between the parties, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A. and a put option ("PUT") held by the holders of the remaining 40%, in order to complete the acquisition of 100% of the companies; and

(iv) The call and put options are valid throughout 20 years from the date of the purchase agreement.

During the entire term of the agreement, either party may anticipate the exercise of the respective option, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2020, until the end of the term of the agreement. As a result of this section, the Group, through its subsidiary Top Service, recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. The total amount recorded in the outstanding consideration for the adoption of the Anticipated Acquisition Method for the remaining 40% of the company. See Note No. 28.

b. Identifiable assets acquired and liabilities assumed

	Fair value
Cash and cash equivalents	7,779
Trade receivables	13,231
Recoverable taxes	1
Judicial deposits	34
Deferred income tax and social security contribution (c)	1,086
Property, plant, and equipment	5,290
Intangible assets (a)	23,691
Other assets (b)	2,950
Loans and borrowings	(9,557)
Trade and other payables	(2,347)
Labor liabilities	(7,365)
Tax liabilities	(3,015)
Contingent liabilities	(730)
Sub Judice Taxes	(2,520)
Total identified assets, net	**28,528**

(a) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(b) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(c) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables
"Trade receivables" comprises gross contractual amounts due of R$13,776, of which R$ 545 are estimated as non-recoverable on the acquisition date, with R$ 13,231 being the net receivable amount, which is not significantly different to the fair value.

Contingent liabilities and Sub Judice taxes
RZF is a defendant in lawsuits alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are lawsuits where outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 730. See Note No. 27(a).

RZF has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$2,520. See Note No. 27 (b).

c. Revenue and results
In the fiscal year ended December 31, 2018, the Group consolidated, by means of its subsidiary Top Service Serviços e Sistemas S.A., the amounts of net revenue and net income for the period from November 1 to December 31, 2018, from the acquisition of R$14,003 and R$63, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$86,614 and R$8,115, respectively).

d. Goodwill
Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	61,784
Fair value of identifiable net assets (B)	28,528
Total of goodwill (A – B)	**33,256**

The goodwill resulting from the acquisition amounts to a total of R$33,256, which comprises the amount of the difference paid by the Group, through its subsidiary Top Service Serviços e Sistemas S.A., in relation to the identifiable net assets. This goodwill is attributed mainly to the skills and technical talent of the RZF's workforce and to the synergies expected in the integration of the entity into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs
The Group incurred in costs related to the acquisition in the amount of R$923 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.4 Magnus Segurança Patrimonial Ltda. and Magnus Serviços Ltda. - called Magnus Group

On January 14, 2019, through its indirect subsidiary Graber Sistemas de Segurança Ltda., the Group acquired 70% of the capital quotas, which also represent 70% of the voting capital of the Magnus Group's companies, listed above, thus obtaining its control. Headquartered in Belo Horizonte, State of Minas Gerais, the companies are operating in segments of the provision of surveillance, escort, and personal security services, armed and unarmed, in the areas of conservation, cleaning, and other related.

a. *Consideration transferred*

The acquisition was made for the amount of R$44,940, comprising the amounts shown below:

(i) The amount of R$ 2,000 paid via bank transfer on the date of signing the purchase agreement;

(ii) The total amount of R$28,127, composed of the fixed installment of R$15,869 paid on the closing date (after fulfilling the precedent conditions), plus the variable installment in the amount of R$12,258 generated based on the terms of the shares purchase agreement where it determines that it was calculated based on the consolidated EBITDA of the acquired companies, verified in the period from January 1 to June 30, 2018 (earn-out).

(iii) Put option in the amount of R$14,813, based on the Quotas Purchase Agreement of the Magnus Group, which provides for a call option ("CALL") held by Graber Sistemas de Segurança Ltda. and a put option ("PUT") held by the holders of the remaining 30%, in order to complete the acquisition of 100% of the companies. In the second quarter of 2020, the purchase option ("CALL") of the remaining 30% was liquidated.

(iv) The call and put options were valid throughout 20 years from July 4, 2018.

b. *Identifiable assets acquired and liabilities assumed*

	Fair value
Cash and cash equivalents	4,091
Trade receivables and other receivables	7,157
Recoverable taxes	756
Judicial deposits	637
Deferred income tax and social security contribution (d)	1.475
Intangible assets (a)	26,681
Other assets (c)	3,472
Loans and borrowings	(417)
Trade and other payables	(6,189)
Labor liabilities	(6,238)
Tax liabilities	(1,019)
Contingent liabilities (a)	(2,740)
Sub Judice Taxes	(3,278)
Total of identified assets, net	**24,388**

(a) R$ 1,860 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$880 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 7,337, of which R$ 180 are estimated as non-recoverable on the acquisition date, with R$ 7,157 being the net receivable amount.

Contingent liabilities and sub judice taxes

The Magnus Group is a defendant in legal proceedings alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are legal proceedings where the outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 880. See Note No. 27 (a).

The Magnus Group has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 3,278. See Note No. 27 (b).

c. Revenue and results

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from February 1 to December 31, 2019, from the acquisition of R$71,209 and R$7,518, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$76,867 and R$7,669, respectively).

d. Goodwill

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	44,940
Fair value of identifiable net assets (B)	24,388
Total of goodwill (A – B)	**20,552**

The goodwill resulting from the acquisition amounts to a total of R$ 20,552, which comprises the amount of the difference paid by the Group, through the indirect subsidiary Graber, in relation to the identifiable net assets. This goodwill is attributed mainly to the skills and technical talent of the Magnus Group's workforce and to the synergies expected in the integration of the acquired companies into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$ 486 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.5 Walgar BR Participações S.A., Elgar BR Participações S.A., Lagar BR Participações S.A., Algar Segurança Eletrônica e Serviços Ltda., and Algar Segurança e Vigilância Ltda. - called Algar Group

On February 25, 2019, through its subsidiary Top Service Serviços e Sistemas S.A., the Group made the acquisition of 100% of the registered common shares issued by Walgar Br Participações S.A. (Walgar), Elgar Br Participações S.A. (Elgar) and Lagar Br Participações S.A. (Lagar), and the acquisition of 100% of the quotas representing the share capital of the companies Algar Segurança Eletrônica e Serviços Ltda. (Algar Serviços) e Algar Segurança e Vigilância Ltda. (Algar Vigilância), all based in Uberlândia, State of Minas Gerais, obtaining control of their operations.

Walgar, Elgar, and Lagar were holding companies and had as their corporate purpose to hold interest in the capital of other companies as shareholder or quotaholder. Algar Serviços and Algar Vigilância are operating in segments of provision of technical and logistic advisory services, provision of labor, including concierge, surveillance, vehicle maneuver, gardening, reception, or personal care of the administration services, armed escort services, property surveillance of financial institutions and other establishments, both public and private, and the security of individuals.

On May 31, 2019, the merger of the companies Walgar Br Participações S.A., Elgar Br Participações S.A., and Lagar Br Participações S.A. by Algar Segurança Eletrônica e Serviços Ltda. was approved, which now has Top Service Serviços e Sistemas S.A. as direct parent company.

a. Consideration transferred

The acquisition was made for the amount of R$39,137, comprising the amounts shown below:

(i) The amount of R$ 2,000 paid via bank transfer on the date of signing the purchase agreement;

(ii) The total amount of R$ 37,137 paid on the date of signing the purchase contract.

b. Identifiable assets acquired and liabilities assumed

On the base date of January 31, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	5,549
Trade receivables and other receivables	15,177
Recoverable taxes	6,232
Judicial deposits	11,020
Deferred income tax and social security contribution (d)	4,432
Fixed assets	3,623
Intangible assets (b)	14,866

	Fair value
Other assets (c)	3,120
Trade and other payables	(14,286)
Labor liabilities	(17,879)
Tax liabilities	(865)
Contingent liabilities (a)	(11,483)
Total of identified assets, net	**19,506**

(a) R$ 1,210 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$10,273 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 16,414, of which R$ 1,237 are estimated as non-recoverable on the acquisition date, with R$ 15,177 being the net receivable amount.

Contingent liabilities

The Algar Group is a defendant in legal proceedings alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are legal proceedings whose outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 10,273. See Note No. 27 (a).

c. Revenue and results

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from February 1 to December 31, 2019 from the acquisition in the amounts of R$ 127,771 and R$ 15,775, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$ 141,164 and R$ 15,641, respectively).

d. Goodwill

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	39,137
Fair value of identifiable net assets (B)	19,506
Total of goodwill (A – B)	**19,631**

The goodwill resulting from the acquisition amounts to a total of R$ 19,631, which comprises the amount of the difference paid by the Group, through its subsidiary Top Service Serviços e Sistemas S.A., in relation to the identifiable net assets. This goodwill is attributed mainly to the skills and technical talent of the Algar Group's workforce and to the synergies expected in the integration of the entity into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$ 999 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.6 Proteg Segurança Patrimonial Eireli, A&S Serviços Terceirizados Ltda. and A&SS Serviços Terceirizados Ltda. - called "Proteg Group"

On January 18, 2019, through its subsidiary Top Service Serviços e Sistemas S.A, the Group acquired 80% of the capital quotas, which also represent 80% of the voting capital of the Proteg Group's companies, thus obtaining its control. Headquartered in Natal, State of Rio Grande do Norte, the Proteg Group's companies are active in the provision of private security and surveillance services, cleaning services in buildings and homes, monitoring of security systems and combined office services and administrative support.

a. Consideration transferred

The acquisition was made for the amount of R$ 385, comprising the amounts shown below:

(i) One Real (R$1,00) paid on the date of signature of the purchase term;

(ii) Put option in the amount of R$ 385, based on the quotas purchase agreement of the Proteg Group, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A and a put option ("PUT") held by the holders of the remaining 20%, in order to complete the acquisition of 100% of the companies.

(iii) The call and put options are valid throughout 20 years from November 7, 2018.

During the entire term of the agreement, either party may anticipate the exercise of the said options, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2020, until the end of the term of the agreement. As a result of this section, the Group, through its subsidiary Top Service, recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. See Note No. 28.

b. Identifiable assets acquired and liabilities assumed

On the base date of January 31, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	430
Trade receivables and other receivables	1,515
Recoverable taxes	229
Judicial deposits	30
Deferred income tax and social security contribution (d)	1,505
Fixed assets	55
Intangible assets (b)	986
Other assets (c)	753
Loans and borrowings	(1,890)
Trade and other payables	(50)
Labor liabilities	(4,392)
Tax liabilities	(477)
Contingent liabilities (a)	(99)
Sub judice taxes	(4,358)
Total of liabilities assumed, net	**(5,763)**

(a) R$ 99 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet).

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 1,648, of which R$ 132 are estimated as non-recoverable on the acquisition date, with R$ 1,516 being the net receivable amount.

Sub judice taxes

Proteg Group has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this liability, taking into account the possible results of the lawsuit, is R$ 4,358. See Note No. 27 (b).

c. *Revenue and results*

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from February 1 to December 31, 2019, from the acquisition of R$ 24,167 and R$ 2,422, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$ 25,815 and R$ 2,397, respectively).

d. *Goodwill*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	385
Fair value of identifiable net assets (B)	(5,763)
Total of goodwill (A – B)	**6,148**

The goodwill resulting from the acquisition amounts to a total of R$ 6,148, which comprises the amount of the difference paid by the Group, through its subsidiary Top Service Serviços e Sistemas S.A., in relation to the identifiable net assets. It is attributed mainly to the skills and technical talent of the Proteg Group's workforce and to the synergies expected in the integration of the companies into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$ 237 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.7 Quattro Serv Serviços Gerais Ltda. – called "Quattro"

On March 14, 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., acquired 60% of Quattro's capital shares, gaining control over it. Headquartered in Salvador, state of Bahia, the company operates in the segments of providing building maintenance and cleaning services in buildings and homes, maintenance and repair of equipment and industrial products and installation of industrial machinery and equipment.

a. Consideration transferred

The acquisition was made for the amount of R$ 8,689, comprising the amounts shown below:

(i) The amount of R$ 4,652 paid via bank transfer on the date of signing the purchase agreement;

(ii) R$ 1,151 as an additional amount of, which would be paid in accordance with the contractual sections establishing the criteria to be met by the parties. In the second quarter of 2020, the criteria established in the purchase and sale contract were determined, where the company did not reach the minimum performance agreed, so the additional installment was not paid;

(iii) Put option in the amount of R$ 2,886, based on the quotas purchase agreement, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A and a put option ("PUT") held by the holders of the remaining 40%, in order to complete the acquisition of 100% of the companies.

During the entire term of the agreement, either party may anticipate the exercise of the said options, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2020, until the end of the term of the agreement. As a result of this section, Top Service Serviços e Sistemas S.A. recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. See Note No. 28.

(iv) The call and put options are valid throughout 20 years from the date of the purchase agreement.

b. *Identifiable assets acquired and liabilities assumed*

As of January 1, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	476
Trade receivables and other receivables	3,008
Judicial deposits	175
Deferred income tax and social security contribution (d)	741
Intangible assets (b)	1,272
Other assets (c)	300
Loans and borrowings	(8,323)
Trade and other payables	(103)
Labor liabilities	(1,700)
Tax liabilities	(1,482)
Contingent liabilities (a)	(1,274)
Sub judice taxes	(1,086)
Total of liabilities assumed, net	**(7,996)**

(a) R$ 521 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$753 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 3,347, of which R$ 339 are estimated as non-recoverable on the acquisition date, with R$ 3,008 being the net receivable amount.

Contingent liabilities and Sub Judice taxes

Quattro is a defendant in legal proceedings alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are legal proceedings where the outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 753. See Note No. 27 (a).

Quattro has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 1,086. See Note No. 27 (b).

c. *Revenue and results*

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from January 1 to December 31, 2019, from the acquisition of R$ 44,371 and R$ (4,265), respectively.

d. Goodwill

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	8,689
Fair value of identifiable net assets (B)	(7,996)
Total of goodwill (A – B)	**16,685**

The goodwill resulting from the acquisition amounts to a total of R$ 16,685, which comprises the amount of the difference paid by the Group, through its subsidiary Top Service Serviços e Sistemas S.A., in relation to the identifiable net assets. It is attributed mainly to the skills and technical talent of Quattro's workforce and to the synergies expected in the integration of the company into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$374 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.8 Jam Soluções Prediais Ltda. - called "Jam"

On March 19, 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., acquired 60% of Jam's capital shares, thus gaining control over it. Headquartered in Belo Horizonte, State of Minas Gerais, the company operates in the provision of automation and civil construction services, such as execution, inspection and administration of works and technical services for building conservation and repair and inspection and administration execution of works related to the installation, assembly, operation, repair or maintenance of machines, equipment and electrical, hydraulic, firefighting, refrigeration and air conditioning, as well as the sale of necessary equipment and parts to the service provision, and the preparation of executive projects for air conditioning systems and electrical systems.

a. Consideration transferred

The acquisition was made for the amount of R$ 19,477, comprising the amounts shown below:

(i) The amount of R$ 2,000 paid via bank transfer on the date of signing the purchase agreement;

(ii) Fixed installment of R$ 7,183, paid on the date of signing the purchase contract;

(iii) Additional installment of R$ 1,245 would be due only if the EBITDA amount calculated between January 1, 2019 and December 31, 2019 were higher than R$ 3,438, as determined in the sale agreement. This installment was recognized in Profit or Loss in the fourth quarter of 2020, as the EBITDA did not reach the required amount as displayed in the purchase and sale agreement;

(iv) Additional amount of R$ 2,352 to be paid for recovery of tax credits, according to the purchase agreement;

(v) Put option in the amount of R$ 6,697, based on Jam's quotas purchase agreement, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A and a put option ("PUT") held by the holders of the remaining 40%, in order to complete the acquisition of 100% of the companies;

(vi) The call and put options are valid throughout 20 years from August 27, 2018.

During the entire term of the agreement, either party may anticipate the exercise of the said options, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year ended on December 31, 2020, until the end of the term of the agreement. As a result of this section, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. See Note No. 28.

b. Identifiable assets acquired and liabilities assumed

As of January 1, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	2,451
Trade receivables and other receivables	4,009
Recoverable taxes	287
Judicial deposits	1,192
Deferred income tax and social security contribution (d)	1,622
Fixed assets	511
Intangible assets (b)	2,109
Other assets (c)	5,095
Loans and borrowings	(3,478)
Trade and other payables	(1,554)
Labor liabilities	(4,668)
Tax liabilities	(891)
Contingent liabilities (a)	(1,794)
Sub judice taxes	(749)
Total of identified assets, net	**4,142**

(a) R$ 1,637 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$ 137 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 6,072, of which R$ 2,063 are estimated as non-recoverable on the acquisition date, with R$ 4,009 being the net receivable amount.

Contingent liabilities and Sub Judice taxes

Jam is a defendant in legal proceedings alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are legal proceedings whose outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 137. See Note No. 27 (a).

Jam has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 749. See Note No.27 (b).

c. *Revenue and results*

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from January 1 to December 31, 2019, from the acquisition of R$ 79,375 and (R$ 2,059), respectively.

d. *Goodwill*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	19,477
Fair value of identifiable net assets (B)	4,142
Total of goodwill (A – B)	**15,335**

The goodwill resulting from the acquisition amounts to a total of R$ 15,335, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. This goodwill is attributed mainly to the skills and technical talent of Jam's workforce and to the synergies expected in the integration of the company into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$ 460 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.9 Servis Segurança Ltda., SECOPI – Segurança Comercial Piauí Ltda., Ultralimpo Empreendimento e Serviços Ltda. and Conservadora Amazonas Ltda. - called "Servis Group"

On May 24, 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., acquired 80% of the capital quotas of the Servis Group companies. Servis Segurança Ltda. is headquartered in Fortaleza, State of Ceará, and operates in the provision of armed surveillance, unarmed surveillance, personal security and armed escort services. SECOPI – Segurança Comercial Piauí Ltda. is headquartered in Teresina, State of Piauí, and operates in the provision of armed and unarmed surveillance, and transportation of valuables. Ultralimpo Empreendimentos e Serviços Ltda. is headquartered in Maracanaú, State of Ceará, and provides services in the areas of conservation, cleaning and other related areas. Conservadora Amazonas Ltda. is headquartered in Eusébio, State of Ceará, and provides services in the areas of conservation, cleaning, and other related areas. With this operation, the Group obtained control of these companies.

a. *Consideration transferred*

The acquisition was made for the amount of R$ 115,370, comprising the amounts shown below:

(i) The amount of R$ 2,843 paid via bank transfer on the date of signing the purchase agreement;

(ii) Fixed installment of R$ 74,369, paid on the closing date, defined in accordance with the contractual clauses, in May 2019;

(iii) Put option in the amount of R$ 38,158, based on the Quotas Purchase Agreement of Servis Group, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A and a put option ("PUT") held by the holders of the remaining 20%, in order to complete the acquisition of 100% of the companies;

(iv) The call and put options are valid throughout 20 years from January 28, 2019.

During the entire term of the agreement, either party may anticipate the exercise of the said options, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2021, until the end of the term of the agreement. As a result of this section, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. See Note No. 28.

b. *Identifiable assets acquired and liabilities assumed*

As of March 31, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	1,998
Trade receivables and other receivables	48,211
Recoverable taxes	19,452
Judicial deposits	2,390

	Fair value
Deferred income tax and social security contribution (d)	6,830
Fixed assets	2,141
Intangible assets (b)	55,395
Other assets (c)	9,552
Loans and borrowings	(6,190)
Trade and other payables	(13,795)
Labor liabilities	(28,862)
Tax liabilities	(4,201)
Contingent liabilities (a)	(12,689)
Sub Judice Taxes	(9,350)
Total of identified assets, net	**70,882**

(a) R$ 2,290 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$ 10,399 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer and brand portfolio. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income. The brand intangible stems from the ease with which consumers easily identify a business by products and services.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 48,549, of which R$ 338 are estimated as non-recoverable on the acquisition date, with R$ 48,211 being the net receivable amount.

Contingent liabilities and sub judice taxes

The Servis Group is a defendant in legal proceedings alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are legal proceedings where the outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 10,399. See Note No. 27(a).

The Servis Group has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 9,350 (see Note No. 27(b)).

c. Revenue and results

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from April 1 to December 31, 2019, from the acquisition of R$ 223,293 and R$ 12,103, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$ 304,910 and R$ 17,930, respectively).

d. Goodwill

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	115,370
Fair value of identifiable net assets (B)	70,882
Total of goodwill (A – B)	**44,488**

The goodwill resulting from the acquisition amounts to a total of R$ 44,488, which comprises the amount of the difference paid by the Group, through its subsidiary Top Service, in relation to the identifiable net assets. This goodwill is attributed mainly to the skills and technical talent of the Servis Group's workforce and to the synergies expected in the integration of the companies into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$ 2.327 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.10 Polonorte Segurança da Amazônia Ltda. and Polonorte Serviços Empresariais Ltda. - called "Polonorte Group"

On July 10, 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., acquired 70% of the capital quotas of the Polonorte Group companies, thus obtaining its control. Polonorte Segurança da Amazônia Ltda. is headquartered in Manaus, State of Amazonas, and is active in providing private security and surveillance services and systems and security monitoring. Polonorte Serviços Empresariais Ltda. is headquartered in Manaus, State of Amazonas, and is active in the provision of consultancy and business management services, activities for monitoring security systems, cleaning buildings and households, and office services and administrative support. With this operation, the Group obtained control of these companies.

a. Consideration transferred

The acquisition was made for the amount of R$ 13,538, comprising the amounts shown below:

(i) The amount of R$ 600 paid via bank transfer on the date of signing the purchase agreement;

(ii) Fixed installment of R$ 7,299, paid on the closing date, defined in the purchase agreement, in July 2019;

(iii) Put option in the amount of R$ 5,639, based on the Quotas Purchase Agreement of the Polonorte Group, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A and a put option ("PUT") held by the holders of the remaining 30%, in order to complete the acquisition of 100% of the companies;

(iv) The call and put options are valid throughout 20 years from May 29, 2019.

During the entire term of the agreement, either party may anticipate the exercise of the said options, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2020, until the end of the term of the agreement. As a result of this section, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. See Note No. 28.

b. *Identifiable assets acquired and liabilities assumed*

As of May 31, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	648
Trade receivables and other receivables	3,677
Recoverable taxes	1,833
Judicial deposits	8
Deferred income tax and social security contribution (d)	4,166
Fixed assets	227
Intangible assets (b)	6,265
Other assets (c)	320
Loans and borrowings	(160)
Trade and other payables	(1,210)
Labor liabilities	(4,620)
Tax liabilities	(475)
Contingent liabilities (a)	(1,105)
Sub judice taxes	(11,566)
Total of liabilities assumed, net	**(1,992)**

(a) R$ 1,105 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet).

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 4,363, of which R$ 686 are estimated as non-recoverable on the acquisition date, with R$ 3,677 being the net receivable amount.

Sub judice taxes

The Polonorte Group has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 11,566. See Note No. 27 (b).

c. *Revenue and results*

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from June 1 to December 31, 2019, from the acquisition of R$ 23,611 and R$ 3,467, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$ 39,276 and R$ 4,141, respectively).

d. *Goodwill*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	13,538
Fair value of identifiable net assets (A)	(1,992)
Total of goodwill (A – B)	**15,530**

The goodwill resulting from the acquisition amounts to a total of R$ 15,530, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. This goodwill is attributed mainly to the skills and technical talent of the Polonorte Group's workforce and to the synergies expected in the integration of the entity into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$353 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.11 Gol Segurança e Vigilância Ltda. – called "Gol"

On November 8, 2019, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., acquired 80% of the shares of the companies of Gol Segurança e Vigilância Ltda., thus gaining control over it. Gol is headquartered in Belo Horizonte, State of Minas Gerais, and is active in providing personal and private security services, armed surveillance and disarming of financial establishments and other establishments.

a. *Consideration transferred*

The acquisition was made for the amount of R$ 35,392, comprising the amounts shown below:

(i) The amount of R$ 2,000 paid via bank transfer on the date of signing the sale agreement;

(ii) Fixed installment of R$ 25,898, paid on the date of signature of the closing term, in November 2019;

(iii) Put option in the amount of R$ 7,494, based on Gol's quotas purchase agreement, which provides for a call option ("CALL") held by Top Service Serviços e Sistemas S.A and a put option ("PUT") held by the holders of the remaining 20%, in order to complete the acquisition of 100% of the company;

(iv) The call and put options are valid throughout 20 years from September 16, 2019.

During the entire term of the agreement, either party may anticipate the exercise of the said options, which can be calculated considering the use of the anticipated acquisition method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2021, until the end of the term of the agreement. As a result of this section, the Group, through its subsidiary Top Service Serviços e Sistemas S.A., recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. See Note No. 28.

b. Identifiable assets acquired and liabilities assumed

As of September 30, 2019, the financial statements of the period were used for the allocation of the purchase price. For the purposes of accounting for opening balances, adjustments were made as shown in the table below to adjust the Company's equity and financial situation.

	Fair value
Cash and cash equivalents	7,097
Trade receivables and other receivables	6,586
Recoverable taxes	773
Judicial deposits	4,066
Deferred income tax and social security contribution (d)	3,793
Fixed assets	288
Intangible assets (b)	13,460
Other assets (c)	2,482
Loans and borrowings	(120)
Trade and other payables	(3,656)
Labor liabilities	(11,501)
Tax liabilities	(456)
Contingent liabilities (a)	(2,348)
Sub judice taxes	(9,660)
Total of identified assets, net	**10,804**

(a) R$ 1,238 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$1,110 refer to the actual provisions, recognized in the Balance Sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 7,002, of which R$ 416 are estimated as non-recoverable on the acquisition date, with R$ 6,586 being the net receivable amount.

Contingent liabilities and Sub judice taxes

Gol is a defendant in legal proceedings alleging non-compliance with labor laws. Management's assessment, based on the assessment of its independent legal advisor, is that there are legal proceedings where the outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 1,110. See Note No. 27 (a).

Gol has identified tax risks subject to assessment by competent bodies. Management's assessment, based on the assessment of its independent consultant, is that there are processes where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 9,660. See Note No. 27 (b).

c. *Revenue and results*

In the fiscal year ended December 31, 2019, the Group consolidated the amounts of net revenue and net income for the period from October 1 to December 31, 2019, from the acquisition of R$ 20,819 and R$ 1,793, respectively (if the acquisition date were at the beginning of the reporting period, such amounts would be R$ 77,916 and R$ 5,318, respectively).

d. *Goodwill*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	35,392
Fair value of identifiable net assets (B)	10,804
Total of goodwill (A – B)	**24,588**

The goodwill resulting from the acquisition amounts to a total of R$ 24,588, which comprises the amount of the difference paid by the Group in relation to the identifiable of the acquired company. This goodwill is attributed mainly to the skills and technical talent of the Gol's workforce and to the synergies expected in the integration of the entity into the Group's existing businesses. See Note No. 20(a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$ 308 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.12 Total spin-off and merger WP Participações V S.A.

On October 26, 2015, in a process of purchase and sale of shares, WP Participações V S.A. (WP V), an special purpose entity ("SPE") fully owned by Investment Fund WP XI D Fundo de Investimento em Participações Multiestratégia (WP FIP), acquired one million, five hundred and fifty-seven thousand and ninety-eight (1,557,098) common shares issued by GPS Participações e Empreendimentos S.A. ("GPS S.A"), current Parent Company of Top Service Serviços e Sistemas S.A. On that date, the shares acquired represented 30.74% of WP V's interest in GPS Participações e Empreendimentos S.A..

Following a reverse spin-off of WP V into GPS S.A., WP FIP became a direct investor of GPS S.A, on July 31, 2018, as approved by an Extraordinary General Meeting. Following the merger of shares, WP V became a subsidiary of GPS S.A., holding 31.09% of Top Service Serviços e Sistemas S.A. ("Top Service").

Next, there was an increase in the share capital of GPS S.A., with the consequent issuance of new common shares, nominative without par value, which were granted to the shareholders of WP FIP with a consequent capital reduction of WP V and cancellation of certain common shares. Top Service became fully owned by GPS S.A..

In a next transaction step, on October 31, 2019, WP V was fully incorporated into GPS S.A. and seized to exist. The incorporation was based on the carrying amount whose aggregate value corresponded to the net assets of WP V provided for in an Appraisal Report, in the amount of R$15,139, with the following values attributed to each of the spun-off portions:

Merging Companies	**Value of the spin-off portion appraised by the equity account method**
Top Service	61,713
GPS Tec	3,235
GPS BA	7,811
GPS SP	102,769
GPS RJ	5,003
Ecopolo	5,464
In Haus	10,624
Engeseg	6,603
In Haus Industrial (SIM)	3,301
SOM	1,039
Proevi	(122)
Proguarda Serviços	4,777
Proguarda Sistemas	97
Proguarda Vigilância	2,825
Total	**215,139**

3.13 BC2 Construtora S.A. and BC2 Infraestrutura S.A. – called "BC2 Group"

On January 3, 2020, the Group, through its direct subsidiary Top Service Serviços e Sistemas S.A., acquired 75% of the capital shares, which also comprises 75% of the voting capital of the BC2 Group companies, being BC2 Construtora S.A. with headquarters in the city of São Paulo, State of São Paulo and BC2 Infraestrutura S.A. with headquarters in the city of Bauru, State of São Paulo. The companies are active in service provision segments, such as design, construction and maintenance services in engineering, civil, electrical and telecommunications infrastructure works for highways, railways and urban areas, special art works, and drilling; spraying and pest control services; earthworks, construction, paving and maintenance of highways, industrial areas, urbanization and landscaping works, gardening service, green areas and urban maintenance and cleaning; port, maritime and river works, construction of port facilities, ports, marinas, navigation channels, port and terminal management, port infrastructure management and terminal operations; and rental of construction and demolition machinery and equipment, with or without an operator.

a. Consideration transferred

The acquisition was made for the amount of R$ 92,889, being:

(i) R$ 1,262 paid via bank transfer on the date of signing the purchase agreement;

(ii) The total amount of R$ 74,325, consisting of the fixed installment of R$ 60,920 paid on January 3, 2020, date of signing the purchase term, plus a variable installment (earn-out) in the amount of R$ 13,405 generated based on the terms of the share purchase agreement where it determines that it will be calculated based on the EBITDA calculated in the period from January 1 to December 31, 2020;

(iii) Put option in the amount of R$ 20,982, based on the Quotas Purchase Agreement signed between the parties that provides for a call option held by Top Service and a put option held by the owners of the remaining 25%, in order to finalize the acquisition of 100% of the BC2 group, where during the entire term of the contract any of the parties may anticipate the exercise of the respective option, which can be calculated considering the use of the Anticipated Acquisition Method. The options may be exercised by their respective holders, during the period of ninety (90) days, counted from the delivery of each annual statement of financial position, starting from the delivery of the annual statement of financial position for the fiscal year that will end on December 31, 2021, until the end of the term of the agreement. As a result of this section, Top Service recorded the equivalent to the present value of the exercise price of the call and put option in determining the consideration paid. The total amount recorded in the pending consideration refers to the adoption of the anticipated acquisition method for the remaining 25% of the group. See Note No. 28;

(iv) The call and put options are valid throughout 20 years from October 07, 2019.

b. Identifiable assets acquired and liabilities assumed

	Fair value
Cash and cash equivalents	4,699
Trade receivables and other receivables	42,015
Recoverable taxes	7,353
Judicial deposits	277
Deferred income tax and social security contribution (d)	19,859
Property, plant, and equipment (b)	48,884
Lease payables	8,167
Other assets (c)	1,415
Bank loans	(50,634)
Trade and other payables	(41,322)
Labor liabilities	(17,450)
Tax liabilities	(1,900)
Contingent liabilities (a)	(4,975)
Sub judice taxes	(6,824)
Total of identified assets, net	**9,564**

(a) R$4,536 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$439 refer to the actual provisions, recognized in the balance sheet.

(b) Includes fixed assets. The fair value allocated to fixed assets derives from the market valuation of fixed assets belonging to the acquired ones. See note 18 (a).

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired *a. Purchased receivables*

"Trade receivables" comprises gross contractual amounts due of R$ 44,897, of which R$ 2,882 are estimated as non-recoverable on the acquisition date, with R$ 42,015 being the net receivable amount.

b. Contingent liabilities and sub judice taxes

The BC2 Group is a defendant in legal proceedings alleging non-compliance with labor laws. Management's position, based on the assessment of its independent legal advisor, is that there are legal proceedings where an outflow of resources is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 439 (see Note No. 27(a)).

The BC2 Group also has identified tax risks subject to assessment by competent bodies. Management's position, based on the assessment of its independent advisor, is that there are legal proceedings where an outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 6,824 (see Note No. 27(b)).

c. Revenue and results

The Group consolidated in the quarter ended December 31, 2020 the amounts of revenue and net income for the period from January 4 to December 31, 2020 arising from the acquisition of R$ 61,168 and R$ 5,892, respectively.

d. Goodwill

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	96,569
Fair value of identifiable net assets (B)	9,564
Total of goodwill (A – B)	**87,005**

The goodwill resulting from the acquisition amounts to a total of R$ 87,005, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. It is attributed mainly to the skills and technical talent of the BC2 Group's workforce and to the synergies expected in the integration of the group companies into the Group's existing businesses. See Note No. 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$586 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.14 Luandre Serviços Temporários Ltda., Luandre Temporários Ltda. e Luandre Ltda. - call "Luandre Group"

On October 1, 2020, the Group, through its direct subsidiary Top Service Serviços e Sistemas SA, acquired 80% of the share capital, which also comprises 80% of the voting capital of the Luandre Group companies, with Luandre Serviços Temporários Ltda ., thus obtaining its control. Luandre Temporários Ltda and Luandre Ltda. headquartered in the city of São Paulo, state of São Paulo. The companies operate in the segment of administration and management of temporary labor for third parties, pursuant to Law 6,019 / 74, as amended by Law 13,429/17.

a. Consideration transferred

The acquisition was made for the amount of R$ 170,818, being:

(i) R$ 5,862 paid via bank transfer on the date of signing the purchase agreement;

(ii) Fixed installment of R$ 93,536, paid on the date of signature of the closing term, in October 2020;

(iii) R$ 18,803 as an additional amount to be paid according to agreement clauses establishing the criteria to be met by the parties. This additional amount to be paid corresponds to a single installment and will be calculated on a multiple of the revenues on December 31, 2020 of the acquired companies. The said additional amount must be paid within 10 days from the presentation of the calculation by a specialized third party;

(iv) Put option in the amount of R$ 52,617, based on the Share Purchase and Sale Agreement signed between the parties, which provides for a call option held by Top Service and a put option held by the holders of the remaining 20%, in order to finalize the acquisition of 100% of the Luandre group, and during the entire term of the contract, either party can anticipate the exercise of the respective option, which can be calculated considering the use of the early acquisition method ("Antecipated Acquisition Method"). The options may be exercised by their respective holders, during the period of 90 (ninety) days, counted from the delivery of each annual balance sheet, starting from the delivery of the annual balance sheet for the fiscal year that will end on December 31, 2021, until the end of the contract term. As a result of this clause, Top Service recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. The total amount recorded in the open consideration refers to the adoption of the early acquisition method ("Antecipated Acquisition Method") for the remaining 20% of the group. See note 28;

(v) The call and put options are valid throughout 10 years from October 1, 2020.

b. Identifiable assets acquired and liabilities assumed

	Fair value
Cash and cash equivalents	6,432
Trade receivables and other receivables	41,938
Recoverable taxes	9,555
Deferred income tax and social contribution (f)	16,608
Judicial deposits	1,686
Property, plant, and equipment (b)	4,012
Right of use	6,821
Intangible (c)	81,736
Other assets (d)	2,276

	Fair value
Lease payables	(6,821)
Trade and other payables	(3,333)
Labor liabilities	(29,610)
Tax liabilities (e)	(7,550)
Contingent liabilities (a)	(2,800)
Sub judice taxes	(46,236)
Total of identified assets, net	**74,714**

(a) R$ 1,169 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$ 1,631 refer to the actual provisions, recognized in the balance sheet

(b) Includes fixed assets. The fair value allocated to fixed assets derives from the market valuation of fixed assets belonging to the acquired ones.

(c) Allocation given to the customer and brand portfolio. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income. The brand intangible stems from the ease with which consumers easily identify a business by products and services.

(d) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(e) Refers to income tax and social contribution.

(f) Refers to taxes on temporary differences arising from the fair value of the net assets acquired

a. Purchased receivables

The "Accounts receivable from customers" comprises gross contractual amounts due of R$ 42,916, of which R$ 978 are estimated as non-recoverable on the acquisition date, with R$ 41,938 being the net receivable amount.

b. Contingent liabilities and sub judice taxes

The Luandre Group is defending itself in lawsuits alleging non-compliance with labor laws. Management's position, based on the assessment of its independent legal counsel, is that there are processes in which the outflow of funds is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 1,631 (see note 27 (a)).

The Luandre Group also has identified tax risks that can be assessed by Organs competent bodies. Management's position, based on the assessment of its independent consultant, is that there are processes in which the outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 53.965 (see note 27 (b)).

c. Revenue and results

The Group consolidated in the year ended December 31, 2020 the amounts of revenue and net income for the period from October 1 to December 31, 2020 arising from the acquisition of R$ 172,961 and R$ 18,689, respectively (if the acquisition date at the beginning of the reporting period, such amounts would be R$ 502,825 and R$ 36,411, respectively).

d. *Goodwill*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	170,818
Fair value of identifiable net assets (B)	74,714
Total of goodwill (A – B)	**96,104**

The goodwill resulting from the acquisition amounts to a total amount of R$ 96,104, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. It is mainly attributed to the skills and technical talent of the Luandre Group's workforce and the expected synergies in the integration of the group's companies into the Group's existing businesses. See note 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$624 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.15 Conbras Serviços Técnicos de Suporte Ltda. - called "Conbras"

On October 7, 2020, the Group, through its direct subsidiary Top Service Serviços e Sistemas SA, acquired 100% of the share capital, which also comprises 100% of the voting capital of Conbras, headquartered in the city of Rio de Janeiro, state of Rio de Janeiro, which provides the following services: building management and related general services; technical assistance and projects related to building management services; electrical and electronic, mechanical and hydraulic, operation and maintenance services for installations and equipment; maintenance and repair services for air conditioning equipment, systems and installations; and services for the operation and maintenance of equipment and installations against fire and panic.

a. *Consideration transferred*

The acquisition was made for the amount of R$ 70,367, being:

(i) Fixed installment of R$ 70,367, paid on the date of signature of the purchase agreement;

b. *Identifiable assets acquired and liabilities assumed*

	Fair value
Cash and cash equivalents	22,335
Trade receivables and other receivables	55,529
Recoverable taxes	8,587
Deferred income tax and social security contribution (c)	11,415
Judicial deposits	989
Property, plant and equipment	5,188
Right of use	2,897
Intangible assets (b)	23,818
Other assets	1,264
Leases payable	(2,897)
Trade and other payables	(6,927)

	Fair value
Labor liabilities	(25,299)
Tax liabilities	(16,774)
Contingent liabilities (a)	(23,085)
Sub judice taxes	(24,608)
Total of identified assets, net	**32,432**

(a) R$ 18,481 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$ 4,604 refer to the actual provisions, recognized in the balance sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income.

(c) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables

The "Accounts receivable from customers" comprises gross contractual amounts due of R$ 56,152, of which R$ 623 are estimated as non-recoverable on the acquisition date, with R$ 55,529 being the net receivable amount.

Contingent liabilities and sub judice taxes

Conbras is defending itself in lawsuits alleging non-compliance with labor laws. Management's position, based on the assessment of its independent legal counsel, is that there are processes in which the outflow of funds is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 4,604 (see note 27 (a)).

Conbras also has identified tax risks subject to assessment by Organs competent bodies. Management's position, based on the assessment of its independent consultant, is that there are processes in which the outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 24,608 (see note 27 (b)).

c. Revenue and results

The Group consolidated in the year ended December 31, 2020 the amounts of revenue and net income for the period from October 1 to December 31, 2020 resulting from the acquisition of R$ 71,048 and R$ 4,183, respectively (if the date of acquisition at the beginning of the reporting period, such amounts would be R$ 260,008 and R$ 10,491, respectively).

d. Goodwill

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	70,367
Fair value of identifiable net assets (B)	32,432
Total of goodwill (A – B)	**37,935**

The goodwill resulting from the acquisition amounts to a total amount of R$ 37,935, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. It is mainly attributed to the skills and technical talent of the Conbras workforce and to the synergies expected in the integration of the group's companies into the Group's existing businesses. See note 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. Acquisition costs

The Group incurred in costs related to the acquisition in the amount of R$ 826 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.16 ISS Sulamericana Brasil Ltda., ISS Servisystem do Brasil Ltda., ISS Manutenção e Serviços Integrados Ltda., ISS Serviços de Logística Integrada Ltda., ISS Biosystem Saneamento Ambiental Ltda. e ISS Catering Sistemas de Alimentação Ltda. – called "ISS Group"

On October 8, 2020, the Group, through its direct subsidiary Top Service Serviços e Sistemas SA, acquired 100% of the share capital, which also comprises 100% of the voting capital of the ISS Group, headquartered in the city of São Paulo, state of São Paulo, which provide the following services: cleaning, maintenance, landscaping, facility management, administrative and logistical support services.

a. Consideration transferred

The acquisition was made for the amount of R$ 1,00 (one Brazilian real), due to the liabilities assumed. This amount was settled on the signing date of the purchase agreement.

b. Identifiable assets acquired and liabilities assumed

	Fair Value		
	ISS Servisystem do Brasil Ltda.	**ISS Sulamericana Brasil Ltda.**	**ISS Group**
Cash and cash equivalents	58,849	-	58,849
Trade receivables and other receivables	36,227	-	36,227
Recoverable taxes	19,867	-	19,867
Deferred income tax and social security contribution (c)	26,138	101	26,239
Judicial deposits	27,086	117	27,203
Property, plant, and equipment (b)	24,909	558	25,467
Right of use	4,960	-	4,960
Other assets	(266)	5,832	5,566
Bank loans	(6,195)	-	(6,195)
Lease payables	(4,960)	-	(4,960)
Trade and other payables	(18,727)	-	(18,727)
Labor liabilities	(35,909)	-	(35,909)
Tax liabilities	(7,710)	-	(7,710)
Contingent liabilities (a)	(123,335)	(5,004)	(128,339)
Sub judice taxes	(8,424)	(276)	(8,700)
Total of (liabilities assumed) identified assets, net	**(7,490)**	**1,328**	**(6,162)**

(a) R$63,745 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$ 64,594 refer to the actual provisions, recognized in the Balance Sheet.

(b) Includes fixed assets. The fair value allocated to fixed assets derives from the market valuation of fixed assets belonging to the acquired ones.

(c) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables
"Trade receivables" comprises gross contractual amounts due of R$ 40,106, of which R$ 3,879 are estimated as non-recoverable on the acquisition date, with R$ 36,227 being the net receivable amount.

Contingent liabilities and Sub judice taxes
ISS Group is defending itself in lawsuits alleging non-compliance with labor laws. Management's position, based on the assessment of its independent legal counsel, is that there are processes in which the outflow of funds is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R $ 64,594 (see note 27 (a)).

ISS Group also has identified tax risks subject to assessment by Organs competent bodies. Management's position, based on the assessment of its independent consultant, is that there are processes in which the outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 8,700 (see note 27 (b)).

c. *Revenue and results*

The Group consolidated in the year ended December 31, 2020 the amounts of revenue and net loss for the period from October 1 to December 31, 2020 resulting from the acquisition of R $ 65,081 and R$ 3,810, respectively (if the acquisition date at the beginning of the reporting period, such amounts would be R $ 253,580 and R $ 48,837, respectively).

d. *Bargain purchase on the acquisition of ISS Sulamericana Brasil Ltda*

The bargain purchase recognized from acquisition was determined identified as follows:

Consideration transferred (A)	-
Bargain purchase - result (ii)	1,328
Total of bargain purchase (A – B)	**1,328**

e. *Goodwill on the acquisition of ISS Servisystem do Brasil Ltda.*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	-
Fair value of identifiable net assets (B)	(7,490)
Total of goodwill (A – B) (i)	**7,490**

(i) Refers to identified assets by ISS Servisystem do Brasil Ltda.

The goodwill resulting from the acquisition amounts to a total amount of R $ 7,490, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. It is mainly attributed to the skills and technical talent of the ISS Group's workforce and the expected synergies in the integration of the group's companies into the Group's existing businesses. See note 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

f. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$ 1,035 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

3.17 Sunset Serviços Patrimoniais Ltda., Sunset Vigilância e Segurança Ltda., Sunplus Sistemas de Serviços Ltda. – called "Sunset Group"

On November 12, 2020, the Group, through its indirect subsidiary Graber Sistemas de Segurança Ltda., Acquired 55% of the share capital, which also comprises 55% of the voting capital of the Sunset Group companies, thus obtaining its control, of which Sunset Serviços Patrimoniais Ltda ., Sunset Vigecimento e Segurança Ltda., And Sunplus Sistemas de Serviços Ltda., Headquartered in the city of Rio de Janeiro, state of Rio de Janeiro. The companies operate in the segment of: maneuvering service, parking vehicles, vehicle guard, traffic support, exhibition services for fairs and congress samples, armed escort, private personal security, property surveillance and security, property conservation and cleaning , general services, gardening services, concierge agents, salon inspector, parking and receptionist, access controller, civil fireman, loss prevention inspector, valets, among other correlates.

a. *Consideration transferred*

The acquisition was made for the amount of R$ 75,207, being:

(i) R$ 1,000 paid via bank transfer on the date of signing the purchase agreement;

(ii) Fixed installment of R$ 11,918, paid on the date of signature of the closing term, in November 2020;

(iii) R$ 18,388 as an additional amount to be paid according to agreement clauses establishing the criteria to be met by the parties. This additional amount to be paid is conditioned to the EBITDA of the acquired companies calculated in the period from January 1, 2021 to December 31, 2021, limited to amounts defined in the contract. Such additional amount will be due if EBITDA is higher than the values defined in the agreement;

(iv) Put option in the amount of R$ 43,901, based on the Quota Purchase and Sale Agreement signed between the parties, which provides for a call option held by Graber and a put option held by the holders of the remaining 45%, in order to finalize the acquisition of 100% of the Sunset group, and during the entire term of the contract either party can anticipate the exercise of the respective option, which can be calculated considering the use of the early acquisition method ("Antecipated Acquisition Method"). The options may be exercised by their respective holders, during the period of 90 (ninety) days, counted from the delivery of each annual balance sheet, starting from the delivery of the annual balance sheet for the fiscal year that will end on December 31 December 2023, until the end of the contract term. As a result of this clause, Graber recorded the equivalent to the present value of the exercise price of the call and put option ("CALL") or ("PUT") in determining the consideration paid. The total amount recorded in the open consideration refers to the adoption of the early acquisition method ("Antecipated Acquisition Method") for the remaining 20% of the group. See note 28;

(v) The call and put options are valid throughout 20 years from November 12, 2020.

b. *Identifiable assets acquired and liabilities assumed*

	Fair Value
Cash and cash equivalents	3,458
Trade receivables and other receivables	12,063
Recoverable taxes	4,444
Deferred income tax and social contribution (d)	20,106
Property, plant, and equipment	3,841
Right of use	430
Intangible assets (b)	26,251
Other assets (c)	3,033
Bank loans	(1,512)
Lease payables	(430)
Trade and other payables	(306)
Labor liabilities	(18,365)
Tax liabilities	(2,344)
Contingent liabilities (a)	(6,724)
Sub judice taxes	(48,524)
Total of liabilities assumed, net	**(4,579)**

(a) R$ 357 refers to the allocation of contingent liabilities (not registered in the acquired company balance sheet), and R$ 6,367 refer to the actual provisions, recognized in the Balance Sheet.

(b) Allocation given to the customer. The intangible of the customer portfolio derives from the company's relationship with its customers, which represent a stable and recurring source of income. Deferred taxes are recognized in the acquiring company, which registers the surplus value. The rate of 34% (income tax and social contribution).

(c) Refers to indemnity asset, prepaid expenses, advances and judicial deposits.

(d) Refers to taxes on temporary differences arising from the fair value of the net assets acquired.

Purchased receivables

"Trade receivables" comprises gross contractual amounts due of R$ 15,670, of which R$ 3,607 are estimated as non-recoverable on the acquisition date, with R$ 12,063 being the net receivable amount.

Contingent liabilities and sub judice taxes

The Sunset Group is defending itself in lawsuits alleging non-compliance with labor laws. Management's position, based on the assessment of its independent legal counsel, is that there are processes in which the outflow of funds is likely to end the dispute. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 6,367 (see note 27 (a)).

The Sunset Group also has identified tax risks subject to assessment by Organs competent bodies. Management's position, based on the assessment of its independent consultant, is that there are processes in which the outflow of resources is likely. Management's assessment of the fair value of this contingent liability, taking into account the possible results of the lawsuit, is R$ 48,524 (see note 27 (b)).

c. *Revenue and results*

The Group consolidated in the year ended December 31, 2020 the amounts of revenue and net income for the period from October 1 to December 31, 2020 resulting from the acquisition of R$ 27,851 and R$ 3,289, respectively (if the acquisition date at the beginning of the reporting period, such amounts would be R$ 144,672 and loss R$ 1,258, respectively).

d. *Goodwill*

Goodwill recognized as income from acquisition was identified as follows:

Consideration transferred (A)	75,207
Fair value of identifiable net assets (B)	(4,579)
Total of goodwill (A – B)	**79,786**

The goodwill resulting from the acquisition amounts to a total amount of R $ 79,786, which comprises the amount of the difference paid by the Group in relation to the identifiable net assets. It is mainly attributed to the skills and technical talent of the Sunset Group's workforce and the expected synergies in integrating the group's companies into the Group's existing businesses. See note 20 (a).

In this regard, the tax treatment will take place from the moment the investment is made, as of the merger of the acquired company, which corresponds to the trigger for the tax advantage of the goodwill, according to the current legislation.

e. *Acquisition costs*

The Group incurred in costs related to the acquisition in the amount of R$ 126 relating to legal fees and due diligence costs. Attorney fees and due diligence costs were recorded as "Other income and expenses" in the statement of profit or loss.

4 Basis for preparation

4.1 Declaration of conformity in relation to the IFRS and CPC standards

The individual and consolidated financial statements identified as parent company and consolidated have been prepared in accordance with accounting policies adopted in Brazil, including the pronouncements issued by the Accounting Pronouncements Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the Accounting Standards Board (IASB) , and evidence all material information of the financial statements (parent company and consolidated), and that alone, which is consistent with that used by Management.

The significant accounting policies applied in preparing these financial statements are presented in Note No. 8.

The preparation of financial statements demands the use of certain critical accounting estimates and judgment by the Group's management in the process of applying accounting policies. The areas that require a higher level of judgment and that are more complex, as well as the areas where assumptions and estimates are relevant for the financial statements, are described in Note No. 5.

The issuance of the financial statements was authorized by Management on 17 February 2021.

After its issue, only the shareholders have the power to change the financial statements.

All relevant Company information in the financial statements, and only that information is being evidenced and corresponds to that used by management in its administration.

4.2 Statement of value added

The presentation of the Statement of Value Added (DVA), individual and consolidated, is required by Brazilian corporate legislation and accounting policies adopted in Brazil applicable to publicly-held companies. The DVA was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". IFRS does not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

4.3 Consolidation

The Group consolidates all entities over which it holds control, that is, when it is exposed or has rights to variable returns from its involvement with the investee and is able to direct the relevant activities of the investee.

The subsidiaries included in the consolidation are described in Note No. 2 and the accounting policies applied in preparing the consolidated financial statements are described in Note No. 8.

4.4 Functional and presentation currency

These financial statements are presented in Brazilian Reais, which is the Group’s functional currency. All balances have been rounded up to the nearest thousands, except when otherwise indicated.

4.5 Presentation of information by segment

The information by operating segments is presented in a manner consistent with the internal report provided to the main chief operating decision maker.

The Company's main decision-making body, responsible for defining the allocation of resources and evaluating the performance of the operating segments, is the Board of Directors.

5 Use of estimates and judgments

The preparation of these individual and consolidated financial statements required Management to make judgments, estimates and assumptions that affect the application of the Parent Company and its subsidiaries accounting policies and the reported amounts for assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are continuously revised. Any changes in estimates are recognized in prospective basis.

5.1 Judgments

Details of judgments made in applying accounting policies that have a significant effect on amounts shown in the individual and consolidated financial statements are given in the following notes:

- **Note No. 2 -** Determination of whether the Group does in fact control an investee, regarding the fact that the options from acquisition contracts could be considered as deferred considerations.

5.2 Uncertainties about assumptions and estimates

Information about uncertainties on assumptions and estimates that have a significant risk of resulting in a material adjustment within the fiscal year ended December 31, 2020 is included in the following notes:

- **Note No. 3** - Acquisition of subsidiary: determination of the fair values of the consideration transferred (including contingent consideration) and the identifiable assets acquired, and liabilities assumed;

- **Note No. 13** - Trade receivables: Measurement of expected credit loss for trade receivables.

- **Note No. 20** - Impairment test for intangible assets and goodwill: main assumptions regarding recoverable values and value in use of cash-generating units (CGUs) based on estimated discounted cash-flow; and

- **Note No. 27** - Recognition and measurement of provisions for tax, civil and labor contingencies and *sub judice* taxes: key assumptions on probability and magnitude of outflows of funds.

The Company uses market observable inputs, as far as possible, to measure the fair value of an asset or a liability. Fair values are classified at different levels in a hierarchy based on inputs used in valuation techniques in the following manner:

- **Level 1:** quoted prices (not adjusted) in active markets for identical assets and liabilities.

- **Level 2:** inputs, other than the quoted prices included in Level 1, which are directly (by price) or indirectly (by price derivatives) observable for an asset or liability.

- **Level 3:** inputs for an asset or liability that are not based on observable market data (non-observable inputs).

Additional information on the premises used to measure fair values is included in the following note:

- **Note No. 30** – Financial instruments

6 Changes in the significant accounting policies

6.1 CPC 06 – Leases

The Group initially applied CPC 06 (R2) / IFRS 16 - Leases as of January 1, 2019.

The Group adopted CPC 06 (R2) / IFRS 16 using the modified retrospective approach, in which the cumulative effect of the initial investment is recognized in the opening balance of earnings reserves on January 1, 2019. Consequently, the comparative information presented for 2018 is not restated - that is, it is presented, as previously reported, in accordance with CPC 06(R1) and related interpretations. Details of changes in accounting policies are disclosed below. In addition, the disclosure requirements in CPC 06(R2)/IFRS 16 in general have not been applied to comparative information.

a. Definition of lease

Previously, the Group determined, at the beginning of the contract, whether it was or contained a lease in accordance with ICPC 03 Complementary Aspects of Lease Operations. The Group now assesses whether an agreement is or contains a lease based on the definition of lease, described in Note No. 8.12.

In the transition to CPC 06(R2)/IFRS 16, the Group chose to apply the practical expedient with respect to the definition of lease, which assesses which transactions are leases. The Group applied CPC 06(R2)/IFRS 16 only to agreements previously identified as leases. Agreements that were not identified as leases in accordance with CPC 06(R1) and ICPC 03 have not been reassessed for the existence of a lease in accordance with CPC 06 (R2)/IFRS 16. Therefore, the definition of a lease in accordance with CPC 06(R2)/IFRS 16 was applied only to agreements signed or amended on or after January 1, 2019.

b. As lessee

As a lessee, the Group leases several assets, including real estate, equipment and machinery for the provision of information technology equipment and services. The Group previously classified leases as operating or financial, based on its assessment of whether the lease significantly transferred all the risks and benefits inherent in ownership of the Group's underlying asset. According to CPC 06(R2) / IFRS 16, the Group recognizes right-of-use assets and liabilities only for the real estate properties - that is, these leases are on the statement of financial position.

At the beginning or in the modification of an agreement that contains a lease component, for real estate leases, the Group chose not to separate the non-lease components and account for the lease and the associated non-lease components, as a single lease component.

(i) Lease classified as operating lease in accordance with CPC 06(R1)

The Group previously classified real estate leases as operating leases in accordance with CPC 06 (R1). In the transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental loan rate on January 1, 2019 (see Note No. 6 (c)(i)). Right-of-use assets are measured:

- At their carrying amount as if CPC 06 (R2) / IFRS 16 had been applied since the start date, discounted using the Group's incremental loan rate on the date of initial application: the Group applied this approach to its largest real estate lease;

- At an amount equal to the lease liability, adjusted by the amount of any anticipated or accumulated lease receipts:

The Group applied this second approach to all other Lease contracts.

The Group tested its right-of-use assets for impairment losses on the transition date and concluded that there is no indication that the right-of-use assets have impairment problems.

The Group used several practical expedients when applying CPC 06(R2) / IFRS 16 to leases previously classified as operating leases in accordance with CPC 06(R1). In particular:

- It did not recognize assets and liabilities for leases whose lease term ends within 12 months from the date of initial application;

- It did not recognize assets and liabilities for leasing low value assets (for example, IT equipment);
- It excluded the initial direct costs of measuring the right-of-use asset on the date of initial application; and
- It determined the lease term retrospectively.

c. *Impact on financial statements*

(i) *Impact on the transition*

In the transition to CPC 06 (R2) / IFRS 16, the Group recognized additional right-of-use assets and additional lease liabilities, recognizing the difference in the opening balance of earnings reserves. The impact on the transition is summarized below.

	January 1, 2019
Right-of-use assets	35,609
Lease liabilities	(35,609)

For the impact of CPC 06(R2) / IFRS 16 on the result for the period, see Note No. 31(b). For details on accounting policies in accordance with CPC 06(R2) / IFRS 16 and CPC 06(R1), see Note No. 8.12.

When measuring lease liabilities for leases classified as operating, the Group discounted lease payments using its incremental borrowing rate on January 1, 2019. The weighted average rate applied is 6.2% per annum.

6.2 ICPC 22 / IFRIC 23 – Uncertainty over income tax treatments

ICPC 22 – Uncertainties over income tax treatments was also adopted for the first time as of January 1, 2019, however, it had no relevant effects on the Group's accounting information.

This interpretation clarifies how to apply the recognition and measurement requirements of CPC 32/ IAS 12 - Taxes on Profit, when there is uncertainty about income tax treatments. In these circumstances, the entity must recognize and measure its current or deferred tax asset or liability, applying the requirements of CPC 32 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits used and tax rates determined based on this interpretation.

A number of other new standards also came into effect as of January 1, 2020 but did not materially affect the Group's financial statements.

6.3 CPC 15 / IFRS 3 - Business Definition

The Group initially adopted the amendments to CPC 15 / IFRS 3 on defining a business as of January 1, 2020.

The Group applied the Definition of a Business (Amendments to CPC 15 / IFRS 3) to business combinations whose acquisition dates occurred on or after January 1, 2020 to assess whether it had acquired a business or a group of assets. Details of accounting policies are presented in note 8.1 (a). See also note 3 for details of the acquisition of a Group subsidiary during the year.

7 Basis for measurement

The individual and consolidated financial statements have been prepared according to historic cost, except for the following material items recognized in the Statement of Financial Position:

(i) The financial derivatives are measured at fair value.

(ii) The non-derivative financial instruments measured at their fair value in the Statement of profit or loss are measured at fair value.

(iii) Contingent liabilities assumed in a business combination are measured at fair value.

Measurement of fair value

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date, in the main market or, in its absence, in the most advantageous market to which the Group has access on that date. The fair value of a liability reflects its risk of non-performance. The default risk includes, among others, the Group's own credit risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities.

When available, the Group measures the fair value of an instrument using the price quoted in an active market for that instrument. A market is considered as active if transactions for asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted in an active market, the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account when pricing a transaction.

If an asset or liability measured at fair value has a purchase price and a sale price, the Group measures assets based on purchase prices and liabilities based on sale prices.

The best evidence of the fair value of a financial instrument on initial recognition is usually the price of the transaction - that is, the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced either by a price quoted in an active market for an identical asset or liability or based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at the adjusted fair value to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, this difference is recognized in profit or loss on an appropriate basis over the life of the instrument, or until such time as the valuation is fully supported by market observable inputs or the transaction is closed, whichever occurs first.

8 Significant accounting policies

The Group applied the accounting policies described below consistently to all the years presented in these financial statements, except for the change in certain accounting policies, as shown below:

- CPC 06 (R2) / IFRS 16 and ICPC 22 / IFRIC 23, whose adoption took place from 2019;
- CPC 15 / IFRS 3, whose adoption took place from 2019.

8.1 Basis for consolidation

a. Business combination

Partial business combinations (where acquired share represents less than 100%) are accounted for using the anticipated acquisition method. Following this methodology, in the same date of the acquisition, the parts mutually outreach an instrument of option to buy and sell the residual capital or quotas of the acquired companies. Such instrument is irrevocable and determines exercise terms. As so, the Group registers all its acquisitions in full, regardless of its share in the acquirees.

The cost of an acquisition is measured as the sum of the transferred consideration, measured at fair value at the date of acquisition, and the unacquired portion measured at fair value by the date of preparation of the Purchase Price Allocation (PPA). Acquisition costs incurred are treated as expenses and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for the appropriate classification and designation according to the contractual terms, the economic circumstances and the relevant conditions on the date of the acquisition.

Any contingent consideration payable is measured at fair value as of the date of acquisition. If the contingent consideration is classified as an equity instrument, then it is not remeasured, and settlement is recorded within equity, within equity valuation adjustments. Other contingent considerations are remeasured at fair value on each reporting date, presented in Balance Sheet in “Acquisition of subsidiaries” and subsequent changes to fair value are recorded in the Statements of Profit and Loss, in “Other operating revenues (expenses)”.

Goodwill is measured using the anticipated acquisition method. By this method, the transaction is accounted considering the put option as already 100% exercised, since control is already acquired at the initial moment of the transaction.

After initial recognition, goodwill is measured at cost, less any impairment. For the purpose of testing for impairment, the goodwill acquired in a business combination is, since the acquisition date, allocated to each of the cash-generating units (Note No. 8.11) that should benefit from the business combination carried out, regardless of whether others assets or liabilities of the acquiree will be allocated to these units.

Liabilities from acquisitions are updated on a quarterly basis and the most relevant assumptions used on contingent consideration calculation are based on:

- Fair value at the measurement date;
- EBITDA multiples;
- Price additions based on financial indices including indicators such as working capital, net debt and/or withholdings from contingent considerations (liabilities assumed but not economically realized);
- Adjustment on the fair value of such considerations and valuation metrics based on the discounted cash flow method (when applicable).

b. Subsidiaries

The Parent Company controls an entity when it is exposed to variable returns or has the right over the variable returns that arise from its interest in the entity, having also the capacity to affect those returns using its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date when control began, up to the date when it ceased to exist.

In the Parent Company's individual financial statements, subsidiaries are recognized using the equity accounting method.

c. Loss of control

Upon loss of control, the Parent Company derecognizes the subsidiary's assets and liabilities, any non-controlling interests and other components recorded in the equity pertaining to subsidiary. Any gain or loss from loss of control is recognized in the Statement of profit or loss. If the Group retains any equity interest in the former subsidiary, this is shown at its fair value on the date when the loss of control occurs.

d. Participation of non-controlling interests

The Group elected to measure any non-controlling interests in the acquired company by the proportionate share in the identifiable net assets on the acquisition date, except for acquisitions using the anticipated acquisition method which does not consider non-controlling interest.

Changes in the Parent Company's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

e. Investments in entities recorded by the income (loss) from equity accounting method

The Group's investments in entities recorded by the income (loss) from equity accounting method include its interests in subsidiaries.

Such investments are recognized initially at cost, including transaction costs. After the initial recognition, the financial statements include the Group interest in the net profit or loss for the fiscal year and other comprehensive income from investee up to the date when the joint control ceases.

f. Transactions eliminated in consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses arising from intragroup transactions, are eliminated. Unrealized gains resulting from transactions with investee recorded by the equity accounting method are eliminated against the investment, in the proportion of Parent Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is evidence of impairment losses.

8.2 Cash and cash equivalents

Cash equivalents are held by the Company for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Group considers cash equivalents a short-term investment readily convertible into a known cash amount and subject to an insignificant risk of change in value. An investment, therefore, normally is qualified as a cash equivalent when it matures three months or less from the date upon which it was contracted and is maintained with the objective of honouring the Group's operational obligations. In the cash flow statements, cash and cash equivalents are shown net of negative balances in bank account.

8.3 Foreign-currency transactions

Foreign currency transactions, if any, are converted to the respective functional currency of Group entities by exchange rates on the transaction dates.

Monetary assets and liabilities denominated and calculated in foreign currencies on the date of statement of financial position are reconverted into the functional currency at the exchange rate determined on that date. Non-monetary assets and liabilities which are measured by the fair value in foreign currency are reconverted into the functional currency at the exchange rate on the date when the fair value was calculated. The differences of foreign currencies resulting from the conversion are recognized in the income.

8.4 Financial instruments

(i) Recognition and initial measurement

The Company applies the simplified approach of IFRS 9 / CPC 48 to the measurement of its financial instruments.

All financial assets and liabilities are initially recognized when the Company becomes part of the instrument's contractual provisions.

Accounts receivable from customers and debt securities issued are initially recognized on the date they were originated.

A financial asset (unless it is an accounts receivable from customers without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss (VJR), of the transaction costs that are directly attributable to their acquisition or issue. Accounts receivable from customers without a significant financing component are initially measured at the transaction price.

(ii) Subsequent classification and measurement

Financial instruments

At the initial recognition, a financial asset is classified as measured: at amortized cost; at fair value through other comprehensive income (FVTOCI) - debt instrument; at FVTOCI - equity instrument; at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to initial recognition, unless the Group changes the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the presentation period after the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVTPL:

- It is held within a business model that has as purpose the maintenance of financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows that are related only to the payment of principal and interest on the outstanding principal amount.

A debt instrument is measured at FVTOCI if it meets both of the conditions below and is not designated as measured at FVTPL:

- It is maintained within a business model whose objective is achieved both by the receipt of contractual cash flows and by the sale of financial assets; and
- Its contractual terms generate, on specific dates, cash flows that are only related to the payment of principal and interest on the outstanding principal amount.

Upon initial recognition of an investment in an equity instrument that is not held for trading, the Group may irrevocably choose to present subsequent changes in the fair value of the investment in other comprehensive income. This choice is made investment by investment.

All financial assets not classified as measured at amortized cost or VJORA, as described above, are classified as FVTPL. This includes all derivative financial assets (see Note No. 30). At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as VJORA or FVTPL if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model appraisal

The Group performs an assessment of the objective of the business model in which a financial asset is kept in the portfolio because it better reflects the way in which the business is managed and the information is provided to management. The information considered includes:

- The policies and objectives set for the portfolio and the practical functioning of these policies.

They include the question of whether Management's strategy focuses on obtaining contractual interest income, maintaining a specific interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected outflows cash flow, or the realization of cash flows through the sale of assets;

- How the portfolio's performance is assessed and reported to the Group's Management;

- The risks that affect the performance of the business model (and the financial asset held in that business model) and the way those risks are managed; and

- The frequency, volume and timing of sales of financial assets in previous periods, the reasons for such sales and your expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a manner consistent with the continued recognition of the Group's assets.

Financial assets - Assessment of whether contractual cash flows are principal and interest payments only

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset upon initial recognition. 'Interest' is defined as a consideration for the time value of money and for the credit risk associated with the principal outstanding over a given period of time and for the other basic risks and costs of borrowing (for example, liquidity risk and administrative costs), as well as a profit margin.

The Group considers the contractual terms of the instrument to assess whether contractual cash flows are principal and interest payments only. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of contractual cash flows so that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that change the amount or timing of cash flows;

- Terms that can adjust the contractual rate, including variable rates;

- Prepayment and deadline extension; and

- The terms that limit the Group's access to cash flows from specific assets (for example, based on the performance of an asset).

Prepayment is consistent with the principal and interest payment criteria if the prepayment amount mostly represents unpaid principal and interest on the outstanding principal amount - which may include additional compensation reasonable for early termination of the agreement. In addition, with respect to a financial asset acquired for less than or greater than the nominal value of the agreement, the permission or requirement for prepayment for an amount that represents the nominal value of the agreement plus contractual interest (which also may include reasonable additional compensation for early termination of the agreement) accumulated (but not paid) are treated as consistent with this criterion if the fair value of the prepayment is insignificant on initial recognition.

Financial assets - Subsequent measurement and profit and loss

Financial assets at FVTPL	Those assets are subsequently measured at fair value. The net result, including interest or dividend income, is recognized in the statement of profit or loss. However, see Note No. 8.4(v) for derivatives designated as instruments of economic protection. To adjust the debt to its fair value, the Group developed a methodology using the market rates available on the balance sheet disclosure date. Each payment flow is calculated up to its future value and discounted to present value using market rates.
Financial assets at amortized cost	Measured at amortized cost using the effective interest method. The amortized cost is decreased by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Any gain or loss on derecognition is recognized in the income.
FVTOCI debt instruments	Measured at amortized cost using the effective interest method. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income. Other net results are recognized in OCI. Upon derecognition, the accumulated result in OCI is reclassified to the income.
Equity instruments at FVTOCI	Measured at fair value and changes in fair value, except for impairment losses, interest and foreign exchange differences on debt instruments, were recognized in OCI and accumulated in the fair value reserve. When these assets were derecognized, the accumulated gains and losses in equity were reclassified to the income.

Financial liabilities - Classification, subsequent measurement and gains and losses
Financial liabilities were classified as measured at amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative or is designated as such at initial recognition. Financial liabilities measured at FVTPL are measured at fair value and the net result, including interest, is recognized in the income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in the income. Any gain or loss on derecognition is also recognized in the income.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in income. Any gain or loss on derecognition is also recognized in the income statement.

See Note No.30 on financial liabilities designated as protection instruments.

(iii) Derecognition

Financial assets
The Group derecognizes a financial asset when the contractual rights to cash flows of the asset expire, or when the Group transfers the rights to receive contractual cash flows on the financial asset in a transaction where essentially all risks and benefits of ownership of the financial asset are transferred or in which the Group neither transfers nor maintains substantially all the risks and benefits of ownership of the financial asset and also does not retain control over the financial asset.

The Company carries out transactions in which it transfers assets recognized in the balance sheet, but maintains all or substantially all the risks and benefits of the assets transferred. In such cases, financial assets are not derecognised.

Financial liabilities
The Group derecognizes a financial liability when its contractual obligations are withdrawn, cancelled or matured. The Group also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Upon the derecognition of a financial liability, the difference between the extinct carrying amount and the consideration paid (including transferred assets that do not transit through the cash or assumed liabilities) is recognized in the statement of profit or loss.

(iv) Offset
The financial assets or liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Group has the legal right of offsetting the amounts and has the intention of settling them on a net basis, or realizing the asset and settling the liability simultaneously.

(v) Financial derivatives
Financial derivatives and hedge accounting
The Group maintains derivative financial instruments to protect against exposure to risks of changes in foreign currency and interest rates (economic hedge).

In this sense, specifically, the Group raised funds in foreign currency and contracted swap instruments as a form of economic protection, to exchange liabilities in foreign currency with the variation of the DI.

The Group does not adopt hedge accounting metrics.

Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value and changes in fair value are recorded in income.

8.5 Share Capital

Common shares
When applicable, additional costs directly attributable to the issue of shares are recognized as a deduction from equity, net of any tax effects.

Discretionary dividends are recognized as distributions in equity upon their approval by the shareholders.

8.6 Taxes

a. Current income tax and social security contribution
The current income tax and social security contribution are calculated at the regular rate of 15%, plus an additional 10% on the surplus profit of R$ 240 for income tax and 9% for social security contribution, on the net income for the fiscal year and consider the writing-off of tax losses and negative basis of social security contribution, limited to 30% of taxable income, adjusted according to criteria established by the tax legislation in effect.

Income tax and social security contribution expenses comprise current and deferred taxes. The current and deferred taxes are recognized through Statement of profit or loss, unless they are related to business combination or items directly recognized in equity or in other comprehensive income.

Current tax assets and liabilities are only offset if certain criteria is met.

b. *Deferred income tax and social security contribution*

Deferred tax assets are recognized on deductible temporary differences relating to investments in subsidiaries only to the extent that it is likely that the temporary differences will be reversed in the near future, and that taxable income will be available for them to be used.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date, and is written-off when it is not probable anymore for the taxable income to be available to allow the utilization of all or part of deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rate that is expected to be applied in the year when assets will be realized or liabilities will be settled, based on tax rates (and tax law) that were issued on statement of financial position date.

Deferred taxes regarding items directly recognized in equity are also recognized in equity, other than in the statement of profit or loss. Deferred tax items are recognized according to the transactions that originated them, in comprehensive income or directly in equity.

Deferred tax assets and liabilities are shown net if there is a legal or contractual right to offset the tax asset against the tax liability, and if the deferred tax relates to the same taxable entity and is subject to the same tax authority.

8.7 Property, plant, and equipment

a. *Recognition and measurement*

It is shown at the historical cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Deemed cost of certain items of property, plant and equipment as of January 1st, 2009, transition date for the CPCs was determined based on its fair value on that date.

An item of the property, plant, and equipment is written-off when sold or when no future economic benefit is anticipated from its use or sale. Any gains or losses resulting from the write-off of an asset (calculated as being the difference between the net sales amount and the carrying amount of the asset) are included in the Statement of profit or loss for the fiscal year in which the asset is written-off.

Repairs and maintenance are included in income during the period when they are incurred.

b. *Subsequent expenditure*

Subsequent expenditure is capitalized only when it is probable that associated future benefits may be earned by the Group.

c. Depreciation

Depreciation is calculated by the straight-line method, according to the rates disclosed in Note No. 17 and which take into account the useful life of the goods.

The residual value, the useful life of the assets, and the depreciation methods are reviewed upon closing of each fiscal year, being prospectively adjusted as the case may be.

8.8 Intangible assets

Intangible assets purchased separately are measured at cost price at the time of their initial recognition. After initial recognition, intangible assets are presented at cost price, less accumulated amortization and accumulated losses of recoverable value.

The useful life of an intangible asset is considered defined or undefined.

The amortization period and method for an intangible asset with a defined life are reviewed at least at the end of each fiscal year. Changes in the estimated useful life or expected consumption of future economic benefits of these assets are recorded through changes in the amortization period or method, as the case may be, and treated as changes in accounting estimates. The amortization of intangible assets with defined life is recognized in the Statement of profit or loss in the expense category consistent with the use of the intangible asset.

Intangible assets with indefinite useful life are not amortized, and they are subjected to annual impairment tests to assess and validate their recoverability.

Gains and losses resulting from the write-off of an intangible asset are measured as the difference between the net amount earned from the sale and the carrying amount of the asset, and are recognized in the Statement of profit or loss upon write-off of the asset.

The following table provides a summary of the policies applied to the Group's intangible assets:

	Software and licenses	**Goodwill**	**Brands (a)**	**Brands**	**Section on non-competition with former quotaholders**	**Surplus value of Fixed assets**	**Indemnity assets**	**Contingent liabilities**	**Customer Portfolio**
Useful life	Definite	Indefinite	Indefinite	Definite 2 to 5 years	Definite	Definite 2 to 5 years	Indefinite	Indefinite	Definite
Amortization period	5 years	-	-	-	5 years	-	-	-	3 to 18 years
Amortization method used	Linear amortization	Does not amortize	Does not amortize	Linear amortization	Linear amortization	Linear amortization	Does not amortize	Does not amortize	Linear amortization
Origin	Acquired	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)	Acquired (business combination)

(a) Brands with an indefinite useful life have well-known and consolidated names in the market in their localities, being considered relevant at the time of their acquisition.

(i) Goodwill

Goodwill is measured at cost, less any accumulated losses from impairment.

(ii) Capital gains on assets and other intangible assets

Substantially, the amounts are distributed among the items customer portfolio, added value of fixed assets, brand value and non-competition agreements. The value attributed to the customer portfolio is amortized according to the Multi-Period Excess Earning (MPEEM) method, for brands with a defined useful life, amortization is based on the Royalty Relief Method and non-competition based on the useful life defined by the With or Without Method method, the others are subject to annual impairment tests.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when they increase future economic benefits incorporated in the specific asset to which they are related. All other expenses are recognized in statements of profit or loss.

8.9 Impairment

(i) Non-derivative financial assets

Financial instruments and contractual assets

The Group recognizes provisions for expected credit losses on:

- Financial assets measured at the amortized cost; and
- Contract assets

The Group measures the provision for losses in an amount equal to the expected credit loss for the entire life of the financial instrument, except for the items described below, which are measured as expected credit loss for 12 months:

- Debt securities with low credit risk on the date of the statement of financial position; and
- Other debt securities and bank balances for which credit risk (i.e. default risk over the expected life of the financial instrument) has not increased significantly since initial recognition.

Provisions for losses on customers’ trade receivables and contract assets are measured at an amount equal to the expected credit loss for the entire life of the instrument.

Credit losses expected for the entire life are the expected credit losses resulting from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportive information that is relevant and available at no cost or without excessive effort. This includes quantitative and qualitative information and analysis, based on the Group's historical experience, credit assessment and forward-looking information.

The Group considers a financial asset to be defaulted when:

- It is unlikely that the debtor will fully pay its credit obligations to the Group, without resorting to actions such as the enforcement of the guarantee (if any); or
- In accordance with the Group's accounting policy for the provision for expected loss, the percentage of each range is applied on the aging list of outstanding securities on the base date of analysis, on December 31, 2020 the percentages were calculated as follows:

– Due: 0.9%;

– Expired from 1 to 30 days: 4.3%

– Expired from 30 to 60 days: 13.8%;

– Expired from 61 to 90 days: 22.8%;

– Expired from 91 to 180 days: 35.8%;

– Expired from 181 to 360 days: 57.3%; and

– Over 360 days: 61.5%.

Such percentages were estimated based on risk assessment and historical data from the Group and risk.

The maximum period considered in the expected credit loss estimate is the maximum contractual period during which the Group is exposed to credit risk.

Measurement of expected credit losses
Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between the cash flows due to the Group under the agreement and the cash flows that the Group expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

Due to the characteristics of the Trade receivables, the Group has adopted the simplified approach of expected credit loss, which consists in recognizing the expected credit loss over the total useful life of the asset using two analysis methods, on both a collective and an individual basis.

Collective basis
The Group adopts the expected loss model, based on the history of defaults by maturity range after 12 months of recognition, applying these rates in the aging list maturity ranges calculated on the base date of presentation.

Individual basis
At each statement of financial position closure, the Group assesses whether or not there was a significant increase in credit risk for each customer or specific receivables characteristics through qualitative analysis of the factors that may lead to a high expectation of default.

Credit-impaired financial assets
A financial asset is "credit-impaired" when one or more events with a detrimental impact on the estimated future cash flows of the financial asset occur.

Objective evidence that financial assets have had credit-impaired includes the following observable inputs:

- Significant financial difficulties of the issuer or borrower;
- Breach of contractual sections, such as default or delay, following the bad debt conditions previously described;
- Restructuring of an amount owed to the company, in conditions that would not be accepted under normal conditions; or
- The probability that the debtor will go bankrupt or undergo another type of financial reorganization.
- For these customers or asset classes, the Group determines the expected loss to be recognized.

Presentation of the provision for expected credit losses in the statement of financial position
The provision for losses for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectation of recovering the financial asset in whole or in part. With respect to individuals, the Group adopts the policy to write-off the gross carrying amount when the financial asset has been overdue 360 days based on historical experience of recovering similar assets. With regard to corporate customers, the Group makes an individual assessment of the time and value of the write-off based on whether or not there is reasonable expectation of recovery. The Group does not expect any significant recovery of the amount written off. However, financial assets written off may still be subject to credit execution for compliance with the Group's procedures for the recovery of amounts due.

(ii) Non-financial assets
The carrying amounts of Group's non-financial assets, other than deferred income tax and social security contribution and inventories, are revised at each statement of financial position date, in order to identify any indication of impairment of assets. If any such indication exists, the recoverable amount of the asset is estimated. In the case of a goodwill, the recoverable value is tested annually.

For impairment testing, assets are combined in the smallest possible groups of assets (CGUs) generating cash inflows from continued use, for the most part independent of cash inflows from other assets or CGUs. Goodwill on business combinations is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable value of an asset or CGU is the greater of its value in use or its fair value less sales costs. The value in use is based on estimated future cash flows, discounted to present value, using a pre-tax discount rate that reflects current market valuations and the value of money over time, and the specific risks of the asset or the CGU.

An impairment loss is recognized if the carrying amount of the asset or CGU exceeds its recoverable value.

Impairment losses are recognized in statements of profit or loss. Recognized losses attributable to CGUs are initially allocated in the reduction of any goodwill allocated in this CGU (or CGU group), and subsequently in the decrease of carrying amount of other assets of this CGU (or CGU group) in pro rata method.

An impairment loss related to goodwill is not reversed. In relation to other assets, impairment loss is reverted only when the carrying amount of asset does not exceed the carrying amount that would have been earned, net of depreciation or amortization, if the loss had not been recognized.

8.10 Leases

The Group initially adopted CPC 06(R2) / IFRS 16- Leases as of January 1, 2019, using the modified retrospective approach, in which the cumulative effect of the initial investment is recognized in the opening balance of earnings reserves on January 1, 2019. Accordingly, the comparative information for 2018 is not restated, and is presented, as previously reported, under IAS 17 and related interpretations.

(i) Determined when an agreement has a lease

CPC 06 (R2) / IFRS 16 includes two recognition exemptions for lessees that were applied by the Group and its subsidiaries upon initial adoption on January 1, 2019: low-value asset leases and short-term leases, i.e. with a term of up to 12 months.

The Group and its subsidiaries opted for the simplified retrospective transition approach, without adjusting comparative periods.

(ii) Right-of-use assets

Recognition of right-of-use asset at the date of initial application for leases previously classified as operating lease. The measurement of the right-of-use asset to the value equivalent to the Lease Operations liability, adjusted by the value of any prepaid or accrued lease payments relating to that lease that has been recognized in the statement of financial position immediately before the date of initial application.

The right-to-use asset is initially measured at cost, which comprises the initial measurement value of the lease liability, adjusted for any lease payments made up to that of the start date, plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in disassembling and removing the underlying asset, restoring the location in which it is located or restoring the underlying asset to the condition required by the lease terms and conditions, less any lease incentives received.

The right-to-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term.

(iii) Lease liabilities

Recognition of Lease Operations liabilities at the date of initial application for leases previously classified as operating lease. The lease liability is measured at amortized cost, using the effective interest method.

(iv) Accounting policy applicable before January 1, 2019

For agreements executed before January 1, 2019, the Group determined whether the agreement was or contained a lease based on the assessment of whether:

- Compliance with the agreement depended on the use of a specific asset or assets; and
- The agreement had granted the right to use the asset. An agreement conveyed the right to use the asset if one of the following items was fulfilled:
- The buyer had the ability or right to operate the asset while obtaining or controlling a value that was not insignificant from the production or other utility of the asset;
- The buyer had the ability or right to control physical access to the asset while obtaining or controlling a value that was not insignificant from the production or other utility of the asset; or
- Facts and circumstances indicate that it is rare for one or more parties, except the buyer, to obtain a value that is not insignificant from the production or other utility that will be produced or generated by the asset during the term of the agreement, and the price that the buyer pays for the production is not contractually fixed per unit production, nor equivalent to the current market price per unit of production at the time of production delivery

As lessee

In the comparative period, as a lessee, the Group classified the leases that transferred substantially all the risks and benefits inherent to the property as financial leases. When this was the case, the leased assets were initially measured at a value equal to the lower between their fair value and the present value of the minimum lease payments. The minimum lease payments were payments during the lease term that the lessee was obliged to make, excluding any contingent rent. After initial recognition, the assets were recorded according to the accounting policy applicable to that asset.

The assets held under other leases were classified as operational and were not recognized in the Group's statement of financial position. Payments made under operating leases were linearly recognized in the result by the term of the lease. The incentives received were recognized as an integral part of the total cost of the lease during the lease term.

As lessor
The Group did not define accounting policies when it acts as a lessor because it understands that these amounts are not significant.

8.11 Provisions

General
Provisions are recognized when: The Group has a current (legal or non-formalized) obligation as a result of a past event; it is likely that economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. When the Group expects that the amount of a provision is reimbursed, either fully or partially, e.g., by virtue of an insurance agreement, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

Provisions for tax, civil and labor risks
The Group is a party to several legal and administrative proceedings. Provisions are constituted for all contingencies related to judicial processes to which it is probable that an outflow of resources be made to settle the contingency/obligation and a reasonable estimate may be made. The assessment of the probability of loss includes assessing available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the assessment of external lawyers. Provisions are reviewed and adjusted to consider changes in circumstances, such as applicable lapse of time, conclusions of tax inspections or additional exposures identified based on new matters or court decisions.

Sub judice taxes
In the process of acquiring companies there are risks raised during the due diligence by expert reports regarding tax risks. Such risks refer mainly to federal debts of suspended enforceability, replacement ICMS and non-adherence to some aspects of the Consolidation of Labor Laws as a liability assumed in the allocation of the in the line of sub judice taxes and treated as such.

8.12 Employee benefits
Liabilities for short-term benefits to employees are recognized as personnel expenses according to the way the related service is supplied. The liability is recognized by the amount expected to be paid if the Group has a legal or constructive current obligation to pay for a service rendered by an employee in the past, and if the obligation can be reliably estimated.

Recognition of bonuses payable to employees is usually made upon closing of the fiscal year, according to individual performance targets following specific criteria.

The Group does not maintain retirement benefits, pension plans, private pension plans, or any retirement plans or benefits for its employees and managers after they leave the Group.

8.13 Share Purchase Plan

The Share Purchase Plan consists of a subscription plan for new shares of the Parent Company, with the purpose to strengthen the interests between members (executives appointed and contemplated by the Parent Company by cumulative eligibility criteria, or "Partners") and shareholders.

8.13.1 Share purchase plan (plan discontinued in 2019 and no longer in place)

On December 7, 2011, the Parent Company approved, according to the Minutes of the Extraordinary General Meeting, the Long-Term Incentive Plan (ILP). This plan was discontinued in 2019 (see note 8.15.2). It aimed to subscribe the shares of the Parent Company, to certain employees of the Group (called "Partners").

In order to carry out the transaction, the Group of Partners with the Parent Company entered into a loan agreement, which aimed to generate to the partner an amount to invest in a SPE (company for specific purposes) shareholder of the parent company (Resultare Participações SA - called "Resultare", which, in turn, acquired shares of Controladora GPS SA

This plan was governed by a Resultare reciprocal call and put option contract, where liquidity rules were established, whose main characteristics were:

- contract with liquidity by EBITDA multiples after 8 years with the parent company's priority purchase option;
- liquidity prior to 8 years established by the settlement of the balance disbursed by the partner less an eventual outstanding loan (adjusted by Selic);
- liquidity after 8 years established by the payment of Ebitda multiples (5 to 7 times), depending on the tranche;
- liquidity multiples of EBITDA prior to 8 years only in the event of death or disability.

Accordingly, the Parent Company adopted a study to assess the risks arising from eventual anticipated realization by the EBITDA multiples and estimated, by means of a provision, the accounting of 1/8 (one eighth) per year and by tranche the market value of the liabilities, whose counterpart was recorded in equity. Given the liquidity of the operation generating the return on the shares, this was considered future treasury shares. Such provision considered an EBITDA projection for the next eight years.

8.13.2 New share purchase plan (currently the only purchase plan in place)

With the purpose of simplifying the previously presented model, the Group established, together with the Partners, a new Share Purchase Plan ("PCA"). With this purpose, the following actions were taken:

On April 30, 2019, in an Annual General Meeting, it was approved the conversion of the preferred shares into common shares of the Parent Company. On June 30, 2019, the shareholders of Resultare Participações S.A. approved the conversion of the Common Shares issued by the Resultare into registered common shares of the Parent Company, without par value, resulting in an increase in subscribed and paid in capital by the shareholders in the amount of R$ 4 with the issuance of 37,235 new common shares, without par value.

On July 15, 2019, the Special General Meeting approved the merger of Resultare into the Group according to the Protocol and Justification of Merger and Appraisal Report, previously approved in the same Special General Meeting. Taking into account that Resultare's equity is composed of its shareholding in the Parent Company's share capital, corresponding to 331,359 common shares without par value, which is equivalent to 5.26% of the total share capital of the Parent Company, which has not been changed, and these shares have been allocated exclusively to Resultare's shareholders in the same corporate proportion that each held in Resultare's share capital, and therefore no common shares of the Parent Company were cancelled.

On December 12, 2019 an agreement was executed to dissolve the subscription bonus and share put and call option agreements from the previous purchase plan, without any burden to the Group and any exclusive right to any of the parts. With this transaction, Partners from Resultare became direct shareholders of the Parent Company and the previous plan was extinguished.

In this regard, all partners were migrated from the stock purchase plan (ILP) to the new stock purchase plan (PCA), which corresponds to a direct stock purchase, without any underlying option.

Thus, management in this new format, adopted from the fiscal year ended on December 31, 2019, began to disclose such event of direct purchase of figured shares as a simple equity instrument, where:

- Eligible with own funds acquire shares in the Controlling Company GPS S.A.;
- Eligible persons have the right to directly purchase the shares in the Controlling Company under certain conditions and determined terms;
- Direct shares are recorded in equity. The plan's liquidity is ensured by the rules established in the Shareholders' Agreement, which includes tag along, drag along and lock-up clauses;
- There is no link of permanence of the partner in the company, this being the holder of the shares, is linked to the Shareholders 'Agreement;
- The risks and benefits of the company are similar to any partner of the company whose liquidity rules are exclusively linked to the shareholders' agreement.

8.14 Revenue from contracts with customers

Revenue is measured based on the consideration available in the contract with the customer. The Group recognizes revenue when it transfers control over the product or service to the customer.

Information on compliance with performance obligations in contracts with customers, including significant payment terms and related revenue recognition policies, is detailed in Note 31 (d).

8.15 Financial revenues and expenses

The Group financial revenues and expenses include the following:

- Finance income
- Finance expenses

- Net gains/losses on disposal of financial assets available for sale
- Net gains/losses on foreign exchange fluctuation on financial assets and liabilities
- Impairment losses on financial assets (not Trade receivables);
- Monetary adjustments of judicial deposits

Finance income and finance expenses are recognized in income by the effective interest method. The revenue with dividends is recognized the Statement of profit or loss on the date when the right of Group to receive the payment is established. The Group classifies interest received and dividends and interest on equity received as cash flows from investment activities.

The 'effective interest rate' is the rate that exactly discharges payments or receipts on cash estimated futures over the expected life of the financial instrument at:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In the calculation of interest income or expense, the effective interest rate is on the gross carrying amount of the asset (when the asset is not having credit-impaired) or the amortized cost of the liability. However, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset that presents credit-impaired after initial recognition. If the asset no longer has credit-impaired, the interest income will be calculated again based on the gross amount.

9 Information by segment

Information by operating segments is presented in a form that is consistent with the internal report provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources and evaluating the performance of operational segments, is the Board of Directors, also responsible for making strategic decisions of the Group.

The determination of the Company's operating segments is based on its Corporate Governance structure, which splits the business for regional management and decision-making purposes, in the customers' geographic areas. Revenue and cost are used to define the respective management structures, based on regional units**.** The Board of Directors monitors the results of each business unit at least bimonthly.

Segment revenue and costs are based on the geographic location of customers, which is the same metrics used to define the respective management structures, based on regional units.

There is no revenues concentration by segment. All revenues from contracts with customers of the Group are concentrated in a single geographic market (Brazil) and all products and services are transferred at a specific moment.

The following table contains summarized financial information related to geographic distribution of the Company's business operations as of December 31, 2020, 2019, and 2018:

	Net Revenues			**Costs**			**Gross Profit**		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Southeast	2,931,496	2,800,918	2,240,961	(2,353,113)	(2,298,365)	(1,808,180)	578,383	502,553	432,781
North and Northeast	872,655	753,045	457,249	(711,570)	(603,287)	(356,696)	161,085	149,758	100,553
South	525,454	542,478	441,822	(423,803)	(458,625)	(369,782)	101,651	83,853	72,040
Midwest	209,027	177,169	131,193	(170,396)	(143,687)	(107,018)	38,631	33,482	24,175
Non-allocated (i)	403,554	37,364	(22)	(342,120)	(43,209)	(9,244)	61,434	(5,844)	(9,266)
Total	**4,942,186**	**4,310,974**	**3,271,203**	**(4,001,002)**	**(3,547,172)**	**(2,650,920)**	**941,184**	**763,802**	**620,283**

(i) Such amounts refer to consolidated balances that are not yet part of the Company's operating system, as is the case with companies that have been acquired and have not yet been integrated. Since these acquisitions are still in the measurement period, the amounts are being presented on a provisional basis in the Group's consolidated financial statements, as per CPC 15 (R1) / IFRS 3 Business Combination.

10 Cash and cash equivalents

See accounting policy in Note No. 8.2

	Consolidated		
	2020	**2019**	**2018**
Cash and banks	98,685	35,111	46,801
Bank deposit certificates (a)	632,984	706,934	494,549
Cash and cash equivalents	**731,669**	**742,045**	**541,350**

(a) Investments in Bank Deposit Certificates on December 31, 2020 are remunerated based on average rates equivalent to 104.8% p.a. (101.01% p.a. in 2019 and 100.54% p.a. in 2018) of the variation in the Interbank Deposit Certificates (CDI). These resources have immediate liquidity, are readily convertible into a known amount of cash, and are used to cover payment of obligations arising from the Group operations and are subject to a negligible risk of value changes.

Information on the Group's exposure to market and credit risks is included in Note No. 30.

11 Financial investments

	Consolidated		
	2020	**2019**	**2018**
Bank deposit certificates (a)	102,549	249	292
Financial investments - current	**102,300**	**-**	**-**
Financial investments – non-current	**249**	**249**	**292**

(a) Bank deposit certificates are destined to payments related to the acquisition of companies (not related to the daily operations). Investments in Bank Deposit Certificates as of December 31, 2020 are remunerated based on average rates equivalent to 100.0 % p.a. the variation of Interbank Deposit Certificates (CDI). These funds have immediate liquidity, are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value. These financial investments, even if immediately settled, were separated from cash and cash equivalents because they are not intended to maintain the Company's operating cash flow.

Information on the Company's exposure to market and credit risks is included in Note 30.

12 Derivative financial instruments

See accounting policy in Note No. 8.4.

The types of contracts in force and the respective risks protected (by economic hedge) are described below:

(i) CDI x Fixed USD swap: positions in conventional swaps exchanging the variation of the Interbank Deposit Rate (“DI”) for the rate fixed in United States Dollars. The objective is to change the debt index in United States Dollars to Reais.

(ii) Swap Fixed CDI x LIBOR: positions in conventional swaps exchanging the Interbank Deposit rate ("DI") for the post fixed rate (LIBOR). The objective is to protect the cash flow from changes in the US interest rate.

		Notional			Fair Value		
	Currency	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
Debt Protection							
Assets							
Swap Fixed (USD) x CDI	BRL	19,815	18,750	27,000	20,254	23,381	32,682
Swap Libor x Fixed (BRL)	BRL	171,807	102,146	141,256	212,332	121,249	163,279
					232,586	**144,630**	**195,961**
Liabilities							
Swap Fixed (USD) x CDI	BRL	19,815	18,750	27,000	12,817	19,488	30,079
Swap Libor x Fixed (BRL)	BRL	171,807	102,146	141,256	176,393	106,718	149,157
					189,210	**126,206**	**179,236**
					43,376	**18,424**	**16,725**

Swap operations carried out by the Company aim to protect the financing agreed in foreign currency against the risk of exchange fluctuations, converting the entire operation to 100% of the Interbank Deposit Certificate (CDI), plus interest between 2% to 3% at year, thus following the risk management criteria shown in the table below:

	Consolidated		
	2020	**2019**	**2018**
Swap – Asset	43,376	18,424	16,725
Total	**43,376**	**18,424**	**16,725**
Current Assets	**20,571**	**6,483**	**5,407**
Non-current Assets	**22,805**	**11,941**	**11,318**

It is noteworthy that the swap at fair value (MtM) does not represent the obligation of immediate disbursement or receipt of cash, since this effect will only occur on the contractual verification or maturity dates of each operation, when the result will be determined, as the case and market conditions on those dates.

Information on the Company's exposure to market and credit risks is included in Note 30.

13 Trade receivables

See accounting policy in Note No. 8.4 (*i*)-(*ii*) -(*iii*).

	Consolidated		
	2020	**2019**	**2018**
Invoiced services	678,979	524,728	422,436
Services to be invoiced (a)	358,069	310,081	179,628
Subtotal	**1,037,048**	**834,809**	**602,064**
Provision for expected losses on billed services	(59,870)	(45,422)	(44,195)
Provision for expected losses	(1,120)	(1,470)	-
Contractual withholdings (b)	63,241	35,034	12,055
Other Trade receivables	1,270	1,484	1,099
Total	**1,040,569**	**824,435**	**571,023**
Current assets	**976,057**	**787,917**	**559,898**
Non-current assets	**64,512**	**36,518**	**11,125**

(a) Regarding services measured and not yet invoiced by the date of closing of the financial statements

(b) Refers to customer retentions, provided for in the contract, which will be returned at the end of the contractual term.

The following is the aging list of trade receivables for invoiced services:

	Consolidated		
	2020	**2019**	**2018**
Current	547,609	404,575	298,164
1 to 30 days	41,572	40,831	40,844
31 to 60 days	8,414	9,713	9,421
61 to 90 days	4,119	5,281	3,749
91 to 180 days	8,972	5,886	7,647
More than 180 days	68,293	58,442	62,611
Total	**678,979**	**524,728**	**422,436**

The movement on the balance for the provision for expected losses is demonstrated below:

	Consolidated
Balance as of January 1, 2018	**(53,453)**
Adjustments in the initial investment of the CPC 48	5,048
Incorporated provision for acquisitions *	(3,927)
Revaluation of the provision for losses	(10,295)
Write-off	18,432
Balance as of December 31, 2018	**(44,195)**
Provision from acquisitions	(5,390)
Revaluation of the provision for losses	(7,655)
Realization of the provision for losses	11,818

	Consolidated
Balance as of December 31, 2019	**(45,422)**
Provision from acquisitions	(11,969)
Revaluation of the provision for losses	(30,892)
Realization of the provision for losses	28,413
Balance as of December 31, 2020	**(59,870)**

	Consolidated
Balance as of January 1, 2018	**-**
Revaluation of the provision for losses	-
Balance as of December 31, 2018	**-**
Provision from acquisitions	(1,470)
Balance as of December 31, 2019	**(1,470)**
Revaluation of the provision for losses	350
Balance as of December 31, 2020	**(1,120)**

There are fiduciary assignments of receivables for loans of the working capital type, see Note No. 21.

Information on the Group's exposure to credit and market risks and expected losses related to "Trade receivables and other receivables" is given in Note No. 30.

14 Recoverable income tax and social security contribution

	Consolidated		
	2020	**2019**	**2018**
Income tax from operations and income tax on earnings from financial investments, net	65,635	44,923	30,520
Social security contribution, net	54,130	31,881	24,092
Total recoverable income tax and social security contribution, net	**119,765**	**76,804**	**54,612**

15 Recoverable taxes

	Consolidated		
	2020	**2019**	**2018**
Social Security Financing Contribution (COFINS)	30,824	22,212	13,762
Social Integration Program Contribution (PIS)	6,661	4,775	3,038
INSS Contribution	77,384	57,187	53,219
Service Tax (ISSQN)	23,519	25,231	23,033
Tax on Distribution of Goods and Services (ICMS)	302	380	83
Others	14,116	-	-
Total recoverable taxes	**152,806**	**109,785**	**93,135**
Current assets	**152,498**	**109,785**	**93,135**
Non-current assets	**308**	**-**	**-**

These credits are composed of withholdings from PIS, COFINS, INSS, ICMS and ISS taxes, highlighted in the billings made by the group companies in their normal activity flow, since there is growth in revenue there is also growth of withholdings.

16 Related parties

16.1 Ultimate parent company

Control of the Company is exercised by a control block consisting of the following shareholders: José Caetano Paula de Lacerda, Nascimento Pedreira Participações S.A., Valora Participações S.A., Carlos Nascimento Pedreira, Luis Carlos Martinez Romero, Daniel Pegorini, Luis Antônio de Sá Arruda, Gustavo Vianna Otto, and Marcelo Niemeyer Hampshire.

16.2 Other receivables

The Group companies carry out transactions of a "current account" nature and single cash agreement, through debits and credits involving the shareholders and the company defined as the leader of the agreement, the subsidiary Top Service Serviços e Sistemas S.A. In this sense, the Parent Company recorded, on December 31, 2020, the amount of R$ 61,057 to be received from the subsidiary Top Service Serviços e Sistemas S.A. (R$ 37,597 on December 31, 2019 and R$ 9,265 on December 31, 2018) in Other receivables in non-current assets.

16.3 Loans receivable

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Loans receivable (i)	13,569	11,020	17,972	13,569	11,020	17,972
Total classified in non-current assets	**13,569**	**11,020**	**17,972**	**13,569**	**11,020**	**17,972**

(i) Correspond to loan agreements between the Parent Company and its respective partners. The adjustment index is carried out monthly (*pro rata temporis*) by the Special Settlement and Custody System (Selic). The loans are not linked to the new Share Purchase Plan approved in 2019.

	Parent Company and Consolidated		
	2020	**2019**	**2018**
Balance at the beginning of the fiscal year	11,020	17,972	25,788
Loan granted during the fiscal year	4,000	1,999	-
Inflation adjustment	552	547	740
Receipts	(2,003)	(9,498)	(8,556)
Balance at the end of the fiscal year	**13,569**	**11,020**	**17,972**

16.3.1 Compensation for key management personnel

Key Management personnel includes the officers and members of the Executive Committee. The compensation paid and payable for services provided is shown below:

	Consolidated		
	2020	**2019**	**2018**
Benefits	1,497	1,145	603
Charges	1,795	1,085	317
Profit and Results Share (PLR)	63,512	41,270	125
Salaries	11,834	7,097	988
	78,638	**50,597**	**2,033**

The compensation of the Group's key Management personnel includes wages and non-monetary benefits. Additionally, distribution of disproportionate dividends in the amount of R$ 482 in 2020 (R$ 5,902 in 2019 and R$ 5,760 in 2018), attributed to shareholder administrators of indirect investee.

16.4 Dividends receivable

The parent Company has the amount of R$ 340,000 (R$ 46,225 on December 31, 2019 and R$ 51,311 on December 31, 2018) registered as Dividends receivable from the subsidiary Top Service Serviços e Sistemas S.A.

	Parent Company		
	2020	**2019**	**2018**
Opening balance	46,225	51,311	30,180
Declared minimum mandatory dividends	66,970	46,225	51,311
Additional dividends approved	273,030	8,689	19,820
Dividend adjustments	(573)	-	-
Distributed dividends	(45,652)	(60,000)	(50,000)
Closing balance	**340,000**	**46,225**	**51,311**

16.5 Dividends payable

As mentioned in Note No. 29 (d), the Parent Company has to pay the amount of R$ 400,000 in dividends to shareholders as of December 31, 2020 (R$ 45,652 as of December 31, 2019, and R$ 50,673 as of December 31, 2018).

	Parent Company		
	2020	**2019**	**2018**
Opening balance	45,652	50,673	41,946
Declared minimum mandatory dividends	67,128	45,652	50,673
Additional dividends approved	357,872	9,327	8,054
Distributed dividends	(70,652)	(60,000)	(50,000)
Closing balance	**400,000**	**45,652**	**50,673**

The parent Company has to pay the amount of R$ 400,000 in dividends to shareholders as of December 31, 2020 (R$ 49,065 as of December 31, 2019, and R$ 78,898 as of December 31, 2018).

	Consolidated		
	2020	**2019**	**2018**
Opening balance	49,065	78,898	64,772
Declared minimum mandatory dividends	67,128	45,652	50,673
Additional dividends approved	357,872	9,327	8,054
Registered dividends payable to subsidiaries	482	15,729	35,715
Distributed dividends	(74,547)	(100,541)	(80,316)
Closing balance	**400,000**	**49,065**	**78,898**

16.6 Guarantees, sureties, and collaterals with related parties

The Group also has transactions with related parties in which the Parent Company guarantees the financing and loan agreements made by the subsidiaries (both direct and indirect), at no cost to the subsidiaries, as follows:

Subsidiaries (direct and indirect)	**2020**	**2019**	**2018**
Top Service Serviços e Sistemas S.A.	942,876	715,598	730,753
Graber Sistemas de Segurança Ltda.	-	2,063	26,414
In-Haus Serviços de Logística Ltda.	-	-	5,230
Engeseg Empresa de Vigilância Computadorizada Ltda.	-	3,384	8,123
	942,876	**721,045**	**770,520**

17 Investments

See accounting policy in Note No. 8.1 *(d)*

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Investments in subsidiaries (See Note No. 17(a)) (i)	657,293	761,305	792,141	-	-	-
Investment in acquisition phase (ii)	-	-	-	-	1,478	6,251
Goodwill on investment acquisition	68,128	68,129	66,970	-	-	-
Provision for surplus value and goodwill (iii)	-	-	(219,425)	-	-	-
	725,421	**829,434**	**639,686**	**-**	**1,478**	**6,251**

(i) For the partial acquisitions of the shares of the acquired companies, the Group adopted the anticipated acquisition methodology where, on the same acquisition date, an instrument to purchase and sell the residual shares of the capital of the companies is mutually agreed between the acquired companies. Due to the adoption of the anticipated acquisition method, the Group records all of its acquisitions in full, regardless of the shareholding paid up.

(ii) Refers to prepayments made to guarantee the acquisitions to be closed. The balance of 2019 includes mainly: on October 7, 2019, Top Service Serviços e Sistemas S.A. made the payment of R$ 1,235 as a down payment for the acquisition of the Group BC2. The balance of 2018 includes mainly the following events: i) on July 4, 2018, Graber Sistemas de Segurança Ltda. made the down payment of R$ 2,000 for the acquisition of Magnus Group (a project named Capitólio), approved by the Federal Police on January 15, 2019; ii) on December 20, 2018, Top Service Serviços e Sistemas S.A. made a down payment of R$ 2,000 for the acquisition of Algar Group (project named Tricolor), the acquisition of which was approved by the Brazilian Antitrust Enforcement Agency (CADE) on February 1, 2019; iii) on December 27, 2018, Top Service Serviços e Sistemas S.A. made a down payment of R$ 2,000 for the acquisition of JAM Soluções Prediais Ltda. (project named Summer), whose acquisition was approved by CADE on February 20, 2019, in March 2019.

(iii) As of December 31, 2018, the Parent Company holds 100% interest in WP V Participações S.A. The provision for surplus value and goodwill aims at eliminating the effect of goodwill recorded in the statement of financial position of subsidiary WP V. See Note No. 3.12.

a. Information on investments

	2020								
Companies	**Interest %**	**Profit /(Loss) For the fiscal year**	**Equity Accounting Method**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Equity**	**Investments**
Direct Control									
Top Service Serviços e Sistemas S.A. - (TOP)	100.00	281,977	281,977	1,117,553	2,412,490	1,046,592	1,826,159	670,292	657,292
Total									
Indirect Control									
GPS Predial Sistemas de Segurança Ltda. - (GPS RJ)	99.99	(1,832)	(1,832)	13,812	22,886	20,033	1,486	15,178	-
GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	99.99	71,753	71,753	24,416	469,049	2,565	11,086	461,814	-
GPS Predial Sistemas de Segurança Ltda. - (GPS BA)	99.99	11,746	11,746	35,671	45,428	36,128	3,464	41,506	-
In-Haus Serviços de Logística Ltda. - (In-Haus)	99.99	19,299	19,299	66,821	51,945	53,322	4.908	60,536	-
Ecopolo Gestão de Águas, Resíduos e Energia Ltda. - (Ecopolo)	99.99	3,322	3,322	7,026	19,805	4,366	159	22,306	-
GPS Tec Sistemas Eletrônicos de Segurança Ltda. - (GPS Tec)	99.99	6,296	6,296	17,195	15,413	11,100	985	20,523	-
Servtec Operação E Manutenção Ltda. - (SOM)	99.99	757	757	1,684	8,577	3,779	449	6,033	-
Engeseg Empresa De Vigilância Computadorizada Ltda.	99.99	8,890	8,890	26,519	45,056	32,146	4,866	34,563	-
Servtec Instalações E Manutenção Ltda. - (SIM)	99.99	(20,196)	(20,196)	148,788	39,662	108,317	109,706	(29,573)	-
Proevi Proteção Especial de Vigilância Ltda.	99.99	(8,627)	(8,627)	-	-	-	-	-	-
Proguarda Vigilância e Segurança Ltda.	99.99	2,704	2,704	15,951	9,061	10,281	2,297	12,434	-
Proguarda Administração e Serviços Ltda.	99.99	(6,597)	(6,597)	2,289	8,337	1,205	687	8,734	-
Proguarda Sistemas Eletrônicos Ltda.	99.99	383	383	-	-	-	-	-	-
Sempre Empresa de Segurança Ltda.	99.99	(647)	(647)	-	-	-	-	-	-
Sempre Serviços de Limpeza, Jardinagem e Comércio Ltda.	99.99	637	637	-	-	-	-	-	-
Sempre Sistemas de Segurança Ltda.	99.99	438	438	-	-	-	-	-	-
Sempre Terceirização em Serviços Gerais Ltda.	99.99	1,273	1,273	-	-	-	-	-	-
GPS Air - Serviços Auxiliares ao Transporte Aéreo Ltda.	99.99	3,746	3,746	10,301	672	4,661	860	5,452	-
Graber Sistemas de Segurança Ltda.	99.99	87,978	87,978	164,033	499,759	141,176	199,627	322,988	-
Visel Vigilância e Segurança Ltda.	99.99	(1,442)	(1,442)	24,115	19,105	11,544	6,114	25,562	-
Fortaleza Limpeza Conservação e Serviços Ltda.	80.00	1,036	829	1,176	3,748	1,346	3	3,575	-
Fortaleza Serviços de Vigilância Ltda.	80.00	(87)	(69)	483	908	420	192	780	-
Fortaleza Sistemas de Segurança Eletrônica Ltda.	80.00	3,127	2,501	4,165	9,341	4,354	551	8,601	-
Castelo de Luca Participações Ltda.	60.00	23,833	14,300	2	55,303	-	-	55,305	-
LC Administração de Restaurantes Ltda.	60.00	23,833	14,300	69,005	30,006	32,997	10,711	55,303	-
Onseg Serviços de Vigilância e Segurança Ltda.	99.99	4,635	4,635	15,758	20,163	12,548	2,426	20,947	-
Onserv Serviços Terceirizados Ltda.	99.99	900	900	2,028	5,406	1,518	2,640	3,276	-
Onservice Gestão de Serviços Terceirizados Ltda.	99.99	(509)	(509)	-	17,189	35	37	17,117	-
Poliservice - Sistemas de Segurança S.A.	60.00	2,616	1,570	13,727	8,272	8,999	3,485	9,516	-
Poliservice - Sistemas de Higienização e Serviços S.A.	60.00	(62)	(37)	7,541	2,462	5,008	3,417	1,579	-
Online - Monitoramento Eletrônico S.A.	60.00	996	598	1,085	1,710	773	172	1,850	-
RZF Projetos, Construções e Serviços Rodoviários Eireli	60.00	10,262	6,157	14,701	27,803	10,139	4,693	27,673	-
Magnus Segurança Patrimonial Ltda.	100.00	5,193	3,635	-	-	-	-	-	-

	2020								
Companies	**Interest %**	**Profit /(Loss) For the fiscal year**	**Equity Accounting Method**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Equity**	**Investments**
Magnus Serviços Ltda.	100.00	699	489	-	-	-	-	-	-
Algar Segurança Eletrônica e Serviços Ltda.	99.99	9,443	9,443	-	-	-	-	-	-
Algar Segurança e Vigilancia Ltda.	99.99	-	-	-	-	-	-	-	-
Proteg Segurança Patrimonial Eireli	80.00	3,350	2,680	4,864	6,184	3,155	2,396	5,497	-
A&S Serviços Terceirizados Ltda.	80.00	1,608	1,287	957	4,120	1,256	1,060	2,761	-
A&SS Serviços Terceirizados Ltda.	80.00	(364)	(291)	416	720	142	1,148	(155)	-
Jam Soluções Prediais Ltda.	60.00	1,441	864	13,590	2,698	6,139	10,840	(691)	-
Quattro Serv Serviços Gerais Ltda.	60.00	1,788	1,073	19,299	6,308	8,561	13,900	3,146	-
Servis Segurança Ltda.	80.00	6,543	5,234	55,452	24,762	24,316	33,615	22,284	-
SECOPI - Segurança Comercial Piauí Ltda.	80.00	2,468	1,975	17,326	3,202	4,717	9,094	6,717	-
Ultralimpo Empreendimento e Serviços Ltda.	80.00	2,967	2,374	8,770	2,381	4,083	1,018	6,051	-
Conservadora Amazonas Ltda.	80.00	315	252	812	306	593	162	362	-
Polonorte Segurança da Amazonia Ltda.	70.00	2,914	2,040	4,744	3,694	3,157	6,790	(1,509)	-
Polonorte Serviços Empresariais Ltda.	70.00	1,377	964	2,767	1,222	1,926	2	2,061	-
Gol Segurança e Vigilância Ltda.	80.00	7,150	5,720	17,819	13,967	9,026	7,507	15,253	-
BC2 Construtora	75.00	(2,188)	(1,641)	56,691	55,168	32,097	57,044	22,718	-
BC2 Infraestrutura	75.00	7,491	5,618	2,349	20,153	1,061	36,008	(14,567)	-
Presidente Altino Participações e Comercialização de Imóveis Próprios Ltda.	100.00	-	-	-	-	-	-	-	-
Luandre Serviços Temporários Ltda	80.00	1,219	976	1,844	2,763	1,293	6,659	(3,345)	-
Luandre Temporários Ltda	80.00	18,614	14,891	96,361	19,879	75,494	31,602	9,145	-
Luandre Ltda	80.00	3,950	3,160	13,770	5,069	5,776	10,781	2,282	-
Conbras Serviços Técnicos de Suporte Ltda.	100.00	4,183	4,183	92,267	8,059	33,129	35,920	31,278	-
ISS Sulamericana Brasil Ltda.	-	3,079	-	-	-	-	-	-	-
ISS Servisystem do Brasil Ltda.	100.00	(7,474)	(7,474)	72,458	217,981	31,562	215,794	43,082	-
ISS Manutenção e Serviços Integrados Ltda.	100.00	(559)	(559)	9,211	10,039	6,167	128,515	(115,432)	-
ISS Serviços de Logistica Integrada Ltda.	100.00	(194)	(194)	4,259	13,560	1,434	67,516	(51,132)	-
ISS Biosystem Saneamento Ambiental Ltda.	-	(15)	(15)	-	-	-	-	-	-
ISS Catering Sistemas de Alimentação Ltda.	-	(24)	(24)	-	-	-	-	-	-
Sunset Serviços Patrimoniais Ltda.	55.00	4,490	2,470	5,030	3,605	2,914	12,943	(7,233)	-
Sunset Vigilância e Segurança Ltda.	55.00	4,590	2,524	14,345	15,224	15,065	28,192	(13,689)	-
Sunplus Sistemas de Serviços Ltda.	55.00	4,172	2,295	3,566	5,621	2,389	13,625	(6,827)	-
Investments Balance									**657,292**

	2019								
Companies	**Interest %**	**Profit /(Loss)For the fiscal year**	**Equity Accounting Method**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Equity**	**Investments**
Indirect subsidiaries									
Top Service Serviços e Sistemas S.A. - (TOP) until 9/30/2019	68.91	134,333	93,199	-	-	-	-	-	-
Top Service Serviços e Sistemas Ltda. - (TOP) after 9/30/2019	100.00	59,578	78,714	1,064,283	1,787,717	433,331	1,657,364	761,305	761,305
WP Participações V S.A.	-	36,252	36,252	-	-	-	-	-	-
			208.165						
Indirect subsidiaries									
GPS Predial Sistemas de Segurança Ltda. - (GPS RJ)	99.99	2,815	2,815	18,485	22,312	20,793	3,921	16,083	-
GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	99.99	72,668	72,668	29,514	367,201	24,968	13,027	191,252	-
GPS Predial Sistemas de Segurança Ltda. - (GPS BA)	99.99	12,189	12,189	37,042	34,778	34,630	8,521	28,668	-
In-Haus Serviços de Logística Ltda. - (In-Haus)	99.99	16,483	16,483	67,262	37,831	56,936	10,188	37,969	-
Ecopolo Gestão de Águas, Resíduos e Energia Ltda. - (Ecopolo)	99.99	3,285	3,285	6,016	17,771	4,690	1,008	18,089	-
GPS Tec Sistemas Eletrônicos de Segurança Ltda. - (GPS Tec)	99.99	5,375	5,375	15,533	12,683	11,148	4,997	12,071	-
Servtec Operação E Manutenção Ltda. - (SOM)	99.99	554	554,000	2,279	6,983	3,941	2,315	3,006	-
Engeseg Empresa De Vigilância Computadorizada Ltda.	99.99	10,321	10,320	26,242	43,114	34,258	12,063	23,036	-
Servtec Instalações E Manutenção Ltda. - (SIM)	99.99	(46,501)	(46,501)	148,995	84,626	88,597	154,401	(9,377)	-
Proevi Proteção Especial de Vigilância Ltda.	99.99	(7,108)	(7,108)	18,720	12,132	16,213	21,409	(6,770)	-
Proguarda Vigilância e Segurança Ltda.	99.99	(7)	(7)	15,891	10,523	13,466	6,154	6,794	-
Proguarda Administração e Serviços Ltda.	99.99	3,139	3,139	4,579	15,206	3,213	1,832	14,559	-
Proguarda Sistemas Eletrônicos Ltda.	99.99	(311)	(311)	612	769	214	1,096	70	-
Sempre Empresa de Segurança Ltda.	99.99	1,258	1,258	7,540	5,644	7,649	16,680	(18,529)	-
Sempre Serviços de Limpeza, Jardinagem e Comércio Ltda.	99.99	588	588	685	2,119	648	467	1,688	-
Sempre Sistemas de Segurança Ltda.	99.99	404	404	800	1,199	443	308	1,248	-
Sempre Terceirização em Serviços Gerais Ltda.	99.99	1,692	1,692	2,613	2,984	1,688	890	3,019	-
GPS Air - Serviços Auxiliares ao Transporte Aéreo Ltda.	99.99	1,456	1,456	7,573	4,133	3,659	6,341	1,706	-
Graber Sistemas de Segurança Ltda.	99.99	76,577	76,569	166,652	314,707	122,387	117,085	141,028	-
Visel Vigilância e Segurança Ltda.	99.99	4,571	4,570	20,765	26,854	12,757	7,859	24,221	-
Fortaleza Limpeza Conservação e Serviços Ltda.	80.00	965	772	1,272	2,892	1,268	71	2,826	-
Fortaleza Serviços de Vigilância Ltda.	80.00	1,15	920	3,623	7,405	3,554	1,734	1,274	-
Fortaleza Sistemas de Segurança Eletrônica Ltda.	80.00	1,63	1,304	1,007	1,744	400	1,077	5,740	-
Castelo de Luca Participações Ltda.	60.00	23,651	14,190	2	18,650	-	(13,395)	32,047	-
LC Administração de Restaurantes Ltda.	60.00	23,651	14,190	58,049	18,829	31,733	13,099	32,045	-
Onseg Serviços de Vigilância e Segurança Ltda.	99.99	4,070	4,070	16,954	18,401	13,917	5,126	16,312	-
Onseg Serviços de Vigilância e Segurança Ltda.	99.99	565	565	2,345	5,086	1,786	3,270	2,376	-
Onservice Gestão de Serviços Terceirizados Ltda.	99.99	451	451	1,263	1,983	1,305	645	1,296	-
Poliservice - Sistemas de Segurança S.A.	60.00	1,287	772	12,532	30,983	7,789	8,695	3,031	-
Poliservice - Sistemas de Higienização e Serviços S.A.	60.00	2,713	1,628	7,069	48,268	7,063	26,856	(581)	-
Online - Monitoramento Eletrônico S.A.	60.00	697	418	822	3,665	578	2,055	854	-
RZF Projetos, Construções e Serviços Rodoviários Eireli	60.00	36,252	21,751	11,649	20,731	9,672	4,925	6,479	-
Magnus Segurança Patrimonial Ltda.	70.00	6,041	4,229	8,252	3,390	7,780	1,858	2,004	-

	2019								
Companies	**Interest %**	**Profit /(Loss)For the fiscal year**	**Equity Accounting Method**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Equity**	**Investments**
Magnus Serviços Ltda.	70.00	1,476	1,034	8,506	3,744	4,616	7,169	464	-
Algar Segurança Eletrônica e Serviços Ltda.	99.99	13,765	13,765	3,716	32,347	3,825	3,370	19,703	-
Algar Segurança e Vigilancia Ltda.	99.99	6,877	6,877	-	-	-	-	-	-
Proteg Segurança Patrimonial Eireli	80.00	1,711	1,369	5,092	2,799	4,730	774	(2,683)	-
A&S Serviços Terceirizados Ltda.	80.00	737	737	871	3,040	1,460	1,298	(1,093)	-
A&SS Serviços Terceirizados Ltda.	80.00	(210)	(168)	547	1,093	271	1,160	(856)	-
Jam Soluções Prediais Ltda.	60.00	(4,265)	(2,559)	24,606	5,791	11,925	16,767	(4,256)	-
Quattro Serv Serviços Gerais Ltda.	60.00	(2,059)	(1,235)	8,669	2,676	6,618	7,205	(13,178)	-
Servis Segurança Ltda.	80.00	8,279	6,624	54,203	24,135	30,562	32,755	15,022	-
SECOPI - Segurança Comercial Piaui Ltda.	80.00	1,652	1,321	7,819	4,353	4,983	2,940	48	-
Ultralimpo Empreendimento e Serviços Ltda.	80.00	1,837	1,47	10,381	2,263	5,491	4,071	4,249	-
Conservadora Amazonas Ltda.	80.00	334	267	696	475	591	531	3,083	-
Polonorte Segurança da Amazonia Ltda.	70.00	2,872	2,011	5,047	3,117	3,760	8,827	(4,423)	-
Polonorte Serviços Empresariais Ltda.	70.00	625	437	2,252	520	3,083	5	684	-
Gol Segurança e Vigilância Ltda.	80.00	1,793	1,434	11,132	6,766	10,598	9,997	(2,697)	-
Investments Balance									**761,305**

	2018								
Companies	**Interest %**	**Profit /(Loss)For the fiscal year**	**Equity Accounting Method**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Equity**	**Investments**
Indirect subsidiaries									
Top Service Serviços e Sistemas Ltda.	68.91	230,504	176,540	767,743	1,236,646	454,800	976,987	572,602	394,592
WP Participações V S.A.	100.00	22,602	22,602	16,065	397,436	15,952	-	397,549	397,549
Total			199.142						
Indirect subsidiaries									
GPS Predial Sistemas de Segurança Ltda. - (GPS RJ)	99.99	9,859	9,859	19,954	16,784	22,534	711	13,493	-
GPS Predial Sistemas de Segurança Ltda. - (GPS SP)	99.99	42,632	42,632	25,738	282,233	53,406	3,807	250,758	-
GPS Predial Sistemas de Segurança Ltda. - (GPS BA)	99.99	11,459	11,459	27,528	22,689	31,031	2,442	16,745	-
In-Haus Serviços de Logística Ltda. - (In-Haus)	99.99	17,710	17,710	62,469	18,460	57,627	1,022	22,280	-
Ecopolo Gestão de Águas, Resíduos e Energia Ltda. - (Ecopolo)	99.99	2,125	2,125	4,909	14,456	4,288	56	15,021	-
GPS Tec Sistemas Eletrônicos de Segurança Ltda. - (GPS Tec)	99.99	3,098	3,098	9,669	6,501	9,213	233	6,724	-
Servtec Operação E Manutenção Ltda. - (SOM)	99.99	1,871	1,871	3,019	4,199	4,298	(84)	3,004	-
Engeseg Empresa De Vigilância Computadorizada Ltda.	99.99	10,796	10,796	32,896	26,865	39,443	6,962	13,355	-
Servtec Instalações E Manutenção Ltda. - (SIM)	99.99	794	794	145,460	17,241	43,901	81,677	37,124	-
Tecs Consultoria E Assessoria Em Segurança E Logística Ltda.	99.90	-	-	34	-	5	162	(132)	-

	2018								
Companies	**Interest %**	**Profit /(Loss)For the fiscal year**	**Equity Accounting Method**	**Current Assets**	**Non-Current Assets**	**Current Liabilities**	**Non-Current Liabilities**	**Equity**	**Investments**
Proevi Proteção Especial de Vigilância Ltda.	99.99	5,954	5,953	29,918	8,835	22,595	23,819	(7,662)	-
Uniseg Vigilância Patrimonial Ltda.	99.99	(681)	(681)	846	790	669	848	119	-
Propar Participações Ltda.	75.00	14,534	10,901	4	27,122	-	365	26,761	-
Proguarda Vigilância e Segurança Ltda.	75.00	10,231	7,673	24,473	5,040	11,794	6,206	11,514	-
Proguarda Administração e Serviços Ltda.	75.00	4,488	3,366	13,378	4,437	6,803	723	10,289	-
Proguarda Sistemas Eletrônicos Ltda.	75.00	(177)	(133)	1,268	781	112	733	1,203	-
Sempre Empresa de Segurança Ltda.	60.00	2,385	1,431	7,818	3,510	8,964	13,526	(11,162)	-
Sempre Serviços de Limpeza, Jardinagem e Comércio Ltda.	60.00	977	586	701	1,486	684	403	1,100	-
Sempre Sistemas de Segurança Ltda.	60.00	351	211	312	785	244	9	844	-
Sempre Terceirização em Serviços Gerais Ltda.	60.00	2,32	1,392	1,881	1,579	1,735	399	1,327	-
GPS Air - Serviços Auxiliares ao Transporte Aéreo Ltda.	99.99	-	-	(245)	245	-	-	(1)	-
Graber Sistemas de Segurança Ltda.	99.99	35,179	35,175	82,817	234,080	68,345	110,444	138,108	-
Visel Vigilância e Segurança Ltda.	99.99	2,081	2,081	18,806	25,480	14,425	7,428	22,433	-
Fortaleza Limpeza Conservação e Serviços Ltda.	80.00	730	584	1,060	1,542	833	93	1,676	-
Fortaleza Serviços de Vigilância Ltda.	80.00	(176)	(141)	3,136	5,551	2,954	1,549	4,185	-
Fortaleza Sistemas de Segurança Eletrônica Ltda.	80.00	3,154	2,523	410	1,176	105	947	535	-
Castelo de Luca Participações Ltda.	60.00	8,923	5,354	2	18,650	-	9,506	9,146	-
LC Administração de Restaurantes Ltda.	60.00	8,923	5,354	52,196	19,308	27,962	34,399	9,144	-
Onseg Serviços de Vigilância e Segurança Ltda.	99.99	7,275	7,275	19,087	9,828	16,195	479	12,242	-
Onserv Serviços Terceirizados Ltda.	99.99	929	929	3,616	4,095	4,626	1,275	1,811	-
Onservice Gestão de Serviços Terceirizados Ltda.	99.99	468	468	1,894	1,082	1,956	175	845	-
Poliservice - Sistemas de Segurança S.A.	60.00	(353)	(212)	15,918	24,774	5,532	9,415	25,745	-
Poliservice - Sistemas de Higienização e Serviços S.A.	60.00	544	326	6,320	24,143	6,466	5,292	18,706	-
Online - Monitoramento Eletrônico S.A.	60.00	386	232	544	1,255	518	124	1,157	-
RZF Projetos, Construções e Serviços Rodoviários Eireli	60.00	105	63	23,442	7,257	13,404	8,195	9,099	-
Investments Balance									**792,141**

b. Changes in investments

	2020	2019	2018
Balances at the beginning of the fiscal year	**829,434**	**639,686**	**539,384**
Result from equity accounting method	281,977	208,165	199,142
Goodwill surplus value	-	5,788	4,632
Dividends receivables from subsidiaries (i)	(340,000)	(56,913)	(71,131)
Constitution of dividends receivable (ii)	573	-	-
WP spin-off effect (iii)	-	(40,942)	-
Capital transaction (iv)	(46,563)	73,650	(32,341)
Balances at the end of the fiscal year	**725,421**	**829,434**	**639,686**

(i) Dividends from the subsidiaries to the parent company.

(ii) Write-off of dividends receivable from parent company.

(iii) See Note No. 3.12

(iv) See Note No. 29 (g)

c. Changes in investments per direct subsidiary

Direct subsidiary	Balance as of 2019	Increase/ (decrease) in interest	Capital transaction with indirect investees	Payment of dividends	Equity accounting method	Balance as of 2020
Top Service Servicos e Sistemas S.A.	761,305	-	(46,563)	(339,427)	281,977	657,292
	761,305	**-**	**(46,563)**	**(339,427)**	**281,977**	**657,292**

Direct subsidiary	Balance as of 2018	Increase/ (decrease) in interest	Capital transaction with indirect investees	Payment of dividends	Equity accounting method	Balance as of 2019
Top Service Serviços e Sistemas Ltda.	394,592	215,139	27,887	(48,226)	171,913	761,305
WP Participações V S.A.	397,549	(215,139)	(215,961)	(2,701)	36,252	-
	792,141	**-**	**(188,074)**	**(50,927)**	**208,165**	**761,305**

Direct subsidiary	Balance as of 2017	Increase/ (decrease) in interest	Capital transaction with indirect investees	Payment of dividends	Equity accounting method	Balance as of 2018
Top Service Serviços e Sistemas S.A.	472,414	(170,695)	(28,487)	(55,179)	176,539	394,592
WP Participações V S.A.	-	412,319	(21,762)	(15,610)	22,602	397,549
	472,414	**241,624**	**(50,249)**	**(70,789)**	**199,141**	**792,141**

18 Property, plant, and equipment - Consolidated

See accounting policy in Note No. 8.7 (*a*)-(*b*)-(*c*).

a. Breakdown of Property, plant, and equipment balance

	Machinery, utensils, and tools	Real estate and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Water and Sewage Treatment station	Monitoring center	Property, plant and equipment in progress	Total
Average annual depreciation rates - %	30	-	20	20	20	25	10	20	-	-
Breakdown as of December 31, 2020										
Total cost	224,116	28,994	40,625	121,521	11,320	15,433	11,817	8,258	1,173	463,257
Accumulated depreciation	(112,970)	(211)	(27,364)	(81,107)	(7,362)	(10,237)	(5,349)	(5,269)	-	(249,869)
Net value	**111,146**	**28,783**	**13,261**	**40,414**	**3,958**	**5,196**	**6,468**	**2,989**	**1,173**	**213,388**
Breakdown as of December 31, 2019										
Total cost	127,502	-	30,015	35,067	7,477	12,799	11,329	5,748	2,507	232,444
Accumulated depreciation	(59,612)	-	(20,107)	(25,160)	(5,277)	(7,275)	(4,248)	(4,415)	-	(126,094)
Net value	**67,890**	**-**	**9,908**	**9,907**	**2,200**	**5,524**	**7,081**	**1,333**	**2,507**	**106,350**
Breakdown as of December 31, 2018										
Total cost	83,251	-	18,738	30,517	4,587	6,469	6,515	4,428	13,359	168,134
Accumulated depreciation	(48,983)	-	(13,705)	(22,699)	(3,258)	(5,434)	(3,780)	(3,935)	-	(101,794)
Net value	**34,538**	**-**	**5,033**	**7,818**	**1,329**	**1,035**	**2,735**	**493**	**13,359**	**66,340**

b. Changes in property, plant, and equipment

	Machinery, utensils, and tools	Real estate and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Water and Sewage Treatment stations	Monitoring center	Property, plant and equipment in progress	Total
Balances as of December 31, 2017	**69,374**	**-**	**14,689**	**11,553**	**3,607**	**6,136**	**7,250**	**4,428**	**7,499**	**124,536**
Acquisitions	7,112	-	2,285	2,681	(252)	100	-	-	5,635	17,561
From acquisition of subsidiaries	10,134	-	1,886	17,043	1,266	273	-	-	-	30,602
Write-offs	(3,269)	-	(177)	(464)	(14)	59	(735)	-	35	(4,565)
Transfers	170	-	55	(296)	(20)	(99)	-	-	190	-
Balances as of December 31, 2018	**83,521**	**-**	**18,738**	**30,517**	**4,587**	**6,469**	**6,515**	**4,428**	**13,359**	**168,134**
Acquisitions	36,844	-	3,420	3,286	297	549	-	-	4,009	48,405
From acquisition of subsidiaries	6,895	-	5,562	6,079	6,075	4,250	2	-	61	28,924
Write-offs	(3,240)	-	469	(1,808)	(212)	47	(330)	(9)	(7,936)	(13,019)
Transfers	3,482	-	1,826	(3,007)	(3,270)	1,484	5,142	1,329	(6,986)	-
Balances as of December 31, 2019	**127,502**	**-**	**30,015**	**35,067**	**7,477**	**12,799**	**11,329**	**5,748**	**2,507**	**232,444**
Acquisitions	25,295	21,470	1,983	3,677	164	1,142	-	-	3,377	57,108
From acquisition of subsidiaries	75,887	391	6,217	59,420	3,692	591	(2)	-	(23)	146,173
Surplus value of fixed assets	-	7,133	-	26,429	-	-	-	-	-	33,562
Write-offs	(1,691)	-	175	(4,127)	(85)	(41)	-	-	(261)	(6,030)
Transfers	(2,877)	-	2,235	1,055	72	942	490	2,510	(4,427)	-
Balances as ofDecember 31, 2020	**224,116**	**28,994**	**40,625**	**121,521**	**11,320**	**15,433**	**11,817**	**8,258**	**1,173**	**463,257**

c. Changes in depreciation of property, plant, and equipment

	Machinery, utensils, and tools	Real estate and land	IT equipment	Vehicles	Weapons	Leasehold improvements	Water and Sewage Treatment stations	Monitoring center	Total
Balances as of December 31, 2017	**(40,520)**	**-**	**(11,843)**	**(8,519)**	**(2,281)**	**(4,386)**	**(3,989)**	**(3,502)**	**(75,040)**
Acquisitions	(5,403)	-	(1,085)	(14,263)	(982)	(270)	-	-	(22,003)
From acquisition of subsidiaries	(5,467)	-	(966)	(863)	(101)	(778)	(526)	(433)	(9,134)
Write-offs	3,176	-	26	436	10	-	735	-	4,383
Transfers	(769)	-	163	510	96	-	-	-	-
Balances as of December 31, 2018	**(48,983)**	**-**	**(13,705)**	**(22,699)**	**(3,258)**	**(5,434)**	**(3,780)**	**(3,935)**	**(101,794)**
Acquisitions	(654)	-	(4,912)	(4,183)	(1,487)	(210)	(2)	-	(11,448)
From acquisition of subsidiaries	(8,128)	-	(2,319)	(3,049)	(600)	(1,645)	(792)	(536)	(17,069)
Write-offs	1,890	-	241	1,550	149	5	326	56	4,217
Transfers	(3,737)	-	588	3,221	(81)	9	-	-	-
Balances as of December 31, 2019	**(59,612)**	**-**	**(20,107)**	**(25,160)**	**(5,277)**	**(7,275)**	**(4,248)**	**(4,415)**	**(126,094)**
Acquisitions	(41,387)	-	(3,468)	(48,114)	(1,336)	(402)	-	-	(94,707)
Amortization surplus value of fixed assets	-	(211)	-	(5,826)	-	-	-	-	(6,037)
From acquisition of subsidiaries	(13,302)	-	(3,210)	(4,803)	(740)	(2,563)	(1,101)	(854)	(26,573)
Write-offs	233	-	1	3,235	73	-	-	-	3,542
Transfers	1,098	-	(580)	(439)	(82)	3	-	-	-
Balances as of December 31, 2020	**(112,970)**	**(211)**	**(27,364)**	**(81,107)**	**(7,362)**	**(10,237)**	**(5,349)**	**(5,269)**	**(249,869)**

d. Assessment of the useful life of the property, plant and equipment

The Group, considering the provisions contained in CPC 27 and IAS 16 reviews and adjusts its criteria for determining the useful life of property, plant and equipment from time to time. For the fiscal year ended December 31, 2020, Management did not find factors that could significantly change the useful lives of its fixed assets.

e. Provision for impairment

The Company's assets are accounted for at amounts that do not exceed their recoverable values, with no need for recognition of devaluation through the constitution of a provision for losses. To ensure that its assets are not accounted for at a higher value than the recovery from use or sale, the Company bases its analysis on the external and internal factors provided for in CPC 01 (R1) - Impairment of assets / IAS 36 and performs an impairment test based on the projection of results at least annually. On December 31, 2020, no triggers were identified that would justify a new assessment.

f. Guarantee

The leased assets were given as collateral for the financial leases. See Note No. 21 (a).

In addition to these assets, there are no other property, plant, and equipment items assets given as collateral for debts of the Group and its subsidiaries as at December 31, 2020.

19 Right-of-use assets

See accounting policy in Note No. 8.10 (*i*)-(*ii*).

		Consolidated		
	Useful life in years (i)	**2020**	**2019**	**2018**
Right-of-use	2 – 8	71,348	41,939	-
Amortization of right of use		(26,027)	(9,894)	-
Total		**45,321**	**32,045**	**-**

(i) The useful lives applied refer to the terms for which the Group believes that it will use the assets covered by the lease agreements, observing the contractual conditions. As at January 1, 2019, they corresponded to the remaining term of the agreements in force at the transition date of the Lease standard, according to Note No. 6.

The Group has leases for the use of real estate properties as administrative offices in various demographic regions of the Brazilian territory, in which it provides services of property security, maintenance and cleaning of service areas of its customers.

The Group recognized a right-of-use asset at the lease start date. In the conversion, the right-of-use asset was measured by the lease liability, adjusted for any lease payments made up to that of the start date, plus any initial direct costs incurred by the lessee.

The right-to-use asset is subsequently amortized using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the lease. right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be amortized over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

a. Changes in right-of-use assets

	Consolidated
Adjusted balance as of January 1, 2019	**35,609**
Additions	6,330
Amortization expenses	(9,894)
As of December 31, 2019	**32,045**
Additions	7,947
From acquired companies	21,973
Amortization expenses	(16,644)
As of December 31, 2020	**45,321**

20 Intangible assets

See accounting policy in Note No. 8.8

a. Breakdown of intangible assets balance

			Consolidated		
Acquisition cost	**Useful lifel**	**Annual amortization %**	**2020**	**2019**	**2018**
Goodwill from acquisition of shares:			**66,970**	**66,970**	**66,970**
Acquisition of shares - Ecopolo S.A	Indefinite	-	22,245	22,245	22,245
Acquisition of shares – Predial Participações S.A	Indefinite	-	44,725	44,725	44,725
Goodwill from acquisition of companies:			**1,009,635**	**701,315**	**538,358**
GPS Tec	Indefinite	-	206	206	206
Mopp Clean	Indefinite	-	9,513	9,513	9,513
Top Service	Indefinite	-	15,430	15,430	15,430
Conserbens	Indefinite	-	13,311	13,311	13,311
Engeseg e Secon	Indefinite	-	38,487	38,487	38,487
Servtec	Indefinite	-	34,658	34,658	34,658
Proevi	Indefinite	-	15,522	15,522	15,522
Proguarda	Indefinite	-	30,130	30,130	30,130
Sempre	Indefinite	-	35,736	35,736	35,736
Magnum	Indefinite	-	48,587	48,587	48,587
Graber	Indefinite	-	125,459	125,459	125,459
Acquired from acquired Company - Visel	Indefinite	-	19,520	19,520	19,520
Fortaleza	Indefinite	-	5,731	5,731	5,731
LC Restaurantes	Indefinite	-	66,672	66,672	66,672
Onseg (i)	Indefinite	-	22,283	22,283	22,283
Poliservice (i)	Indefinite	-	23,857	23,857	23,857
RZF (i)	Indefinite	-	33,256	33,256	33,256
Magnus (i)	Indefinite	-	20,552	20,552	-
Algar (i)	Indefinite	-	19,631	19,631	-

			Consolidated		
Acquisition cost	**Useful lifel**	**Annual amortization %**	**2020**	**2019**	**2018**
Proteg (i)	Indefinite	-	6,148	6,148	-
Jam (i)	Indefinite	-	15,335	15,335	-
Quattro (i)	Indefinite	-	16,685	16,685	-
Servis (i)	Indefinite	-	44,488	44,488	-
Polonorte (i)	Indefinite	-	15,530	15,530	-
Gol (i)	Indefinite	-	24,588	24,588	-
BC2	Indefinite	-	87,005	-	-
Luandre	Indefinite	-	96,104	-	-
Conbras	Indefinite	-	37,935	-	-
ISS	Indefinite	-	7,490	-	-
Sunset	Indefinite	-	79,786	-	-
Customer portfolio			**406,258**	**311,372**	**212,535**
Mopp Clean	Definite	6%	5,710	5,710	5,710
Top Service	Definite	10%	2,807	2,807	2,807
Conserbens	Definite	9%	15,844	15,844	15,844
Engeseg e Secon	Definite	8%	19,360	19,360	19,360
Servtec	Definite	19%	3,739	3,739	3,739
Proevi	Definite	11%	10,860	10,860	10,860
Proguarda	Definite	12%	25,606	25,606	25,606
Sempre	Definite	14%	6,143	6,143	6,143
Magnum	Definite	14%	18,321	18,321	18,321
Graber	Definite	20%	24,523	24,523	24,523
Fortaleza	Definite	14%	3,281	3,281	3,281
LC Restaurantes	Definite	15%	23,571	23,571	23,571
Onseg	Definite	10%	18,335	18,335	21,250
Poliservice	Definite	21%	7,829	7,829	7,829
RZF	Definite	10%	23,691	23,691	23,691
Algar	Definite	17%	14,866	14,866	-
Magnus	Definite	10%	26,681	26,681	-
Proteg	Definite	17%	986	986	-
Quattro	Definite	50%	1,272	1,272	-
JAM	Definite	50%	2,026	2,026	-
Servis	Definite	14%	36,196	36,196	-
Polonorte	Definite	10%	6,265	6,265	-
Gol	Definite	17%	13,460	13,460	-
Luandre	Definite	17%	51,068	-	-
Conbras	Definite	17%	17,567	-	-
Sunset	Definite	17%	26,251	-	-
Brands			**120,779**	**87,461**	**79,236**
Mopp Clean	Indefinite	-	1,880	1,880	1,880
Top Service	Indefinite	-	5,119	5,119	5,119
Conserbens	Indefinite	-	3,049	3,049	3,049
Engeseg e Secon	Indefinite	-	8,408	8,408	11,750
Servtec	Definite	50%	685	685	685
Proevi	Indefinite	-	-	-	7,631
Proguarda	Indefinite	-	8,617	8,617	8,617
Sempre	Definite	20%	1,650	1,650	1,650
Magnum	Definite	20%	1,869	1,869	1,869
Graber	Definite	20%	19,167	19,167	19,167
Fortaleza	Indefinite	-	1,461	1,461	1,462
Onseg	Definite	20%	10,453	10,453	10,453
Poliservice	Definite	20%	5,904	5,904	5,904
Servis	Indefinite	-	19,199	19,199	-
Luandre	Definite	20%	33,318	-	-
Non-competition agreement	Definite	20%	**7,257**	**1,006**	**1,006**
Non-competition agreement			**1,158**	**1,158**	**-**
Total customer portfolio, brands and other assets in acquisitions			**1,612,057**	**1,169,282**	**898,105**
Software acquired from third parties	Definite	20%	8,909	7,069	6,290
Intangibles from acquired companies	Definite	20%	-	83	-
Others	Definite	20%	684	682	682
		-	**9,593**	**7,834**	**6,972**

			Consolidated		
Acquisition cost	**Useful lifel**	**Annual amortization %**	**2020**	**2019**	**2018**
Total Cost		**-**	**1,621,650**	**1,177,116**	**905,077**
Accumulated amortization					
Softwares	-	-	(7,033)	(6,337)	(5,245)
Customer portfolio and brands	-	-	(163,577)	(113,817)	(63,328)
Others	-	-	(530)	(645)	(491)
Total Accumulated amortization	**-**	**-**	**(171,120)**	**(120,799)**	**(69,064)**
Net intangible assets	**-**	**-**	**1,450,530**	**1,056,317**	**836,013**

(i) See Note No. 3

b. Changes in cost

	Acquisition of shares	Goodwill	Customer portfolio	Brands	Non-competition agreement	Software	Others	Provision for capital gains	Total
As of January 1, 2018	**66,970**	**483,548**	**159,765**	**62,879**	**1,006**	**5,406**	**678**		**780,252**
Additions (ii)	-	79,395	52,770	16,357	-	-	-	-	148,522
Adjustments to assets and liabilities assumed (i)	-	(24,585)	-	-	-	-	-	-	(24,585)
Business combination effect	**-**	**54,810**	**52,770**	**16,357**	**-**	**-**	**-**	**-**	**123,937**
Other additions	-	-	-	-	-	884	4	-	888
As of December 31, 2018	**66,970**	**538,358**	**212,535**	**79,236**	**1,006**	**6,290**	**682**	**-**	**905,077**
Additions (ii)	-	162,957	101,752	19,199	-	-	-	-	283,908
WP split-off	-	-	-	-	-	-	-	1,158	1,158
Write-off for acquisition of companies	-	-	(2,915)	(10,973)	-	-	-	-	(13,888)
Adjustments to assets and liabilities assumed (i)	-	-	-	(1)	-	-	-	-	(1)
Business combination effect	**-**	**162,957**	**98,837**	**8,225**	**-**	**-**	**-**	**1,158**	**271,177**
Other additions	-	-	-	-	-	862	-	-	862
As of December 31, 2019	**66,970**	**701,315**	**311,372**	**87,461**	**1,006**	**7,152**	**682**	**1,158**	**1,177,116**
Additions (ii)	-	308,320	94,886	30,669	6,251	-	2,649	-	442,775
Business combination effect	**-**	**308,320**	**94,886**	**30,669**	**6,251**	**-**	**-**	**-**	**442,775**
Other additions	-	-	-	-	-	1,757	2	-	1,759
As of December 31, 2019	**66,970**	**1,009,635**	**406,258**	**118,130**	**7,257**	**8,909**	**3,331**	**1,158**	**1,621,650**

(i) These adjustments were made to reflect changes in the provisional values recognized in the business combination. The measurement period provides a reasonable time for the acquirer to gather the information necessary to identify and measure the assets and liabilities assumed at the acquisition date, in addition to the consideration transferred for the acquiree's control.

(ii) The goodwill arising from the acquisition operations, recorded in the investment group, is segregated according to the allocation obtained from the assessment of the Purchase Price Allocation.

c. Changes in accumulated amortization

	Customer portfolio	Brands	Software	Others	Total
As of January 1, 2018	**(35,007)**	**(1,697)**	**(4,068)**	**(458)**	**(41,230)**
Amortization	(24,012)	(2,612)	(1,177)	(34)	(27,835)
As of December 31, 2018	**(59,019)**	**(4,309)**	**(5,245)**	**(492)**	**(69,065)**
Amortization	(40,718)	(9,771)	(1,092)	(153)	(51,734)
As of December 31, 2019	**(99,737)**	**(14,080)**	**(6,337)**	**(645)**	**(120,799)**
Amortization	(45,549)	(4,191)	(696)	115	(50,321)
As of December 31, 2020	**(145,286)**	**(18,271)**	**(7,033)**	**(530)**	**(171,120)**

d. Impairment tests for CGUs

See accounting policy in Note No. 8.9

The Group evaluated the recovery of the carrying amount of goodwill using the "Value in Use" method, observing discounted cash flow models, representative of the sets of tangible and intangible assets used in the production and sale of goods/services to customers.

For the purposes of the impairment test, the goodwill (goodwill, brands, merger of shares and non-compete agreement) was allocated to the Company's cash generating units (CGU) (operating divisions) that refer to the aggregation of companies, by CNPJ and preponderance of business, as follows:

	2020			**2019**			**2018**		
Useful life	**Indefinite**	**Definite**	**Total**	**Indefinite**	**Definite**	**Total**	**Indefinite**	**Definite**	**Total**
Goodwill, merger of shares and non-compete agreement									
Security	332,714	-	332,714	336,914	-	336,914	225,514	-	225,514
Facilities	313,561	1,006	314,567	198,316	1,006	199,322	154,657	1,006	155,663
Meals	66,672	-	66,672	66,672	-	66,672	66,672	-	66,672
Maintenance	110,011	-	110,011	55,828	-	55,828	34,658	-	34,658
Logistics	24,459	-	24,459	24,459	-	24,459	24,459	-	24,459
Water and effluents	-	-	-	-	-	-	21,070	-	21,070
Electronic Security	7,321	-	7,321	21,531	-	21,531	1,900	-	1,900
	854,738	**1,006**	**855,744**	**703,720**	**1,006**	**704,726**	**528,930**	**1,006**	**529,936**
Brands									
Security	43,223	19,462	62,685	41,586	17,089	58,675	29,209	27,187	56,396
Facilities	4,663	2,629	7,292	22,303	8,559	30,862	10,244	31,356	41,600
Maintenance	-	-	-	2,236	-	2,236	-	685	685
Logistics	-	-	-	990	-	990	-	-	-
Electronic Security	55	205	260	117	-	117	55	-	55
	47,941	**22,296**	**70,237**	**67,232**	**25,648**	**92,880**	**39,508**	**59,228**	**98,736**
Customer portfolio									
Security	-	98,844	98,844	-	149,110	149,110	-	95,625	95,625
Facilities	-	44,692	44,692	-	84,829	84,829	-	186,706	186,706
Meals	-	13,258	13,258	-	15,910	15,910	-	23,571	23,571
Maintenance	-	21,336	21,336	-	5,451	5,451	-	3,739	3,739
Logistics	-	-	-	-	2,354	2,354	-	-	-
Electronic Security	-	1,187	1,187	-	305	305	-	156	156
	-	**179,317**	**179,317**	**-**	**257,959**	**257,959**	**-**	**309,797**	**309,797**
Contingent assets and liabilities									
Security	-	(4,088)	(4,088)	-	17,405	17,405	-	7,959	7,959
Facilities	-	(5,453)	(5,453)	-	4,198	4,198	-	2,324	2,324
Meals	-	19,560	19,560	-	(2,580)	(2,580)	-	(2,799)	(2,799)
Maintenance	-	4,289	4,289	-	-	-	-	-	-
Electronic Security	-	(94)	(94)	-	-	-	-	-	-
	-	**14,214**	**14,214**	**-**	**19,023**	**19,023**	**-**	**7,484**	**7,484**

	2020			2019			2018		
Useful life	**Indefinite**	**Definite**	**Total**	**Indefinite**	**Definite**	**Total**	**Indefinite**	**Definite**	**Total**
Fixed assets	**-**	**22,465**	**22,465**	**-**	**-**	**-**	**-**	**-**	**-**
Maintenance	-	22,465	22,465	-	-	-	-	-	-
	902,679	**239,298**	**1,141,977**	**770,952**	**303,636**	**1,074,588**	**568,438**	**377,515**	**945,953**

For the purposes of the impairment test, goodwill, brands, merger of shares and non-compete agreement, were allocated to the Group's cash generating units (CGU) (operating divisions) that refer to the aggregation of companies by CNPJ and preponderance of business, as follows:

Security

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future trends in relevant sectors and were based on historical data from internal and external sources.

	Security		
In percentage	**2020**	**2019**	**2018**
WACC rate (a)	10.9	12.8	13.9
Leverage of CGU Security	18.1	19.9	15.9
Perpetuity growth rate (after 10 years of projected cash flow)	3.0	3.6	4.2
Average growth in net revenue	6.4	7.2	7.5
EBITDA Margin	8.8	8.7	14.7
Working capital in % of net revenue	1.6	4.0	6.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model*) modeling for Ke, using a market beta, and the Group´s cost of funding.

A financial projection was prepared from September 2020 to September 2030, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period[1] based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2020**	**2019**	**2018**
Goodwill	332,714	336,914	225,514
Brand's carrying amount	43,223	41,586	29,209
Total Value in Use	**375,937**	**378,500**	**254,723**
Residual goodwill and brand value based on recoverable value	1,017,399	823,198	1,315,004
Impairment losses amount	-	-	-

"The estimated recoverable amount for the CGU was higher than its book value by R$ 727,908 (2019: R $ 444,698 and 2018: 1,060,281). Management not identified assumptions for which reasonably possible changes may result in impairment.

Based on the annual recovery test of intangible assets of the Security CGU, no possible losses or indications of losses were identified, as the value in use is higher than the net carrying amount at the valuation date.

[1] Based on the long-term options, the company understands that a 10-year period would be applicable.

Facilities

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources.

	Facilities		
In percentage	**2020**	**2019**	**2018**
WACC rate (a)	10.9	12.8	13.9
Leverage of Facilities CGU	18.1	19.9	15.9
Perpetuity tax rate (after 10 years of projected cash flow)	3.0	3.6	4.2
Average growth in net revenue	6.5	7.1	6.5
EBITDA Margin	13.5	14.3	14.7
Working capital in % of net revenue	7.0	6.9	6.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model*) modeling for Ke, using a market beta, and the Group´s cost of funding.

To apply the discounted cash flow methodology in order to check the impairment of fixed assets, a financial projection was prepared in the period from September 2020 to September 2030, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2020**	**2019**	**2018**
Residual goodwill	313,561	198,316	154,657
Brand's carrying amount	4,663	22,303	10,244
Total Value in Use	**318,224**	**220,619**	**164,901**
Residual goodwill and brand value based on recoverable value	1,825,404	1,453,769	1,218,118
Impairment losses amount	-	-	-

The estimated recoverable amount for the CGU was higher than its book value by R$ 1,507,180 (2019: R $ 1,233,150 and 2018: 1,053,217). Management not identified assumptions for which reasonably possible changes may result in impairment.

Meals

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources. LC Restaurantes is the sole company in the Meals CGU.

	Meals		
In percentage	**2020**	**2019**	**2018**
WACC rate (a)	10.2	12.3	13.9
Leveraging of Meals CGU	30.1	21.8	21.7
Perpetuity tax rate (after 10 years of projected cash flow)	3.0	3.6	4.2
Average growth in net revenue	3.0	6.8	9.6
EBITDA Margin	12.0	7.9	10.0
Working capital in % of net revenue	8.7	8.5	7.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model*) modeling for Ke, using a market beta, and the Group´s cost of funding.

To apply the discounted cash flow methodology in order to check the impairment of fixed assets, a financial projection was prepared for the period from September 2020 to September 2030, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2020**	**2019**	**2018**
Goodwill	66,672	66,672	66,672
Total Value in Use	**66,672**	**66,672**	**66,672**
Residual goodwill based on recoverable amount	262,848	73,226	66,378
Impairment losses amount	**-**	**-**	**(294)**

The estimated recoverable amount for the CGU was higher than its book value by R$ 196,176 (2019: R$ 6,554 and 2018: (R$ 294)). Management not identified assumptions for which reasonably possible changes may result in impairment.

Maintenance

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources.

	Maintenance		
In percentage	**2020**	**2019**	**2018**
WACC rate (a)	10.9	12.8	13.9
Leveraging of Maintenance CGU	18.1	19.9	15.9
Perpetuity tax rate (after 10 years of projected cash flow)	3.0	3.6	4.2
Average growth in net revenue	6.3	4.9	6.7
EBITDA Margin	13.7	12.8	14.7
Working capital in % of net revenue	18.2	30.0	12.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model*) modeling for Ke, using a market beta, and the Group´s cost of funding.

To apply the discounted cash flow methodology in order to check the impairment of fixed assets, a financial projection was prepared for the period from September 2020 to September 2030, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2020**	**2019**	**2018**
Goodwill	110,011	55,828	34,658
Brand's carrying amount	-	2,236	-
Total Value in Use	**110,011**	**58,064**	**34,658**
Goodwill based on recoverable amount	415,826	124,362	97,704
Impairment losses amount	-	-	-

The estimated recoverable amount for the CGU was higher than its book value by R$ 305,815 (2019: R $ 66,298 and 2018: 63,046). Management not identified assumptions for which reasonably possible changes may result in impairment.

Logistics

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources.

	Logistics		
In percentage	**2020**	**2019**	**2018**
WACC rate (a)	10.9	12.8	13.9
Leverage of Logistics UGC	18.1	19.9	15.9
Perpetuity tax rate (after 10 years of projected cash flow)	3.0	3.6	4.2
Average growth in net revenue	4.0	4.6	6.7
EBITDA Margin	12.0	12.6	14.7
Working capital in % of net revenue	10.5	14.0	12.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model)* modeling for Ke, using a market beta, and the Group´s cost of funding.

To apply the discounted cash flow methodology in order to check the impairment of fixed assets, a financial projection was prepared from September 2020 to September 2030, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2020**	**2019**	**2018**
Residual goodwill	24,459	24,459	24,459
Brand's carrying amount	-	990	-
Total Value in Use	**24,459**	**25,449**	**24,459**
Residual goodwill based on recoverable amount	167,711	174,354	209,771
Impairment losses amount	-	-	-

The estimated recoverable amount for the CGU was higher than its book value by R $ 143,252 (2019: R $ 148,875 and 2018: 185,312). Management not identified assumptions for which reasonably possible changes may result in impairment.

Water and effluents

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU. The information is presented only for 2018, as 2019 onwards this CGU became part of Facilities´ CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources.

	Water and effluents
In percentage	**2018**
WACC rate (a)	12.9
Leverage of CGU Water and effluents	51.84
Perpetuity	4.2

In percentage	Water and effluents 2018
Average growth in net revenue	6.3
EBITDA Margin	31.2
Working capital in % of net income	8.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model*) modeling for Ke, using a market beta, and the Group´s cost of funding.

To apply the discounted cash flow methodology in order to check the impairment of fixed assets, a financial projection was prepared from September 2018 to September 2028, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2018**
Residual goodwill	21,070
Value in Use	**21,070**
Residual goodwill based on recoverable amount	39,989
Impairment losses amount	-

Based on the annual impairment testing of intangible assets of the Water and Effluents CGU, prepared on the realized projections on financial statements as of September 30, 2018, growth perspectives at the time and follow up of projections and operating income during the fiscal year ended December 31, 2018, no possible losses or loss indications were found, since the value in use is higher than the net carrying amount at the assessment date

Electronic security

The recoverable amount of the CGU was based on the value in use, determined through the discounted future cash flows to be generated by the continuous use of the CGU.

The main assumptions used to estimate the recoverable amount are defined below. The values attributed to the main assumptions represent the assessment of future management trends in relevant sectors and were based on historical data from internal and external sources.

	Electronic security		
In percentage	**2020**	**2019**	**2018**
WACC rate (a)	10.9	12.8	13.9
Leverage of CGU Electronic security	18.1	19.9	15.9
Perpetuity tax rate (after 10 years of projected cash flow)	3.0	3.6	4.2
Average growth in net revenue	4.1	7.8	7.1
EBITDA Margin	19.8	18.0	14.7
Working capital in % of net revenue	8.5	15.5	10.0

(a) Weighted Average Cost of Capital (WACC) rate is calculated based on CAPM (*Capital Asset Princing Model)* modeling for Ke, using a market beta, and the Group´s cost of funding.

To apply the discounted cash flow methodology in order to check the impairment of fixed assets, a financial projection was prepared from September 2020 to September 2030, according to the assumptions presented above. Management deemed it appropriate to use the ten-year period based on its past experience in accurately preparing its cash flow projections and following the standard for preparing the purchase price allocation reports of the acquired companies. This understanding is in accordance with paragraph 35 of CPC 01 (R1) / IAS 36 - Impairment of Assets.

Indefinite useful life	**2020**	**2019**	**2018**
Residual goodwill	7,321	21,531	1,900
Brand's carrying amount	-	117	55
Total Value in Use	**7,321**	**21,648**	**1,955**
Residual goodwill based on recoverable amount	102,524	22,261	49,441
Impairment losses amount	-	-	-

The estimated recoverable amount for the CGU was higher than its book value by R$ 95,203 (2019: R$ 613 and 2018: 47,486). Management not identified assumptions for which reasonably possible changes may result in impairment.

21 Loans and borrowings

See accounting policy in Note No. 8.4(*i*)-(*ii*) -(*iii*).

a. Breakdown of balances

			Consolidated		
	Annual rate for charges - %	**Currency**	**2020**	**2019**	**2018**
Credit facilities used:					
Working capital	CDI + 0% to 2% p.a.	R$	300,100	333,907	176,459
Working capital	CDI + 2.1 to 2.5 p.a.	R$	81,956	113,844	170,869
Working capital	CDI + 2.6 to 3 p.a.	R$	231,952	64,327	195,463
Working capital	CDI + 3.1% to 6.0% p.a.	R$	61,466	18,901	37,020
Working capital	Prefixed rate	R$	-	-	8,565
Financing (a)	LIBOR + 2.40 to 3.099 p.a.	USD	230,945	142,094	191,840
Commercial papers (b)	CDI + 1.94 p.a.	R$	37,762	50,244	-

	Annual rate for charges - %	Currency	Consolidated 2020	2019	2018
			944,181	**723,317**	**780,216**
Finance lease	10 to 15 p.a.	R$	-	600	1,023
			-	**600**	**1,023**
			944,181	**723,917**	**781,239**
Current liabilities			**327,552**	**170,771**	**201,852**
Non-current liabilities			**616,629**	**553,146**	**579,387**

(a) The Group has borrowings in foreign currency denominated in US$ (US Dollar), but with swaps in amount consistent with the estimated future cash flow, eliminating the foreign currency variation and converting the entire operation to 100% of the Interbank Deposit Certificate (CDI) rate, plus interest of 2.40% to 3.00% per year, in compliance with risk management criteria. See Note No. 31 (c).

(b) In May 2019, subsidiary Top Service Serviços e Sistemas S.A. issued private debt securities, as Commercial Papers, amounting to R$ 50,000. The commercial papers will circulate by endorsement, with no guarantee, of a mere transfer of ownership, as provided for in paragraph 1, article 4, of the Instruction of the Brazilian Securities and Exchange Commission (“CVM”) No. 566. The unit face value of each series is remunerated at 100% of the Interbank Deposit Certificate (CDI) rate, plus a percentage of 1.94% p.a. The remuneration will be paid, together with the unit face value of the respective series, in a single installment at the maturity date, or, even, at the date of possible early maturity of the commercial papers as a result of a default event. The commercial papers will have a guarantee provided universally by GPS Participações e Empreendimentos S.A. and are exempt from registration with the CVM in accordance with CVM Instruction No. 476/2019. The table below shows the characteristics defined for each series approved for issuance:

Issuance	Series	Beginning	Maturity	Amount Unit Face Value	Balance Initial	DI +Spread	As of 12/31/2020
First	4	6/19/2019	5/27/2021	6,496	6,496	589	7,085
First	5	6/19/2019	10/27/2021	5,601	5,601	503	6,104
First	6	6/19/2019	5/27/2022	5,514	5,514	495	6,009
First	7	6/19/2019	10/27/2022	4,770	4,770	428	5,198
First	8	6/19/2019	5/29/2023	4,561	4,561	409	4,970
First	9	6/19/2019	10/27/2023	4,010	4,010	360	4,370
First	10	6/19/2019	5/27/2024	3,694	3,694	332	4,026
				34,646	**34,646**	**3,116**	**37,762**

The amounts recorded in non-current liabilities as of December 31, 2020, have an amortization schedule up to 2026. Following are the amortization schedules:

Maturity	**2020**
2021	183,468
2022	150,979
2023	91,834
2024	68,474
2025	86,069
2026	35,805
Total	**616,629**

Guarantees

The balances of working capital loans are subject to the financial charges mentioned in the table and are substantially guaranteed by fiduciary assignments of receivables with simple domicile without balance withholding.

Lease Operations, substantially for the purchase of computer equipment and vehicles, are irreversible and have a call option section, the value of which is included in the corresponding monthly installments. The leased assets were given as collateral for the financial leases.

The commercial notes will have an endorsement provided universally by GPS Participações e Empreendimentos S.A..

b. Changes in balances

	Consolidated		
	2020	**2019**	**2018**
At the beginning of the fiscal year	723,917	781,239	513,081
New lease agreements	37	-	-
New financing agreements	353,200	315,000	381,190
Agreements from acquired companies	58,341	20,577	10,588
Provisioned interest and charges	87,404	78,357	75,179
Payments made:			
Principal	(230,888)	(384,146)	(146,944)
Interest paid	(47,830)	(87,110)	(51,855)
	944,181	**723,917**	**781,239**

c. Covenants

The Group has secured bank loans amounting to R$ 819,203 as at December 31, 2020 (R$ 651,211 as at December 31, 2019 and R$ 628,607 as at December 31, 2018). According to the terms of the agreement, these loans will be paid in installments over the next six years. However, the agreement contains covenants that state that:

At the end of each year, the Group's net debt cannot exceed 3.5 times its EBITDA*.

(*) EBITDA is calculated by adding depreciation and amortization back to the earnings before interest and taxes.

During the years 2020, 2019 and 2018, the Group breached a non-financial covenant related to certain loans and borrowings agreements. The clauses not complied with by the Group are the change of share control communicated to the financing agents after it has occurred. (as presented in covenants contract, any changes on share control needs to be communicated to the agents before occurred). However, the Group obtained waivers from financial institutions, which maintained the originally agreed-upon maturities.

d. Reconciliation of financing transactions with cash flows from financing activities

		Liabilities				Derivatives (assets)/liabilities held for hedge of long-term loans	Equity						
Consolidated	**Note**	**Dividends paid**	**Other loans and borrowings**	**held for hedge of long-term loans**	**Lease liabilities**	**Interest rate swaps and forward foreign exchange contracts used for hedge - assets**	**Share Capital**	**Transaction costs**	**Capital reserves**	**Earnings reserves**	**Equity valuation adjustments**	**Non-controlling interests**	**Total**
Balance as of January 1, 2020		**49,065**	**723,916**	**503,428**	**32,968**	**18,824**	**416,716**	**-**	**-**	**493,633**	**33,461**	**4**	**2,204,693**
Variations in financing cash flows													
Capital payment		-	-	-	-	-	73,000	-	-	(73,000)	-	-	**-**
Receipt of capital reserve to be paid up		-	-	-	-	-	-	-	36,376	-	-	-	**36,376**
Payment of capital reserve		-	-	-	-	-	36,376	-	(36,376)	-	-	-	**-**
Issue of common shares		-	-	-	-	-	14,361	-	-	-	-	-	**14,361**
Dividends paid		(49,065)	-	-	-	-	-	-	-	(25,482)	-	-	**(74,547)**
Derivatives		-	-	-	-	28,215	-	-	-	-	-	-	**28,215**
Fund raising for loans and borrowings		-	353,237	-	-	-	-	-	-	-	-	-	**353,237**
Debentures fund raising		-	-	-	-	-	-	-	-	-	-	-	**-**
Amortization of loans and borrowings		-	(230,888)	-	-	-	-	-	-	-	-	-	**(230,888)**
Payment of lease		-	-	-	(16,008)	-	-	-	-	-	-	-	**(16,008)**
Total variation in financing cash flows		**(49,065)**	**(122,349)**	**-**	**(16,008)**	**28,215**	**123,737**	**-**	**-**	**(98,482)**	**-**	**-**	**110,746**
Changes from gain or loss of control in subsidiaries or other business		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value		**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	
Other changes													
Related to liabilities													
Dividends payable		400,000	-	-	-	-	-	-	-	(400,000)	**-**	**-**	**-**
From merger		-	58,342	-	21,974	-	-	-	-	-	**-**	**-**	**80,316**
Obligations with acquisitions of subsidiaries		-	-	-	-	-	-	-	-	-	**(37,939)**	**-**	**(37,939)**
New leases		-	-	-	8,768	-	-	-	-	-	**-**	**-**	**8,768**
Interest expenses		-	87,404	21,627	1,134	-	-	-	-	-	**-**	**-**	**110,165**
Income with derivatives – (Swap)		-	-	-	-	(3,263)	-	-	-	-	**-**	**-**	**(3,263)**
Interest paid		-	(47,830)	(21,809)	(1,694)	-	-	-	-	-	**-**	**-**	**(71,333)**
Total of other changes related to liabilities		**400,000**	**97,916**	**(182)**	**30,182**	**(3,263)**	**-**	**-**	**-**	**(400,000)**	**(37,939)**	**-**	**86,714**
Total of other changes related to equity		-	-	-	-	-	-	-	-	274,504	-	(5)	274,499
Balance as of December 31, 2020		**400,000**	**944,181**	**503,246**	**47,142**	**43,376**	**540,543**	**-**	**-**	**269,655**	**(71,400)**	**(1)**	**2,676,652**

		Liabilities				Derivatives (assets)/liabilities held for hedge of long-term loans		Equity					
Consolidated	**Note**	**Dividends paid**	**Other loans and borrowings**	**Notes not convertible into shares**	**Lease liabilities**	**Interest rate swaps and forward foreign exchange contracts used for hedge - assets**	**Interest rate swaps and forward exchange contracts used for hedging purpose - liabilities**	**Share Capital**	**Transaction costs**	**Capital reserves**	**Earnings reserves**	**Non-controlling interests**	**Total**
Balance as of January 1, 2019		**78,898**	**781,239**	**-**	**-**	**16,788**	**63**	**326,230**	**(809)**	**-**	**273,576**	**2**	**1,475,988**
Variations in financing cash flows													
Capital payment		-	-	-	-	-	-	71,450	-	-	(71,450)	-	**-**
Receipt of capital reserve to be paid up		-	-	-	-	-	-	17,033	-	-	-	-	**17,033**
Issue of common shares		-	-	-	-	-	-	1,999	-	-	-	-	**1,999**
Dividends paid		(84,333)	-	-	-	-	-	-	-	-	(12,883)	(3,326)	**(100,542)**
Derivatives		-	-	-	-	(1,635)	19,015	-	-	-	-	-	**17,380**
Fund raising for loans and borrowings		-	315,000	-	-	-	-	-	-	-	-	-	**315,000**
Debentures fund raising		-	-	500,000	-	-	-	-	-	-	-	-	**500,000**
Amortization of loans and borrowings		-	(384,146)	-	-	-	-	-	-	-	-	-	**(384,146)**
Payment of lease		-	-	-	(11,226)	-	-	-	-	-	-	-	**(11,226)**
Total variation in financing cash flows		**(84,333)**	**(69,146)**	**500,000**	**(11,226)**	**(1,635)**	**19,015**	**90,482**	**-**	**-**	**(84,333)**	**(3,326)**	**355,498**
Changes from gain or loss of control in subsidiaries or other business		**-**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**4**
Changes in fair value		**-**	**-**	**-**	**-**	**(6,531)**	**9,802**	**-**	**-**	**-**	**-**	**-**	**3,271**
Other changes													
Related to liabilities													

		Liabilities				Derivatives (assets)/liabilities held for hedge of long-term loans		Equity					
Consolidated	**Note**	**Dividends paid**	**Other loans and borrowings**	**Notes not convertible into shares**	**Lease liabilities**	**Interest rate swaps and forward foreign exchange contracts used for hedge - assets**	**Interest rate swaps and forward exchange contracts used for hedging purpose - liabilities**	**Share Capital**	**Transaction costs**	**Capital reserves**	**Earnings reserves**	**Non-controlling interests**	**Total**
Dividends payable		45,652	-	-	-	-	-	-	-	-	(45,652)	-	-
From merger		8,848	20,578	-	-	-	-	-	-	-	-	-	**29,426**
New leases		-	-	-	42,228	-	-	-	-	-	-	-	**42,228**
Interest expenses		-	65,173	3,428	4,193	-	-	-	-	-	-	-	**72,794**
Income with derivatives – (Swap)		-	-	-	-	9,802	(26,927)	-	-	-	-	-	**(17,127)**
Interest paid		-	(75,880)	-	(2,227)	-	-	-	-	-	-	-	**(78,107)**
Total of other changes related to liabilities		54,500	9,871	3,428	44,194	9,802	(26,927)	-	-	-	(45,652)	-	**49,216**
Total of other changes related to equity		-	-	-	-	-	-	-	-	-	317,390	3,328	320,565
Balance as of December 31, 2019		**49,065**	**721,964**	**503,428**	**32,968**	**18,424**	**1,953**	**414,716**	**(809)**	**-**	**460,981**	**4**	**2,204,542**

		long-term loans		held for hedge of Liabilities		Equity					
	Note	**Dividends Payable**	**Other loans and borrowings**	**Interest rate swaps and forward foreign exchange contracts used for hedge - assets**	**Interest rate swaps and forward exchange contracts used for hedging purpose - liabilities**	**Share Capital**	**Transaction Costs**	**Capital Reserves**	**Earnings reserves**	**Non-controlling interests**	**Total**
Balance as of January 1, 2018		**64,772**	**513,082**	**-**	**2,162**	**46,847**	**(809)**	**214,383**	**251,875**	**2**	**1,092,314**
Variations in financing cash flows											
Capital increase without issuance of new shares		-	-	-	-	279,383	-	(214,383)	(65,000)	-	-
Dividends paid		(36,547)	-	-	-	-	-	-	(43,769)	-	**(80,316)**
Derivatives		-	-	(16,789)	19,720	-	-	-	-	-	**2,932**
Fund raising for loans and borrowings		-	381,190	-	-	-	-	-	-	-	**381,190**
Amortization of loans and borrowings		-	(146,944)	-	-	-	-	-	-	-	**(146,944)**
Total variation in financing cash flows		**(36,547)**	**234,246**	**(16,789)**	**19,720**	**279,383**	**-**	**(214,383)**	**(108,769)**	**-**	**156,862**
Variations arising from gain or loss of control in subsidiaries or other business		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value		**-**	**-**	**25,853**	**(35,913)**	**-**	**-**	**-**	**-**	**-**	**(10,060)**
Other changes											
Related to liabilities											
Dividends payable		50,673	-	-	-	-	-	-	(50,673)	-	-
From merger		-	10,588	-	-	-	-	-	-	-	**10,588**
Interest paid		-	75,178	-	-	-	-	-	-	-	**75,178**
Income with derivatives – (Swap)		-	-	7,724	14,094	-	-	-	-	-	**21,818**
Interest paid		-	(51,855)	-	-	-	-	-	-	-	**(51,855)**
Total of other changes related to liabilities		50,673	33,911	7,724	14,094	-	-	-	(50,673)	-	55,729
Total of other changes related to equity		-	-	-	-	-	-	-	181,144	-	181,144
Balance as of December 31, 2018		**78,898**	**781,239**	**16,788**	**63**	**326,230**	**(809)**	**-**	**273,577**	**2**	**1,475,988**

22 Debentures

See accounting policy in Note No. 8.4(i)-(ii) -(iii).

	Consolidated		
	2020	**2019**	**2018**
Current liabilities			
Issuance of collateralized debt securities	3,246	3,428	-
	3,246	**3,428**	**-**
Non-current liabilities			
Issuance of collateralized debt securities	500,000	500,000	-
	500,000	**500,000**	**-**
Total	**503,246**	**503,428**	**-**

In November 2019, the Group carried out the first issuance of private debt securities, in the form of simple debentures, non-convertible into shares, of the security interest type, in a single series, for public distribution, with limited distribution efforts in accordance with of CVM instruction No. 476 and other legal and regulatory provisions, being, therefore, in accordance with article 6 of CVM Instruction No. 476, automatically exempted from the distribution register covered by Article 19 of Law No. 6385/76. The offer is registered with Anbima — Brazilian Association of Financial and Capital Markets Entities under Chapter VIII of the Anbima Code. The debentures were registered with unit par value of R$1, for the issued and traded amount of five hundred thousand (500,000) debentures, with the transaction amounting to R$500,000.

The unit par value of each series shall be remunerated quarterly at 100% of the Interbank Deposit Certificate (CDI), plus a percentage of 1.60% p.a.

a. Terms and debt repayment schedule

Remuneration shall be paid, without prejudice to payments due to early maturity, with the possibility of early redemption or full redemption of Debentures, in accordance with the Issue Indenture. The balance of Debentures unit par value shall be repaid in twenty (20) quarterly and successive installments, as from the eighth quarter of grace. The net resources obtained by the Group with the Issue will be used for cash reinforcement.

The debentures provide for personal guarantee in accordance with Article 822 of Law No. 10406/2002. GPS Participações e Empreendimentos S.A. provides sureties in favor of debenture holders. The table below highlights the characteristics defined for the first issuance carried out:

Issuance	Series	Beginning	Maturity	DI + Spread p.a.	Quantity	Un. par value	Total amount issued	Interest DI + Spread	Position on 2020
First	Single	11/20/2019	10/25/2026	3.50%	500,000	1,000	500,000	3,246	503,246
					-	**1,000**	**500,000**	**3,246**	**503,246**

Issuance	Series	Beginning	Maturity	DI + Spread p.a.	Quantity	Un. par value	Total amount issued	Interest DI + Spread	Position on 2019
First	Single	11/20/2019	10/25/2026	7.89%	500,000	1,000	500,000	3,428	503,428
					-	**1,000**	**500,000**	**3,428**	**503,428**

Maturity	2020
2022	100,000
2023	100,000
2024	100,000
2025	100,000
2026	100,000
Total	**500,000**

Restrictive clauses (covenants)

The contract contains covenants that establish that at the end of each year the amount of the Company's net indebtedness must be less than or equal to 2.5 times its EBITDA, noting that in the case of operational leverage demonstrably generated by acquisitions in a given year, the index corresponding to the same financial year, exclusively, should be less than or equal to 3.5 times its EBITDA.

23 Lease liabilities

See accounting policy in Note No. 8.10 (*i*) (*ii*).

The Group has leases for the use of real estate properties as administrative offices in various demographic regions of the Brazilian territory, in which it provides services of property security, maintenance and cleaning of service areas of its customers.

	Consolidated		
	2020	**2019**	**2018**
Current liabilities			
Lease liabilities	18,945	7,797	-
Interest to be allocated	(2,065)	(1,223)	-
	16,880	**6,574**	**-**
Non-current liabilities			
Lease liabilities	32,921	29,335	-
Interest to be allocated	(2,659)	(2,941)	-
	30,262	**26,394**	**-**
Total	**47,142**	**32,968**	**-**

Lease liability is initially measured at the present value of future lease payments, , discounted at the interest rate implicit in the lease or, if that rate cannot be determined immediately, by the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as a discount rate

a. Assumptions to obtain the incremental borrowing rate

The Company determines its incremental rate on leases by obtaining interest rates projected and disclosed by B3, which consider the SELIC and DI rate ratio and external sources of financing and making some adjustments to reflect the terms of the contract and the type of asset leased.

		Consolidated 2020	
	Additional rate %	**Nominal value**	**Book value**
Current liabilities			
Lease liabilities	5 - 6	28,088	28,088
Non-current liabilities			
Lease liabilities	6 - 7.60	23,778	23,778
Total (a)		**51,866**	**51,866**

(a) Amounts are accrued with interest incurred during the year.

b. Repayment schedule for lease liabilities

The distribution by maturity is presented below:

	2020		
Consolidated	**Minimum future lease payments**	**Interest**	**Present value of the minimum lease payments**
Financial lease liabilities			
Less than one year	2,008	(85)	1,924
Between one and five years	29,830	(1,964)	27,866
More than five years	20,028	(2,676)	17,352
Total	**51,866**	**(4,724)**	**47,142**

c. Changes in lease liabilities

	Consolidated
As of January 1, 2020	**32,968**
	8,768
Additions	21,974
From acquirees	(1,694)
Charges to be appropriated	1,134
Charges appropriated	
Principal payment	(16,008)
As of December 31, 2020	**47,142**

	Consolidated
As of January 1, 2019	-
Recognition of lease liabilities at the initial application of CPC 06 (R2)	41,203
Adjusted balance as of January 1, 2019	41,203
Additions	5,542
Charges to be appropriated	(4,164)
Write-offs	(9,613)
As of December 31, 2019	**32,968**

d. Additional disclosures required by CVM

The Group estimated the discount rates based on the risk-free interest rates observed in the Brazilian market, for the terms of its agreements, adjusted to its reality (credit "spread"). The "spreads" were obtained through surveys with potential investors of the Group's debt securities. The table below shows the rates applied taking into account the terms of the agreements.

In accordance with the Circular Official Letter/CVM/SNC/SEP/ of February 2019, the Group presents the comparative balances of lease liabilities, right of use, financial expense and depreciation expense, taking into account the effect of projected future inflation on the flows of lease agreement, discounted by the nominal rate:

	2019	**2020**	**2021**	**2022**	**As of 2023**
Lease liabilities					
Accounting - IFRS 16/ CPC 06(R2)	32,968	22,931	13,212	5,780	2,921
Flow with inflation projection	35,458	25,322	15,057	6,898	3,631
Difference	7.55%	10.43%	13.97%	19.34%	24.28%
Net right of use - final balance					
Accounting - IFRS 16/ CPC 06(R2)	32,045	13,068	5,378	2,226	1,019
Flow with inflation projection	33,973	14,528	6,224	2,692	1,280
Difference	6.01%	11.18%	15.73%	20.93%	25.63%
Financial expense					
Accounting - IFRS 16/ CPC 06(R2)	2,253	1,475	873	404	212
Flow with inflation projection	2,409	1,634	997	483	264
Difference	6.93%	10.73%	14.31%	19.61%	24.49%
Depreciation expense					
Accounting - IFRS 16/ CPC 06(R2)	9,894	8,180	7,220	3,231	1,306
Flow with inflation projection	10,343	8,715	7,778	3,565	1,521
Difference	4.54%	6.54%	7.72%	10.33%	16.43%

	2020	**2021**	**2022**	**2023**	**As of 2024**
Lease liabilities					
Accounting - IFRS 16/ CPC 06(R2)	47,142	30,129	17,117	9,874	5,684
Flow with inflation projection	52,203	34,802	20,543	12,282	7,299
Difference	11.90%	15.51%	20.01%	24.39%	28.42%
Net right of use - final balance					
Accounting - IFRS 16/ CPC 06(R2)	44,804	16,568	8,051	3,985	1,836

	2020	2021	2022	2023	As of 2024
Flow with inflation projection	48,868	19,364	9,769	4,999	2,378
Difference	9.07%	16.87%	21.34%	25.46%	29.54%
Financial expense					
Accounting - IFRS 16/ CPC 06(R2)	4,325	1,789	1,094	670	402
Flow with inflation projection	4,641	2,079	1,318	835	517
Difference	7.31%	16.19%	20.52%	24.71%	28.62%
Depreciation expense					
Accounting - IFRS 16/ CPC 06(R2)	26,604	11,334	7,456	3,961	2,326
Flow with inflation projection	27,813	12,531	8,410	4,572	2,808
Difference	4.55%	10.56%	12.79%	15.41%	20.71%

24 Payroll and social charges

	Parent Company			Consolidated		
	2020	2019	2018	2020	2019	2018
Salaries and wages	7	7	7	140,068	124,056	86,893
Social charges	-	1	3	106,161	87,096	63,667
Provision for vacation and welfare charges	-	-	-	270,621	223,991	162,908
Provision for 13th salary and welfare charges	-	-	-	851	12	-
Provision for bonus	-	-	-	80,203	62,363	18,814
	7	8	10	597,904	497,518	332,282

a. Movement of the provision for bonuses

On January 1, 2018	**15,214**
Write-off of provision for payment	(9,895)
Reversal of provision	(5,319)
Constitution of provision	18,814
As of December 31, 2018	**18,814**
Write-off of provision for payment	(13,563)
Reversal of provision	(9,881)
Constitution of provision	66,993
As of December 31, 2019	**62,363**
Write-off of provision for payment	(47,934)
Reversal of provision	(15,281)
Constitution of provision	81,055
As of December 31, 2020	**80,203**

25 Income tax and social security contribution

See accounting policy in Note No. 8.6 (*a*) (*b*).

a. Breakdown of deferred income tax and social security contribution

The Parent Company and certain subsidiaries present the following balances to be offset, deducted or added in the calculation basis of future taxable income to be assessed based on taxable income. Additionally, there are differences to be deducted in future fiscal years, as indicated below:

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Credits to be offset with future taxable income:	-	-	-	-	-	-
Tax losses and negative basis of social security contribution	-	3,750	3,865	88,060	42,266	24,995
Business combination effects:	-	-	-	-	-	-
Goodwill portion amortized for tax purpose on future profitability	-	-	-	(128,867)	(92,077)	(76,130)
Accounting amortization of goodwill before Law No. 11.638/07	-	-	-	5,007	5,007	5,007
Amortization of intangible assets allotted with defined useful life	-	-	-	286,168	212,253	15,689
Amortization of customer portfolio	-	-	-	85,188	79,096	75,312
Temporary differences:	-					
Estimated losses from doubtful accounts	-	-	-	58,221	48,770	46,267
Provision for decrease in realization value	-	-	-	22,850	20,542	19,661
Government customers billed and not received	-	-	-	-	-	-
Provision for labor agreement or execution	-	-	-	54,925	44,745	38,775
Provision for tax agreement or execution	-	-	-	7,227	3,795	1,508
Provision for civil agreement or execution	-	-	-	15,401	10,438	4,396
Provision for variable Remuneration	-	-	-	1,305	62,363	18,814
Derivative instruments - unrealized swap	-	-	-	80,203	1,295	2,358
Sub judice taxes	1,261	1,010	1,010	235,713	81,886	104,021
Other temporary differences	(1,158)	(5,791)	-	94.986	21,130	5,622
	103	(1,031)	4,875	906,387	541,509	286,296
Deferred income tax and social security contribution assets (34%)	-	(351)	1,657	308,171	184,113	97,341
Total deferred tax assets	35	-	1,657	351,986	215,512	123,318
Total deferred tax liabilities	-	(351)	-	(43,815)	(31,399)	(25,977)
Net deferred tax assets	**35**	**(351)**	**1,657**	**308,171**	**184,113**	**97,341**

The tax loss carryforwards and the negative social contribution tax base have no statute of limitations, and their compensation is limited to 30% of the tax bases to be calculated in each future base year.

Deferred tax liabilities refer to the tax amortization of goodwill from future profitability related to the merged subsidiaries and will only be realized in the event of sale of the investment or write-off due to impairment.

Realization year	**Consolidated**
2021	83,229
2022	50,080
2023	45,927
2024	36,333
2025 onwards	83,039
No expectation of realization (i)	9,563
	308,171

(i) The realization of the deferred Income Tax/Social security contribution related to the amortization of goodwill arising from business combination is conditioned to investments write-off events that generated it (by impairment or disposal), and these events have an uncertain period.

b. Changes in tax fiscal assets and liabilities balances (consolidated)

	Net balance as of January 1, 2020	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Balance as of December 31, 2020 Net value	Deferred tax assets	Deferred tax liabilities
Credits to be offset with future taxable income:							
Tax losses and negative basis of social security contribution	14,370	(840)	-	16,410	29,940	29,940	-
Business Combination Effects:							
Goodwill portion amortized on future profitability	(31,306)	(9,673)	(2,836)	-	(43,815)	-	(43,815)
Accounting amortization of goodwill before Law No. 11.638/07	1,702	-	-	-	1,702	1,702	-
Amortization of goodwill with defined useful life	72,166	25,131	-	-	97,297	97,297	-
Amortization of customer portfolio	26,893	(12,169)	14,241	-	28,965	28,965	-
Temporary differences							
Estimated losses with doubtful accounts	16,582	1,104	-	2,110	19,795	19,795	-
Provision for decrease in realization value	6,984	(370)	-	1,155	7,769	7,769	-
Government customers billed and not received	-	-	-	-	-	-	-
Provision for labor agreement or execution	15,213	1,288	-	2,173	18,674	18,674	-
Provision for tax agreement or execution	1,290	1,590	-	(423)	2,457	2,457	-
Provision for civil agreement or execution	3,549	1,517	-	170	5,236	5,236	-
Derivative instruments - unrealized swap	440	3	-	-	444	444	-
Provision for variable remuneration	21,203	6,066	-	-	27,269	27,269	-
Sub judice taxes	27,841	7,537	-	51,750	87,128	87,128	-
Other temporary differences	7,186	(2,757)	-	20,881	25,310	25,310	-
Assets (liabilities) net deferred taxes	**184,113**	**18,427**	**11,405**	**94,226**	**308,171**	**351,986**	**(43,815)**

	Net balance as of January 1, 2019	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Others	Balance as of December 31, 2019		
						Net value	**Deferred tax assets**	**Deferred tax liabilities**
Credits to be offset with future taxable income:								
Tax losses and negative basis of social security contribution	8,498	5,073	-	799	-	14,370	14,370	-
Business Combination Effects:								
Goodwill portion amortized on future profitability	(25,884)	8,080	(13,502)	-	-	(31,306)	-	(31,306)
Accounting amortization of goodwill before Law No. 11.638/07	1,702	-	-	-	-	1,702	1,702	-
Amortization of goodwill with defined useful life	5,334	66,832	-	-	-	72,166	72,166	-
Amortization of customer portfolio	25,606	(52,673)	53,959	-	-	26,892	26,892	-
Temporary differences								
Estimated losses with doubtful accounts	15,731	(684)	-	1,535	-	16,582	16,582	-
Provision for decrease in realization value	6,685	299	-	-	-	6,984	6,984	-
Government customers billed and not received	-	-	-	-	-	-	-	-
Provision for labor agreement or execution	13,183	(2,920)	-	4,950	-	15,213	15,213	-
Provision for tax agreement or execution	513	778	-	-	-	1,290	1,290	-
Provision for civil agreement or execution	1,495	928	-	1,126	-	3,549	3,549	-
Derivative instruments - Unrealized swap	802	(362)	-	-	-	440	440	-
Provision for variable remuneration	6,397	14,807	-	-	-	21,203	21,203	-
Sub judice taxes	35,367	(22,965)	-	15,439	-	27,841	27,841	-
Other temporary differences	1,912	5,746	-	(474)	3	7,187	7,280	(93)
Assets (liabilities) net deferred taxes	**97,341**	**22,939**	**40,457**	**23,375**	**3**	**184,113**	**215,512**	**(31,399)**

	Net balance as of January 1, 2018	Recognized in statement of profit or loss	Recognized in equity	Acquired in business combinations	Balance as of December 31, 2018		
					Net value	Deferred tax assets	Deferred tax liabilities
Credits to be offset with future taxable income:							
Tax losses and negative basis of social security contribution	10,221	(1,723)	-	-	8,498	8,498	-
Business combination effects:							
Goodwill portion amortized on future profitability	(20,533)	(5,351)	-	-	(25,884)	-	(25,884)
Accounting amortization of goodwill before Law No. 11.638/07	1,702	97	(97)	-	1,702	1,702	-
Amortization of goodwill with defined useful life	4,695	639	-	-	5,334	5,334	-
Amortization of customer portfolio	7,024	(10,791)	29,373	-	25,606	25,606	-
Temporary differences							
Estimated losses with doubtful accounts	18,150	(1,552)	(1,716)	849	15,731	15,731	-
Provision for doubtful tax credits	4,813	1,872	-	-	6,685	6,685	-
Government customers billed and not received	(4,520)	4,520	-	-	-	-	-
Provision for labor agreement or execution	11,630	992	-	561	13,183	13,185	-
Provision for tax agreement or execution	286	227	-	-	513	513	-
Provision for civil agreement or execution	583	912	-	-	1,495	1,495	-
Derivative instruments - Unrealized swap	-	802	-	-	802	802	-
Provision for Variable Remuneration	5,173	1,224	-	-	6,397	6,397	-
Sub judice taxes	31,823	(830)	-	4,374	35,367	35,367	-
Other temporary differences	1	1,911	-	-	1,912	2,005	(93)
Assets (liabilities) net deferred taxes	**71,048**	**(7,051)**	**27,560**	**5,784**	**97,341**	**123,318**	**(25,977)**

c. Reconciliation of income tax and social security contribution profit with the corresponding expenses in the profit or loss

The reconciliation between income tax and social security contribution at the nominal and effective tax rates is shown below:

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Income before income tax and social security contribution	282,349	214,340	201,018	416,211	322,327	312,249
Income tax and social security contribution at nominal rate (34%)	(95,999)	(72,876)	(68,346)	(141,512)	(109,591)	(106,165)
Taxes and contributions	-	-	-	222	-	-
Permanent additions (exclusions)	-	-	(1,591)	-	-	(2,702)
Tax incentives	-	-	-	-	-	3,030
Equity accounting method	95,872	70,776	67,708	(1,289)	-	-
Others	424	26	2,297	9,014	(977)	(5,326)
Income tax and social security contribution expenses	**297**	**(2,074)**	**68**	**(133,565)**	**(110,568)**	**(111,163)**
Current taxes	**(88)**	**(66)**	**-**	**(151,992)**	**(133,507)**	**(104,112)**
Deferred taxes	**385**	**(2,008)**	**68**	**18,427**	**22,939**	**(7,051)**
Effective rate	**0.10%**	**1.0%**	**0.0%**	**(32.1%)**	**(34.3%)**	**(35.6%)**

		Parent Company			Consolidated		
Type	**Monthly financial charges**	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**
REFIS IV	SELIC	70	82	92	17,154	18,434	19,756
PPI (Installment Incentive Program)	SELIC	-	-	-	572	-	-
ISS	SELIC	-	-	-	108	422	730
ICMS	SELIC	-	-	-	549	(12)	-
Simplified Social Security	SELIC	-	-	-	3,974	5,466	5,330
		70	82	92	22,357	24,310	25,816
Current liabilities		**14**	**13**	**13**	**5,151**	**5,273**	**3,572**
Non-current		**56**	**69**	**79**	**17,206**	**19,037**	**22,244**

26 Taxes to be paid in installments

The Company has installments in REFIS IV, referring to Law No. 11,941 / 09, Law No. 12,973 / 14 and Law No. 12,996 / 14 administered by RFB (Federal Revenue of Brazil) and PGFN (Attorney General of the National Treasury), as well as municipal PPI in the city of São Paulo and in 2017 based on Law No. 13,496 / 17, simplified installments were included in the "NOVO REFIS" called PERT (Special Tax Regularization Program) and administered by RFB and PGFN.

The activity of the amounts due is shown below:

	Consolidated		
	2020	**2019**	**2018**
On January 1st	24,310	25,816	26,254
Financial charges	736	2,058	1,211
Decrease in fine and interest	-	-	(28)
Payments made	(4,684)	(7,787)	(10,458)
Offsets (i)	(157)	(3,560)	(4,803)
From acquired companies (ii)	572	4,532	6,632
New installments in the period	1,580	3,251	7,008
On December 31st	**22,357**	**24,310**	**25,816**

(i) In March, June and November, the subsidiaries SEMPRE TERCEIRIZAÇÃO, POLI SEGURANÇA and PROEVI VIGILÂNCIA offset on their own initiative the amount of R$3,560. Also, in 2019, in March, April, June, July and August, there were new adhesions to simplified installments managed by the Brazilian Federal Revenue Office (RFB) in the subsidiaries QUATTRO SERVIÇOS, TOP SERVICE, PROEVI VIGILANCIA, SEMPRE SERVIÇOS, SEMPRE SISTEMAS e SEMPRE TERCEIRIZAÇÂO, amounting to R$3,250. The balances of these installments are duly recorded and updated monthly, and the payments must be made in monthly and successive installments, subject to the variation of the referential rate of the Special Settlement and Custody System (Selic) for the period of 60 months.

(ii) In 2019, the companies QUATTRO SERV, MAGNUS SEGURANÇA, SERVIS, JAM SOLUÇÔES, PROTEG AND GOL were acquired, with all of them having recorded in their statement of financial position balances of simplified installments, REFIS and PERT, both managed by the Brazilian Federal Revenue Office (RFB) and ISS Installment Incentive Program of the Municipality of Salvador, in the amount of R$4,532. The balances of these installments are duly recorded and updated monthly, and the payments must be made in monthly and successive installments, subject to the variation of the referential rate of the Special Settlement and Custody System (Selic) for the period of 60 months.

The non-current portion show the following maturity schedule:

	Consolidated
Year	**2020**
2022	1,265
2023	4,581
2024	3,098
2025 onwards	8,261
Total	**17,206**

27 *Sub judice* taxes, provision for tax, civil and labor risks and judicial deposits

See accounting policy in Note No. 8.11

a. Provision for tax, civil and labor risks and lawsuits

Provision for tax, civil and labor risks

The Group and its subsidiaries are subject to various legal proceedings and tax, labor and civil administrative procedures. On December 31, 2020, the Group kept a provision equivalent to R$ 212.819 (R$ 106,955 in 2019 and R$ 44,679 in 2018), judged as adequate and sufficient by the managers.

	Consolidated		
	2020	**2019**	**2018**
Labor	120,668	44,745	38,775
Tax	66,817	41,637	1,508
Civil	25,334	20,573	4,396
Contingent liabilities assumed	109,613	23.208	20,712
Total	**322,432**	**130,163**	**65,391**

The change in provision for contingencies is summarized as follows:

	Consolidated		
	2020	**2019**	**2018**
At the beginning of the fiscal year	106,955	44,679	45,741
Provision for acquisition of Onseg	-	-	125
Provision for acquisition of Poliservice	-	-	1,221
Provision for acquisition of RZF	-	-	730
Provision for acquisition of Magnus	-	880	-
Provision for acquisition of Algar	-	10,273	-
Provision for acquisition of JAM	-	137	-
Provision for acquisition of Servis	-	10,399	-
Provision for acquisition of Quattro	-	753	-
Provision for acquisition of Gol	-	1,110	-
Provision for acquisition of BC2	439	-	-
Provision for acquisition of Luandre	1,631	-	-
Provision for acquisition of Conbras	4,604	-	-
Provision for acquisition of ISS	64,594	-	-
Provision for acquisition of Sunset	6,367	-	-
Payments	(51,881)	(42,512)	(42,402)
Additional recognized amounts	80,109	81,236	39,264
At the end of the fiscal year	**212,819**	**106,955**	**44,679**
Contingencies assumed from acquired companies	**109,613**	**23,208**	**20,712**
	322,432	**130,163**	**65,391**

As a corporate procedure and according to accounting policies, the Group records provision for its contingencies, the risk of loss of which is classified by the legal advisors as likely. The mains proceedings are the following:

- Labor lawsuit filed by a former employee of subsidiary Secon, which was merged into Top Service. The plaintiff held the position of civil firefighter, claiming judgement against the company for: paid period of notice, vacation and 13th salary on paid period of notice, salary differences, overtime, night shift premium differences, position bonus, FGTS and respective fine. The estimated loss value is R$496.

- Tax assessment notice brought by the Brazilian Federal Revenue Office against Graber, due to disallowance of social security compensation (INSS) occurred in 2015 and 2016. Objection dismissed in 2018, voluntary appeal filed and pending judgment. It should be noted that the debt is the responsibility of the sellers of Graber Group in which the Group has payment retention as contingent portion and asset indemnifiable according to the position agreed and described in the purchase and sale agreement, in the amount of R$ 62,909 on December 31, 2020 (R$ 47,734 in December 31, 2019). The estimated loss value is R$49,160 (R$ 26,750 in December 31, 2019). Such amount is estimated by legal advisors, based on the current and expected legal procedures results.

- Collective civil action brought by the Trade Union, under allegations that Visel was not making double payment for the holidays worked by the substitute employees, contrary to the provision of Section 32 of the Normative Instrument in force in 2017, in which the Group has payment retention as a contingent installment and indemnifiable asset according to the agreed position described in the purchase and sale agreement. The estimated loss value is R$8,200.

Actions with risk of loss, classified by the Group as possible based on the opinion of its legal advisors, for which there is no provision recorded on December 31, 2020, amounting to R$ 412,929, being R$189,904 tax, R$45,175 civil and R$177,850 labor (R$228,449 on December 31, 2019, being R$22,677 tax, R$37,508 civil and R$168,264 labor (R$274,899 in 2018, being R$34,958 tax, R$73,081 civil and R$166,860 labor). Most of them refer to claims the nature of which covering claims regarding overdue holidays, improper discounts, premium for unhealthy work and subsidiary liability.

Indemnification asset

The Group has payment retention as contingent portion and asset indemnifiable according to the position agreed and described in the purchase and sale agreement.

	Consolidated		
	2020	**2019**	**2018**
Graber Group	62,909	47,734	-
Indemnity assets from the companies acquired	40,599	42,232	28,196
Total	**103,508**	**89,966**	**28,196**

Judicial deposits

They represent restricted assets of the Group and its subsidiaries and are related to the amounts deposited and held in court until the settlement of the disputes to which they relate. The judicial deposits held by the Group and its subsidiaries on December 31, 2020, December 31, 2019 and December 31, 2018 are presented below:

	Consolidated		
	2020	**2019**	**2018**
Labor appeal deposit	54,338	58,586	34,962
Non-labor appeal deposit	50,867	24,367	8,960
Inflation adjustment	11,011	11,955	12,013
Total	**116,216**	**94,908**	**55,935**

b. *Sub judice* taxes

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
PIS and COFINS (i)	-	-	-	8,361	2,969	11,552
Municipal taxes	-	-	-	5,173	3,535	2,534
Federal taxes (ii)	1,261	1,349	1,349	96,987	65,766	52,636
State taxes (iii)	-	-	-	3,258	3,258	4,618
Labor and social security risks (iv)	-	-	-	121,934	28,769	42,509
Total	**1,261**	**1,349**	**1,349**	**235,713**	**104,297**	**113,849**

(i) With the beginning of non-accumulation systematic to assessment PIS (Law No. 10.637/02) and COFINS (Law No. 10.833/03), the Group began to apply these rules, as well as to challenge, as from 2008, before the Government the expansion of the basis for calculating these contributions, as well as the appropriation of credits not allowed by the legislation. The balance refers to the uncollected installment, calculated according to the systematic of not accumulating, plus interest and fine. As from January 1, 2011, the Group chose to make the collections related to the debts of PIS and COFINS, according to the systematic of not accumulating, until the matter is judged with final and unappealable decision by the Federal Supreme Court.

(ii) Federal taxes: all of which arise from the acquired companies. Such balances are recorded to cover tax risks not accrued by the previous management and are mainly related to federal debits with suspended eligibility.

(iii) State taxes: mainly refer to the appropriation of ICMS credits on goods which tax had already been withheld in the previous transaction by the systematic of tax replacement.

(iv) Labor and social security risks: such provision was made to cover labor risks arising from acquired companies for non-adherence to some aspects of the C.L.T. (Consolidation of labor laws). Such risks are mainly related to the lack of payment of the Accident Prevention Factor (FAP) in previous years regarding social security contributions, lack of payment of INSS on basic food basket, salary supplement by invoice and absence of registration in the Worker's Food Program (PAT).

On December 31, 2020, the Group proceeded with the reversal of the installments corresponding to 2014 fiscal year due to lapse of legal term for the challenge on the part of the tax authority. The amount of this net reversal was R$74,165 (in 2019, the reversal amounted to R$53,991 in 2018, the reversal amounted to R$26,627 corresponding to 2013 and 2012 fiscal year).

	Consolidated		
	2020	**2019**	**2018**
At the beginning of the fiscal year	104,297	113,849	120,345
Reversal of provision	(12,074)	(53,991)	(26,627)
Monetary restatement	(236)	1,865	3,349
From acquisition – Onseg Group	-	-	4,214
From acquisition – Poliservice Group	-	-	5,768
From acquisition – RZF	-	-	2,520
From acquisition – Magnus Group	-	3,278	-
From acquisition – Quattro Group	-	1,086	-
From acquisition – Proteg Group	-	4,358	-
From acquisition – Servis Group	-	9,350	-
From acquisition – Jam	-	749	-
From acquisition – Polonorte	-	11,566	-
From acquisition – Gol	-	9,660	-
From acquisition – BC2	6,824	-	-
From acquisition – Luandre	46,236	-	-
From acquisition – Conbras	24,608	-	-
From acquisition – ISS	8,700	-	-
From acquisition – Sunset	48,524	-	-
Complement of provision	8,834	2,527	4,280
At the end of the fiscal year	**235,713**	**104,297**	**113,849**

28 Acquisition of subsidiaries

See the accounting policy in Note No. 8.1

By means of business combinations, the Group records the purchase options of the remaining quotas in the investees' capital, in addition to the contractual contingent installments.

As of December 31, 2020, 2019 and 2018, the composition of these financial liabilities was recorded as follows:

	Consolidated		
	2020	**2019**	**2018**
Servtec (i)	2,976	2,976	8,437
Proevi (i)	1,247	1,213	1,146
Proguarda (ii)	-	-	26,224
Sempre (iii)	1,050	8,581	26,614
Magnum (i)	-	-	2,049
Levantines (vi)	50,879	49,509	46,648
LC Restaurantes (iv)	84,705	32,273	45,374
Fortaleza (v)	7,995	6,549	1,974
Poliservice (vii)	13,326	13,981	21,914
RZF (viii)	34,063	46,323	49,296
Magnus (ix)	-	22,275	-
JAM (x)	17,746	12,733	-

	Consolidated		
	2020	**2019**	**2018**
Quattro (xi)	7,163	10,543	-
Proteg (xii)	4,203	1,627	-
Servis (xiii)	33,715	51,315	-
Polonorte (xiv)	7,617	6,299	-
Gol (xv)	8,229	7,653	-
BC2 (xvi)	44,609	-	-
Luandre (xvii)	76,381	-	-
Sunset (xviii)	68,432	-	-
Other acquisition amounts	2,755	2,683	2,530
Total acquisition of subsidiaries	**467,091**	**276,533**	**232,206**
Current liabilities	**206,064**	**51,840**	**77,745**
Non-current liabilities	**261,027**	**224,693**	**154,461**

(i) Equivalent to the contingent consideration of the acquired companies. Such contingent considerations were agreed on a purchase and sale agreement as a way for the buyer to support possible occurrences after the purchase, such as: loss of important customer, of legal proceedings in progress on the date of execution of the agreement, of judicial deposits related to tax and civil proceedings, among others.

(ii) The Group had call option to purchase all the quotas held by the sellers (50%) of Propar Group (comprised by the companies Propar, Proguarda Vigilância, Proguarda Serviços and Proguarda Sistemas), which could be exercised within 90 days of the delivery of the annual statement of financial position of 31 December 2017. In May 2018, the 1st amendment to the put and call option agreement was signed, in order to allow the partial exercise of the option. After the execution of the amendment, in April 2018 the payment of $2,000 was made in advance to the sellers and in May, with the payment of R$25,893, the purchase of 25% was completed, totaling 75% interest of Top Service in the Propar Group. In May 2019, with the payment of R$32,435, Top Service exercised the call option of the remaining 25%, totaling 99.99% of interest in the Propar Group.

(iii) The Group had call option on all the quotas held by the sellers (40%) of Sempre Group, as from the disclosure of the annual statement of financial position for the fiscal year ended December 31, 2017 and valid until 2036. In April 2018, the 1st amendment to the put and call option agreement was signed, in order to allow early payment due to the option exercise. After signing the amendment, in April, Top Service made the payment of R$1,000 to sellers as an advance for the exercise of the option. In July 2019, with the payment of R$6,956, Top Service exercised the call option of the remaining 40%, totaling 99.99% of interest in Sempre Group. On December 31, 2020, the amount of R$ 1,050 was recorded as a remaining portion of the contingent consideration.

(iv) In 2017, the Group has acquired LC Restaurants Group. The Group has the call option to purchase the remaining 40% of LC Restaurantes, which can be exercised in full and only once, during the periods of 90 days from the disclosure of the annual statement of financial position of December 31, 2020. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple x EBITDA. In June 2019, it was paid R$8,194 referring to the additional installment that would be due had the EBITDA amount assessed between January 1 and December 31, 2018 be higher than R$9,000. As of December 31, 2020, R$ 84,705 recorded is equivalent to the registration of the open consideration, referring to the adoption of the anticipated acquisition method.

(v) The Group has the call option to purchase the remaining 20% of Fortaleza Group, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2018. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$ 7,995 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(vi) It refers to the "withheld price" of the consideration transferred at the acquisition, to be settled in 3 installments falling due, in 20, 40 and 60 months from the date of the business combination, that is, May 31, 2017. Such installments will be adjusted by the cumulative variation of CDI, less any materialized losses and/or indemnities corresponding to the occurrences described in the Purchase and Sale Agreement (CCV). It should be mentioned that of the total of this financial liability, GIF V Fundo de Investimento em Participações ("GIF") undertakes to pay up the same amount as described in Note No. 28 (b).

(vii) The Group has the call option to purchase the remaining 40% of Poliservice Group, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2021. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$13,326 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(viii) The Group has the call option to purchase the remaining 40% of the subsidiary RZF Projetos, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2020. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2019, the amount of R$31,457 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method. Additionally, the purchase and sale agreement provide for an additional amount of R$14,866, to be paid in a single installment, until May 15, 2020, if the acquired company meets the performance agreed in the agreement in the period from January 1 to December 31, 2019. On July 9, 2020, an additional amount was paid for the acquisition of RZF, in the amount of R $ 9,647.

(ix) The Group has the call option to purchase the remaining 30% of Magnus Group, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2019. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2019, the amount of R$22,275 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method. The option regarding Magnus was exercised in June 19th, 2020, for the amount of R$16,045.

(x) The Group has the call option to purchase the remaining 40% of Jam, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2020. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$17,746 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xi) The Group has the call option to purchase the remaining 40% of Quattro, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2020. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$ 7,163 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xii) The Group has the call option to purchase the remaining 20% of Proteg Group, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2020. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2019, the amount of R$4,203 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xiii) The Group has the call option to purchase the remaining 20% of Servis Group, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2021. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$33,715 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xiv) The Group has the call option to purchase the remaining 30% of Polonorte Group, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2020. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2019, the amount of R$6,299 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xv) The Group has the call option to purchase the remaining 20% of Gol, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2021. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$8,229 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xvi) The Group has the call option to purchase the remaining 25% of BC2, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2021. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$44,609 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xvii) The Group has the call option to purchase the remaining 20% of Luandre, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2021. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$76,381 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

(xviii) The Group has the call option to purchase the remaining 45% of Sunset, which can be exercised in full and only once, during the period of 90 days from the disclosure of the annual statement of financial position of December 31, 2023. The exercise price, whether call option or put option, shall be defined by the formula indicated in the agreement, which considers the applicable multiple (according to the type of option exercised) x EBITDA. On December 31, 2020, the amount of R$68,432 recorded is equivalent to the registration of outstanding consideration, referring to the adoption of the anticipated acquisition method.

	2019	**Record**	**Adjustment**	**Monetary correction**	**Payments of the year**	**Previous year's payments**	**2020**
Servtec	**2,976**	-	-	-	-	-	**2,976**
Proevi	**1,213**	-	-	34	-	-	**1,247**
Sempre	**8,581**	-	(7,531)	-	-	-	**1,050**
Levantinos	**49,509**	-	-	1,370	-	-	**50,879**
LC Restaurantes	**32,273**	-	52,432	-	-	-	**84,705**
Fortaleza	**6,549**	-	1,446	-	-	-	**7,995**
Poliservice	**13,981**	-	(655)	-	-	-	**13,326**
RZF	**46,323**	-	(2,613)	-	(9,647)	-	**34,063**
Magnus	**22,275**	-	(6,230)	-	(16,045)	-	**-**
JAM	**12,733**	-	5,013	-	-	-	**17,746**
Quattro	**10,543**	-	(3,380)	-	-	-	**7,163**
Proteg	**1,627**	-	2,576	-	-	-	**4,203**
Servis	**51,315**	-	(17,600)	-	-	-	**33,715**
Polonorte	**6,299**	-	1,318	-	-	-	**7,617**
Gol	**7,653**	-	576	-	-	-	**8,229**
BC2	**-**	96,569	10,222	-	(60,920)	(1,262)	**44,609**
Luandre	**-**	170,819	4,960	-	(99,398)	-	**76,381**
Conbras	**-**	70,367	-	-	(70,367)	-	**-**
Sunset	**-**	75,207	6,143	-	(12,918)	-	**68,432**
Other acquisition amounts	**2,682**	-	-	72	-	-	**2,755**
	276,533	**412,962**	**46,677**	**1,476**	**(269,295)**	**(1,262)**	**467,091**

	2018	Record	Adjustment	Monetary correction	Payments of the year	Previous year's payments	2019
Servtec	**8,437**	-	(1,585)	-	(3,876)	-	**2,976**
Proevi	**1,146**	-	2	65	-	-	**1,213**
Proguarda	**26,224**	-	6,264	-	(32,488)	-	**-**
Sempre	**26,614**	-	(11,077)	-	(6,956)	-	**8,581**
Magnum	**2,049**	-	(778)	-	(1,271)	-	**-**
Levantinos	**46,648**	-	-	2,861	-	-	**49,509**
LC Restaurantes	**45,374**	-	(4,907)	-	(8,194)	-	**32,273**
Fortaleza	**1,974**	-	4,575	-	-	-	**6,549**
Poliservice	**21,914**	-	(7,933)	-	-	-	**13,981**
RZF	**49,296**	-	(2,973)	-	-	-	**46,323**
Magnus	**-**	44,940	7,461	-	(28,126)	(2,000)	**22,275**
Algar	**-**	39,137	-	-	(37,137)	(2,000)	**-**
Proteg	**-**	385	1,242	-	-	-	**1,627**
Quattro	**-**	8,690	6,505	-	(4,652)	-	**10,543**
Jam	**-**	19,477	2,439	-	(7,183)	(2,000)	**12,733**
Servis	**-**	115,370	13,157	-	(77,212)	-	**51,315**
Polonorte	**-**	13,537	661	-	(7,899)	-	**6,299**
Gol	**-**	35,392	159	-	(27,898)	-	**7,653**
Other acquisition amounts	**2,530**	-	-	153	-	-	**2,683**
	232,206	**276,928**	**13,212**	**3,079**	**(242,892)**	**(6,000)**	**276,533**

29 Equity

See accounting policy in Note No. 8.4

Composition of share capital by number of shares:

	2020		2019		2018	
	Number of shares	Capital	Number of shares	Capital	Number of shares	Capital
Beginning of year	**5,633,997**	**416,716**	**5,593,388**	**326,230**	**5,593,388**	**46,847**
Capital increase	81,419	14,361	40,609	2,003	-	279,383
Capital payment	-	109,376	-	88,483	-	-
End of year	**5,715,416**	**540,453**	**5,633,997**	**416,716**	**5,593,388**	**326,230**

a. Share capital

The share capital fully subscribed and paid in as of December 31, 2020 is R$540,453 (R$416,716 as of December 31, 2019 and R$326,230 as of December 31, 2018), divided into 5,715,416 common shares (5,633,997 common shares in 2019, 5,299,264 common shares and 294,124 B preferred shares in 2018) all registered, without par value, and distributed as follows:

	Total shares	Interest - %
WP XI D Fundo de Investimento em Participações Multiestratégia.	1,245,678	21.80%
José Caetano Paula de Lacerda	1,021,532	17.87%
Nascimento Pedreira Participações S.A.	886,273	15.51%
GIF V Fundo de Investimento em Participações	817,361	14.30%
Valora Participações S.A.	571,622	10.00%

	Total shares	Interest - %
Luis Carlos Martinez Romero	424,420	7.43%
Marcelo Niemeyer Hampshire	266,904	4.67%
Miscellaneous — Individuals	481,626	8.43%
	5,715,416	**100%**

b. Common shares

On December 31, 2018, a capital increase of R$279,383 was approved using the capital reserve balance, see Note No. 28 (e). In this regard, an amount of R$233,677 was contributed and the remaining R$ 45,706 was included in capital reserve as an amount to be contributed in 20, 40 and 60 months, as described in Note No. 27 (item vi). On March 6, 2019, the first installment was received, in the amount of R$17,033.

On April 30, 2019, the Annual General Meeting approved:

- The capital payment of R$17,033, from the Capital Reserve;
- The capital payment of R$71,450, from the Group's Earnings reserve; and
- The conversion of class B preferred shares into common shares of the Group, in the ratio of a class B preferred share to a common share, all owned by the shareholder Resultare Participações S.A.

On June 30, 2019, the shareholders of Resultare Participações S.A. approved the conversion of the Common Shares Subscription Bonuses issued by the company into registered common shares, without par value, resulting in an increase in subscribed and paid in capital by the shareholders in the amount of R$ 4 with the issuance of 37,235 new common shares, without par value, of the Group. Thus, Resultare Participações S.A. began to compose its shareholding structure with 331,360 common shares, and the Group's fully subscribed share capital amounted to R$414,717.

On July 15, 2019, the Special General Meeting approved the merger of Resultare into the Group according to the Protocol and Justification of Merger and Appraisal Report, previously approved in the same Special General Meeting. Taking into account that Resultare's equity is composed of its shareholding in the Group's share capital, corresponding to 331,359 common shares without par value, which is equivalent to 5.26% of the total share capital of the Group, which has not been changed, and these shares have been allocated exclusively to Resultare's shareholders in the same corporate proportion that each held in Resultare's share capital, and therefore no common shares of the Group were cancelled.

On December 12, 2019, in the Special Meeting of the Board of Directors, the Stock Purchase Program was approved for the year 2019. According to the aforementioned Stock Purchase Program, the officers selected by the Board of Directors were able to buy 3,374 registered common shares, without par value, of the Parent Company, thus being approved the increase in share capital of R$1,999, which became R$416,716, divided into 5,633,997 registered common shares, without par value.

On April 30, 2020, it was approved in the Minutes of the General and Special Meeting the issuance of 21,478 registered common shares, without par value, with a capital increase of R$14,353, in addition to a capital increase of R$73,000, without the issuance of new shares, using Earnings reserve. Thus, the share capital amounted to R$504,069.

On December 16, 2020, the Minutes of the Ordinary Meeting of the Board of Directors approved the increase in the Company's share capital as a result of the conversion of the Subscription Bonus object of the certificates of 05 / 05-2015 and 05 / 05-2015 into common, nominative shares with no par value, pursuant to article 166, item III, of Law No. 6,404 / 76. Thus, the share capital was increased by R$ 7,590.41, through the issuance of 59,941 new registered common shares with no par value, for the issue price of R $ 0.1266, under the terms defined in the said subscription bonus. The Company's share capital is now R $ 504,077, divided into 5,715,416 common shares, registered and without par value.

On December 16, 2020, the Extraordinary Shareholders' Meeting approved the Company's capital increase, without issuing new shares, with funds from the capital reserve account, in the amount of R $ 36,376, already considering the payment of the 2nd and the advance payment of the 3rd installment of the total price for the shares acquired by the GIF partner. The Company's share capital is now R $ 540,453, divided into 5,715,416 common shares, registered and without par value.

c. Share Purchase Plan

See accounting policy in Note No. 8.13.

The Share Purchase Plan consists of a subscription plan for new shares of the Parent Company, with the purpose to strengthen the interests between members (executives appointed and contemplated by the Parent Company by cumulative eligibility criteria) and shareholders, encouraging them and making them loyal to share the Group's value.

d. Destination of proposed profits and dividends

According to the By laws, from the net income for the fiscal year, after being offset accumulated losses, 5% shall be applied to the constitution of the legal reserve until its amount reaches 20% of the share capital, and 25% shall be allocated to the distribution of the minimum mandatory dividend, respecting the priority of payment of fixed and cumulative dividends of the preferred shares.

The dividends proposal established in the Company's financial statements, subject to approval in the General Meeting, is shown below:

	2020	**2019**	**2018**
Net income for the fiscal year	282,646	192,220	213,358
Accrual of reserve - Legal	(14,132)	(9,611)	(10,668)
Adjusted net income for the fiscal year (basis for calculating dividends before errors rectification adjustments)	268,514	182,609	202,690
Mandatory dividend - 25% of adjusted net income	67,128	45,652	50,673
Total dividends	**67,128**	**45,652**	**50,673**

The dividends paid and payable per share class were:

	2020	2019	2018
Per common share	67,128	45,652	48,008
Per B preferred share	-	-	2,665
	67,128	**45,652**	**50,673**

On December 16, 2020, the Provision of dividends in the financial statements for the year 2020 in the amount of R$ 400,000 was approved in the Minutes of the Extraordinary General Meeting.

During the fiscal year 2020, no early dividends were allocated and paid to holders of common shares. Dividend payments for the year amounted to R$ 68.755 and were made as follows:

- Additional distribution of dividends on 2020 income in the amount of R$ 25,000, approved by the shareholders at the General and Special Meeting on November 10, 2020, in additional do R$ 45,652 previously accrued on December 31, 2019, amounting to R$ 70,652.

- Disproportionate dividends distributed in the subsidiaries in the amount of R$ 482;

During the fiscal year 2019, no early dividends were allocated and paid to holders of common shares. Dividend payments for the year amounted to R$ 100,541 and were made as follows:

- Additional distribution of dividends on 2018 income in the amount of R$ 9,327, approved by the shareholders at the General and Special Meeting on April 30, 2019, in additional do R$ 50,673 previously accrued on December 31, 2018, amounting to R$ 60,000.

- Dividends to non-controlling interests distributed to the subsidiaries in the amount of R$ 27,790, previously provisioned on December 31, 2018;

- Disproportionate dividends distributed in the subsidiaries in the amount of R$ 7,049;

- Dividends paid by the acquired companies from sellers in the amount of R$ 5,702.

During the fiscal year 2018, no early dividends were allocated and paid to holders of common shares. Dividend payments for the year amounted to R$ 80,316 and were made as follows:

- Additional distribution of dividends on 2017 income in the amount of R$ 8,054, approved by the shareholders at the General and Special Meeting on May 10, 2018, in additional do R$ 41,946 previously accrued on December 31, 2018, amounting to R$ 50,000;

- Dividends to non-controlling interests distributed to the subsidiaries in the amount of R$ 6,088 besides R$ 22,822, previously provisioned on December 31, 2017, totaling R$ 28,910;

- Disproportionate dividends distributed in the subsidiaries in the amount of R$ 1,406.

See movement of dividends payable in Note Nº 16.5

e. Capital reserve

On December 31, 2018, the increase in the share capital of the Group was approved at the Special General Meeting, without the issuance of new shares, amounting to R$ 279,383, from the capitalization of the reserves and amounts as follows:

- R$214,383 from the Group's capital reserve account, with R$205,476 from the capital reserve by issuance of common shares, and R$8,907 from the capital reserve by issuance of preferred shares, pursuant to Article 200, item IV, of Law No. 6404/1976; and

- R$65,000 from the Group's Earnings reserve account, pursuant to Article 169, paragraph 1, of Law No. 6404/1976.

On March 6, 2019, the first installment of the capital reserve to be paid in was received, in the amount of R$17,033, as described in Note No. 25 (b). On April 30, 2019, in the General Meeting, it was approved the payment of R$17,033, coming from the capital reserve
On November 3, 2020, R $ 18,299 was received from GIF V Fundo de Investimento em Participações, referring to the second installment of the balance to be paid.

On December 15, 2020, R $ 18,077 was received from GIF V Fundo de Investimento em Participações, referring to the third installment of the balance to be paid.

f. Earnings reserve

The earnings retention reserve corresponds to the remaining profits after destination for legal reserve and proposed dividend distribution, aiming mainly to meet the investment projects.

The net income for the fiscal year, after the offsets and deductions provided for by law and according to the statutory forecast, shall be as follows:

(i) Legal reserve: 5% up to a limit of 20% of the share capital. The objective of the legal reserve is to ensure the integrity of the share capital and it can only be used to offset losses and increase capital;

(ii) Dividends: 25% of the balance, after appropriation for legal reserve, will be allocated for payment of mandatory minimum dividends.

On May 10, 2018, at the Annual Shareholders' Meeting, the allocation of R$ 10,668 to the legal reserve account and R$ 139,745 to the Group's profit reserve account was approved, referring to the 2017 result.

On April 30, 2019, at the Annual Shareholders' Meeting, the allocation of R$ 8,961 to the legal reserve account and R$ 157,003 to the Group's profit reserve account was approved, referring to the 2018 result.

On April 30, 2020, at the Annual Shareholders' Meeting, the allocation of R$ 14,132 to the legal reserve account and R$ 201,385 to the Group's profit reserve account was approved, referring to the 2019 result. The amount had been provisioned in 2019 and formally approved in 2020.

g. Capital transactions

Capital transactions correspond to transactions with the members, without passing through the Parent Company's income. Reflects events that affects the subsidiaries and affect the Parent Company through capital transactions. The composition of the changes in the fiscal year refers to the items below:

	2020	2019	2018
Dividends paid to the non-controlling interests	(482)	-	(6,088)
Provision of dividends payable to non-controlling interests	-	430	(28,220)
Disproportionate dividends on subsidiaries	-	(3,987)	(1,406)
Deferred taxes	(2,836)	55,602	-
Adjustments of business combinations (i)	(5,306)	11,684	31,342
Other adjustments	-	51	2,567
	(8,624)	**63,780**	**(1,805)**

(i) Corresponds to effects of transactions that occurs directly in subsidiaries originated from acquired companies.

h. Equity value adjustments

Adjustment of the amount recognized as contingent consideration in accordance with the remeasurement of the Adjustment to Fair Value of put options in the purchase and sale contract on the acquisition date, which are updated on the reporting date.

	2020	2019	2018
Fair value of put options	(108,182)	(61,507)	(65.653)
Deferred income tax and social security contribution	36,782	28,046	22,322
	(71,400)	**(33,461)**	**(43,331)**

30 Financial instruments

See accounting policy in Note No. 8.4 9.4 *(i)-(ii)-(iii)-(iv)-(v)*

a. Accounting classification and fair values

The table below shows the carrying amounts and the fair values of the financial assets and liabilities, including their levels in the hierarchy of fair value. It does not include information on the fair value of the financial assets and liabilities not measured at fair value, if the carrying amount is a reasonable approximation of the fair value.

Consolidated assets		Carrying amount			Fair value		
December 31, 2020		**Fair value – derivative financial instruments**	**Financial assets amortized cost**	**Total**	**Level 1**	**Level 2**	**Total**
Financial assets measured at the fair value							
Swap Transactions - Assets	12	43,376	-	43,376	-	43,376	43,376
		43,376	**-**	**43,376**	**-**	**43,376**	**43,376**
Financial assets not measured at fair value							
Cash and cash equivalents (i)	10	-	731,699	731,699	-	-	-
Financial investments	11	-	102,300	102,300	-	-	-
Trade receivables	13	-	1,040,570	1,040,570	-	-	-
Loans receivable	16.3	-	13,569	13,569	13,569	-	13,569
		-	**1,888,108**	**1,888,108**	**13,569**	**-**	**13,569**

(i) In cash and cash equivalents, the fair value is a reasonable approximation of the recovery value since all of the Company's investments have daily liquidity and the balance presented by the bank is exactly the balance available for use.

Consolidated liabilities

		Carrying amount				Fair value		
December 31, 2020		**Fair value - derivative financial instruments**	**FVTPL - others**	**Others financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value								
Swap Transactions - Liabilities	12	-	-	-	-	-	-	-
Acquisition of subsidiaries	28	-	467,090	-	467,090	-	467,090	467,090
		-	**467,090**	**-**	**467,090**	**-**	**467,090**	**467,090**
Financial liabilities not assessed at fair value								
Suppliers		-	-	(77,581)	(77,581)	(77,581)	-	(77,581)
Loans and borrowings	21	-	-	(946,241)	(946,241)	(1,048,870)	-	(1,040,870)
Debentures	22	-	-	(503,246)	(503,246)	(468,980)	-	(468,980)
Lease operations	23	-	-	(40,089)	(40,089)	(775,739)	-	(775,739)
Dividends payable	16.5	-	-	(405,792)	(405,792)	-	-	-
Other payables		-	-	(62,211)	(62,211)	(26,582)	-	(26,582)
		-	**-**	**(2,035,160)**	**(2,035,160)**	**(2,397,752)**	**-**	**(2,397,752)**

Consolidated assets

		Carrying amount			Fair value		
December 31, 2019		**Fair value - derivative financial instruments**	**Financial assets amortized cost**	**Total**	**Level 1**	**Level 2**	**Total**
Financial assets measured at the fair value							
Swap Transactions - Assets	12	18,424	-	18,424	-	18,424	18,424
		18,424	**-**	**18,424**	**-**	**18,424**	**18,424**
Financial assets not measured at fair value							
Cash and cash equivalents	10	-	742,045	742,045	-	-	-
Trade receivables	13	-	824,435	824,435	-	-	-
Loans receivable	16.3	-	11,020	11,020	11,020	-	11,020
		-	**1,577,500**	**1,577,500**	**11,020**	**-**	**11,020**

Consolidated liabilities		**Carrying amount**				**Fair value**		
December 31, 2019		**Fair value - derivative financial instruments**	**FVTPL - others**	**Others financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value								
Swap Transactions - Liabilities	12	-	-	-				
Acquisition of subsidiaries	28	-	(276,533)	-	(276,533)	-	(276,533)	(276,533)
		-	**(276,533)**	**-**	**(276,533)**	**-**	**(276,533)**	**(276,533)**
Financial liabilities not measured at fair value								
Suppliers		-	-	(67,336)	(67,336)	(67,336)	-	(67,336)
Loans and borrowings	21	-	-	(723,917)	(723,917)	(724,181)	-	(724,181)
Debentures	22	-	-	(503,428)	(503,428)	(532,775)	-	(532,775)
Lease operations	23	-	-	(32,968)	(32,968)	(33,121)	-	(33,121)
Dividends payable	16.5	-	-	(49,065)	(49,065)	(49,065)	-	(49,065)
Other payables		-	-	(24,136)	(24,136)	(24,136)	-	(24,136)
		-	**-**	**(1,040,850)**	**(1,040,850)**	**(1,430,614)**	**-**	**(1,430,614)**

Consolidated assets		**Carrying amount**			**Fair value**		
Matter		**Fair value - derivative financial instruments**	**Financial assets at amortized cost**	**Total**	**Level 1**	**Level 2**	**Total**
Financial assets measured at fair value							
Swap Transactions - Assets	12	16,788	-	16,788	-	16,788	16,788
		16,788	**-**	**16,788**	**-**	**16,788**	**16,788**
Financial assets not measured at fair value							
Cash and cash equivalents	11	-	541,350	541,350	541,350	-	541,350
Trade receivables	13	-	571,023	571,023	571,023	-	571,023
Loans receivable	16.3	-	17,972	17,972	17,972	-	17,972
		-	**1,130,345**	**1,130,345**	**1,130,345**	**-**	**1,130,345**

Consolidated liabilities		**Carrying amount**				**Fair value**		
December 31, 2018		**Fair value - derivative financial instruments**	**FVTPL - others**	**Others financial liabilities**	**Total**	**Level 2**	**Level 3**	**Total**
Financial liabilities measured at fair value								
Swap Transactions - Liabilities	12	(63)	-	-	(63)	-	(63)	(63)
Acquisition of subsidiaries	28	-	(232,206)	-	(232,206)	-	(232,206)	(232,206)
		(63)	**(232,206)**	**-**	**(232,269)**	**-**	**(232,269)**	**(232,269)**
Financial liabilities not assessed at fair value								
Suppliers		-	-	(61,875)	(61,875)	(61,875)	-	(61,875)
Loans and borrowings	21	-	-	(781,239)	(781,239)	(785,067)	-	(785,067)
Dividends payable	16.5	-	-	(78,898)	(78,898)	(78,898)	-	(78,898)
Other payables		-	-	(7,699)	(7,699)	(7,699)	-	(7,699)
		-	**-**	**(929,711)**	**(929,711)**	**(933,539)**	**-**	**(933,539)**

b. Level 1

The fair value of assets traded in active markets (such as securities held for trading and at fair value through other comprehensive income) is based on market prices quoted on the statement of financial position date. The assets included in Level 1 mainly comprise IBOVESPA 50 equity investments classified as trading securities or at fair value through other comprehensive income.

c. Level 2

The fair value of assets and liabilities that are not traded in active markets (e.g. over-the-counter derivatives) is determined using valuation techniques. If all relevant assumptions used to determine the fair value of an asset or liability can be observed in the market, it will be included in Level 2.

d. Level 3

If one or more relevant information is not based on data adopted by the market, such as investments in shares or unquoted debts, the asset or liability is included in Level 3.

e. Measurement of fair value

(i) Assessment techniques and significant non-observable inputs

The tables below present the valuation techniques used to measure Level 2 and 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant non-observable inputs used. The assessment processes are described in Note No. 8.4.

Financial instruments measured at fair value

Type	Assessment Techniques	Significant non-observable Inputs	Relationship between significant non-observable inputs and fair value measurement
Swap Instruments	Swap models: the fair value is calculated based on the present value of estimated future cash flows. Estimates of future cash flows at floating rates are based on quoted swap rates, future prices and interest rates on interbank loans. Estimated cash flows are discounted using a curve constructed from similar sources that reflects the relevant interbank reference rate used by the market participant for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and the counterparty, calculated based on credit spreads derived from credit default swaps or current prices of securities traded.	Miscellaneous (See Note No. 12)	Not applicable.

Type	Assessment Techniques	Significant non-observable Inputs	Relationship between significant non-observable inputs and fair value measurement
Liabilities of acquisitions of subsidiaries - purchase option	Discounted Cash Flow: the valuation model uses a projection of up to 10 years, although the options expire between 1 and 4 years. Cash flows are discounted using a risk-adjusted discount rate. In addition to this methodology, the Scenario Based Model (in 2020) was adopted, in which there is a projection of the base scenario, an optimistic scenario and a pessimistic scenario, considering the average value of options in these scenarios.	• Revenue growth initial period: (2020: -10% - 22.5%, average of 3.1%; 2019: -1.5% - 16.1%, average of 8.1%; 2018: -18 , 2% - 16.6%, average of 4.2%) • Projected EBITDA margin: (2020: 1.5% - 24.5%, average of 11.2%; 2019: 5.0% - 41.4%, average of 13.3%; 2018:: 6.0 % - 29.7%, average of 14.4%) • Risk-adjusted Discount Rate (2020: 10.25% - 10.92%, average 10.87%; 2019: 12.09% - 12.62%, average 12.59%; 2018: 12, 37- 13.38%, average 13.36%)	The fair value of the options would rise (fall) if: • The revenue growth estimate was higher (lower) • The EBITDA margin estimate was higher (lower) • The discount rate was lower (higher)

Type	Assessment Techniques	Significant non-observable Inputs	Relationship between significant non-observable inputs and fair value measurement
Liabilities of acquisitions of subsidiaries - ***Earn Outs***	Discounted Cash Flow: the valuation model uses a projection of up to 10 years, although the options expire between 1 and 4 years. Cash flows are discounted using a risk-adjusted discount rate. In addition to this methodology, the Scenario Based Model was adopted, in which there is a projection of the base scenario, an optimistic scenario and a pessimistic scenario, considering the average value of the options in these scenarios.	• Revenue growth initial period: (2020: -10% - 22.5%, average of 3.1%; 2019: -1.5% - 16.1%, average of 8.1%; 2018: -18 , 2% - 16.6%, average of 4.2%) • Projected EBITDA margin: (2020: 1.5% - 24.5%, average of 11.2%; 2019: 5.0% - 41.4%, average of 13.3%; 2018:: 6.0 % - 29.7%, average of 14.4%) • Discount rate adjusted for risk (2020: 10.25% -10.92%, average of 10.87%; 2019: 12.09% - 12.62%, average of 12.59%; 2018: 12.37 - 13.38%, average of 13.36%)	The fair value of earn-outs would rise (fall) if: • The revenue growth estimate was higher (lower) • The margin estimate • EBITDA was higher (lower) • The discount rate was lower (higher)

f. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (see (c)(ii));
- Liquidity risk (see (c)(iii)); and
- Market risk (see (c)(iv)).

(i) Structure of risk management

The risk management policies of the Group are established to identify and analyze the risks faced by the Group, in order to define appropriate limits and controls for the risk, and also to monitor risks and compliance with limits. The risk management policies and systems are frequently revised to reflect changes in market conditions and in the activities of the Group. The Group, through its training and management standards and procedures, aims to keep a disciplined and controlled environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of the Group incurring financial losses in case a customer or financial instrument counterparty fails to comply with contract obligations. Such risk arises mainly from the Trade receivables and financial instruments of the Group.

Carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. Details on the concentration of revenue are in Note No. 31.

More than 21% of customers have been operating with the Company for more than 4 years, during the year 2020, there was a write-off for losses in the amount of R$ 16,858 in the balances of customers who had recovery problems on the balance sheet date. In monitoring credit risk, customers are grouped according to their credit characteristics and the existence of financial difficulties in the past.

The Company does not require guarantees regarding accounts receivable from customers and other receivables. The Company has no accounts receivable from customers and contract assets for which no loss provision is recognized because of the guarantee.

On December 31, 2020, the book value of the most relevant customer of the Company (a supermarket chain) is R$ 23,729, on December 31, 2019 it was R$ 19,652 (a petrochemical company), in 2018 R$ 9,004 (one operator telecommunications).

Assessment of expected loss of credit customers

a. Contractual financial assets

The Group uses the simplified approach to measure the recoverable value of contractual assets with customers based on their characteristics of not containing significant borrowing components, thus the calculation is based on a risk matrix for measuring expected credit loss with Trade receivables.

- Loss rates are calculated using the "rollover" method based on the probability of a receivable advancing through successive stages of default to full write-off. Rollover rates are calculated separately for exposures in different segments, based on the following common credit risk characteristics: geographic region, time of customer relationship, and type of product purchased.

The following table provides information on credit risk exposure and expected credit losses for Trade receivables and contractual assets for individual customers as of December 31, 2020.

December 31, 2020 In thousands of reais	**Weighted-average loss rate**	**Gross accounting balance**	**Provision For estimated loss**
Current	0.91%	558,290	5,063
1-30 days	4.32%	44,424	1,921
31-60 days	13.79%	8,414	1,161
61-90 days	22.79%	4,119	939
91-180 days	35.78%	8,972	3,210
181-360 days	57.32%	8,441	4,838
More than 360 days	61.49%	59,832	39,693
		692,492	**56,824**

December 31, 2019 In thousands of reais	**Weighted-average loss rate**	**Gross accounting balance**	**Provision For estimated loss**
Current	0.99%	404,575	4,005
1-30 days	2.65%	40,831	1,082
31-60 days	7.98%	9,713	775
61-90 days	15.65%	5,281	826
91-180 days	34.10%	5,886	2,007
181-360 days	59.21%	9,104	5,390
More than 360 days	61.88%	49,338	31,337
		524,728	**45,422**

December 31, 2018 **In thousands of reais**	**Weighted-average loss rate**	**Gross accounting balance**	**Provision For estimated loss**
Current	0.58%	286,263	1,655
1-30 days	1.98%	46,730	925
31-60 days	10.47%	8,183	857
61-90 days	19.83%	3,005	596
91-180 days	31.01%	5,740	1,780
More than 180 days	64.32%	22,741	14,627
		372,662	**20,440**

Loss rates are based on actual credit loss experience over the past seven years. These rates were multiplied by factors of scale, to reflect the differences between economic conditions in the period in which historical data were collected, the current conditions, and the Group's view of economic conditions throughout the receivables expected life.

b. Non-contractual financial assets

The market value of these assets is not different from the values presented in the financial statements (Note No. 10). The agreed rates reflect the usual market conditions. The “Cash and cash equivalents” and “Financial Investments” are maintained with banks and financial institutions that have a rating between BB- and AAA, based on Fitch and Moody’s credit rating agencies.

The Group adopts the following assumptions for determining the impairment losses on non-contractual financial assets:

- A financial asset has such low credit risk that expected loss is insignificant when its rating is equivalent to the globally accepted definition of “investment grade” or that has the same degree of risk as Brazil. The Group considers this to be baa3 or higher by the moody's credit rating agency or bbb- or higher by the fitchs credit rating agency;

- For financial assets with risk within the definition of globally accepted rating of “speculative grade”, the Group adopts a graded matrix from 0.1% to 51.2% to be applied on the balance of financial assets; and

- For financial assets rated as “default risk” by agencies, the Group considers a 100% provision for impairment losses.

The estimated impairment in cash and cash equivalents was calculated based on the expected loss of 12 months and reflects the short maturities of risk exposures. The Group considers that its cash and cash equivalents have such low credit risk that expected loss is insignificant based on the external credit ratings of the counterparties.

c. Financial derivatives

Derivatives are contracted from banks and financial institutions that have an AAA rating, based on Fitch's credit rating agency.

Collateral

The Parent Company's policy is to provide financial collateral only to obligations of its subsidiaries. As of December 31, 2020, 2019 and 2018, the Parent Company had issued guarantees to certain banks in relation to credit facilities granted to its subsidiaries (see Note No. 16.6).

(iii) Liquidity risk

Liquidity risk is the risk of the Group facing difficulties to meet obligations associated with its financial liabilities that are settled with spot cash payments or with another financial asset. The Group's approach to manage liquidity is of ensuring, to the maximum extent possible, that it will always have sufficient liquidity to meet its obligations as they mature, both under normal and stress conditions, without causing losses that are unacceptable or have the risk of being detrimental to the Group's reputation.

The Group seeks to maintain the level of its 'Cash and cash equivalents' and other investments with active market in an amount higher than cash outflows for settlement of financial liabilities (except 'Suppliers') for the next 30 days. The Company also monitors the expected level of cash inflows from 'Trade receivables and other accounts receivable', jointly with the expected cash outflows related to 'Suppliers, Salaries and charges'.

Liquidity risk exposure

Below are the contractual maturity dates of financial liabilities on the date of the financial statement. These are gross and undiscounted amounts, which include contractual interest payments and exclude the impact of offset agreements

Consolidated

As of December 31, 2020	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial Cash Flow	Carrying amount
Suppliers	77,581	-	-	-	77,581	77,581
Loans and borrowings	397,364	334,882	342,721	-	1,074,967	946,241
Debenture	17,284	228,685	316,959	-	562,928	503,246
Lease liability	1,167	19,093	26,695	4,667	51,622	40,089
Acquisition of subsidiaries	231,522	186,258	98,237	4,169	520,186	467,091
	724,918	**768,918**	**784,612**	**8,836**	**2,287,284**	**2,034,248**

Consolidated

As of December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial Cash Flow	Carrying amount
Suppliers	67,336	-	-	-	67,336	67,336
Loans and borrowings	204,695	345,041	231,257	-	780,993	721,964
Lease liability	129	1,293	30,161	5,549	37,132	32,968
Acquisition of subsidiaries	56,828	163,088	103,611	-	323,527	276,533
	328,988	**509,422**	**365,029**	**5,549**	**1,208,988**	**1,098,801**

Consolidated

As of December 31, 2018	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years	Financial Cash Flow	Carrying amount
Suppliers	61,875	-	-	-	61,875	61,875
Loans and borrowings	241,956	414,803	208,318	19,513	884,590	781,239
Acquisition of subsidiaries	53,140	-	150,980	-	204,120	232,206
	356,971	**414,803**	**359,298**	**19,513**	**1,150,585**	**1,075,320**

The inflows / outflows, shown in the table above, represent the undiscounted contractual cash flows related to the derivative financial liabilities held for risk management purposes and which are not normally closed before the contractual maturity. The disclosure presents the amounts of net cash flows for derivatives that are settled in cash based on their net exposure and gross cash flows from inflows and outflows for derivatives that have simultaneous gross settlement.

As disclosed in Note No. 21, the Group has secured bank loans with restrictive contractual section (covenant). The future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. The covenant is regularly monitored by Treasury and reported periodically to Management, to ensure that the contract is being fulfilled. Interest payments on loans at a post-fixed interest rate and debt securities included in the table above reflect forward market interest rates as at statement of financial position date and these amounts may change as post-fixed interest rates change.

(iv) Market Risk

Market risk is the risk that changes in market prices - such as exchange rates, interest rates and stock prices - will affect the Group's earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All these transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Foreign Exchange risk

Exchange rate risk occurs when future commercial transactions, recorded assets or liabilities are held in a currency other than the entity's functional currency.

The foreign exchange risk arises from the Group's exposure to the foreign exchange risk basically arising in relation to the United States dollar. Management has established a policy that requires the Group to manage its foreign exchange risk in relation to its functional currency. Transactions exposed to foreign exchange risk are required to have their positions protected via derivative transactions, carried out by the Group's Treasury.

In this way, loans entered into in foreign currency are, to a large extent, protected by foreign exchange swap, which equates these financial instruments, in large part, to others exposed to the variation of the CDI. Additionally, the Company did not make sales indexed to foreign currency.

Below are the Group's assets and liabilities, exposed to foreign exchange change risks as at 31 December 2020, 2019 and 2018, as well as the effects of these accounts on the income for the period:

				Effects on Income
Exposure - Consolidated	**2020**	**2019**	**2018**	**2020**
Loans - US$	(230,945)	(142,093)	(191,840)	(88,852)

				Effects on Income
Exposure - Consolidated	**2020**	**2019**	**2018**	**2020**
Total Exposure	**(230,945)**	**(142,093)**	**(191,840)**	**(88,852)**
Derivatives				
Swap nominal	188,217	124,327	172,756	63,890
Swap assets	43,376	18,424	16,788	24,953
Swap liabilities	-	-	(63)	-
Total Derivatives	**231,593**	**142,751**	**189,481**	**88,842**
Net exposure	**648**	**658**	**(2,359)**	**(10)**

The Management believes that any impacts of exchange rate variation on the Group's exposure to currency variations would not generate relevant effects on its financial statements. Therefore, it did not disclose the sensitivity analysis resulting from this subject.

Interest rate risk
The associated risk arises from the possibility of the Group incurring losses due to floating interest rates that would increase financial expenses related to liabilities raised in the market. Interest rates on loans and borrowings are mentioned in Note No. 20. Contracted interest rates on financial investments are mentioned in Note No. 10. The Company does not execute derivatives agreements to hedge interest rate risks; however, constantly monitors market interest rates in order to assess any need to contract operations to hedge the volatility risk of these rates.

Exposure to CDI rate:	**2020**	**2019**	**2018**
Assets			
CDB (Bank Deposit Certificate)	735,284	706,934	494,549
Liabilities			
Loans for working capital	(675,490)	(529,026)	(588,375)
Borrowings with swap	(230,945)	(142,093)	(191,840)
Commercial Papers	(37,762)	(50,244)	-
Debentures	(503,246)	(503,428)	-
Finance lease	(2,043)	(600)	(1,024)
Net exposure	**(714,204)**	**(518,457)**	**(286,690)**

Sensitivity analysis
Although the Group does not use hedge accounting, due to the presented swap instruments used for economic and cash flows protection, the Group considers that risks of exposure associated with variations on the exchange rate and / or with Libor rate would not be relevant.

As so, a sensitivity analysis was developed considering the exposure to CDI variation, the main index of the Group's financing lines, as well as of its financial investments.

Transaction	Amounts	Risk	Probable (i)	Possible (ii)	Remote (iii)
Working capital subject to CDI variation	(675,490)	CDI Increase	(23,642)	(27,020)	(30,397)
Swap transactions subject to CDI variation	(230,945)	CDI Increase	(8,083)	(9,238)	(10,393)
Commercial papers subject to CDI variation	(37,762)	CDI Increase	(1,322)	(1,510)	(1,699)
Debentures subject to CDI variation	(503,426)	CDI Increase	(17,620)	(20,137)	(22,654)
			(50,667)	**(57,905)**	**(65,143)**
Investments subject to CDI variation	632,984	CDI decline	22,154	25,319	28,484
			22,154	**25,319**	**28,484**
Net exposure			**(28,512)**	**(32,586)**	**(36,659)**

Index	100 bps decline	50 bps decline	Probable scenario	50 bps increase (Possible)	100 bps increase (Remote)
CDI	2.5%	3.0%	3.5%	4.0%	4.5%

(i) Interest calculated based on the Central Bank of Brazil´s Focus Report, as of February 5th, 2021 (based on the agregate median of expectations for the reference rate – Selic, - for the end of 2021).

(ii) Interest calculated considering 50 bps increasein CDI variation – based on the Brazilian Central Bank´s Monetary Policy Committee last adjustments on the reference rate (which has been on a basis of 50 bps).

(iii) Interest calculated considering 100 bps increase in CDI variation – based on the Brazilian Central Bank´s Monetary Policy Committee last adjustments on the reference rate (which has been on a basis of 50 bps).

31 Net revenue from services rendered and goods sold

As described in note 1, the Group generates operating revenue mainly by providing property security, sanitation and cleaning services, indoor logistics, electronic security, building implementation, operation and maintenance, maritime hotels. In addition, a minor part of our revenue is generated from kitchen services and the sale of meals, maintenance of highways.

a. Revenue flow and breakdown

The reconciliation between the gross taxable revenues and the revenues presented in the Statement of profit or loss for the fiscal year is shown below:

	Consolidated		
	2020	**2019**	**2018**
Gross revenue from services	5,249,758	4,546,706	3,501,242
Gross goods sold	137,953	149,538	76,832
	5,387,711	**4,696,244**	**3,578,074**
Taxes on revenue			
ISS (Service Tax)	(202,613)	(178,371)	(134,245)
COFINS	(194,889)	(165,506)	(135,917)
ICMS	(5,837)	(5,666)	(6,489)
PIS	(42,186)	(35,727)	(30,220)
	(445,525)	**(385,270)**	**(306,871)**
Net revenue	**4,942,186**	**4,310,974**	**3,271,203**

b. Net revenues by service and sales type

	Consolidated		
	2020	**2019**	**2018**
Facility management	2,016,302	1,812,894	1,461,618
Security	1,853,523	1,761,330	1,307,403
Maintenance and Industrial Services	823,016	477,804	260,359
Indoor Logistics	249,267	258,856	241,789
Others	78	91	34
Net revenue	**4,942,186**	**4,310,974**	**3,271,203**

c. Net revenues by operation

	Consolidated		
	2020	**2019**	**2018**
Net revenues from organic operations	2,498,418	2,164,276	1,653,285
Net revenues from inorganic operations (i)	2,443,768	2,146,698	1,617,918
Net revenue	**4,942,186**	**4,310,974**	**3,271,203**

(i) Inorganic operations revenues correspond to all agreements with customers brought together with acquired companies, with no defined timeframe. In this regard, new agreements signed after the acquisition date are considered “organic”.

d. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Group recognizes revenue when it transfers control over the product or when it provides services to customer, as follows:

Type of product / service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition policies**
Services in general (*)	Contracts are signed generally based on agreed number of hours per month of certain services provided by determined teams. Agreements are usually 12-month long and may or may not be renewed. Payment is due every month. Services provided are measured and revenues are recognized at the end of the month, at a stage that the service were rendered Invoices for services are issued subsequently and normally paid within 30 days at most. Additional services rendered not considered within contracts.	Services under a single contract are allocated based on their individual sales prices in each period. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their stage measured. For variable consideration, the service rendered up until the reporting date are monitored, measured and invoiced to customer.

(*) Services in general refer to: (i) property security services; (ii) sanitation and cleaning services (facilities); (iii) indoor logistics; (iv) electronic security services, deployment, operation, and building maintenance; (v) maritime hospitality service (on oil platforms); and (vi) kitchen services (when it does not comprehend the sale of meals).

32 Costs of services rendered and goods sold and general and administrative expenses

The Group chose to present the opening costs of the services provided and general and administrative expenses, in its consolidated statement of profit or loss, by nature:

a. Cost of services rendered and goods sold

	Consolidated		
	2020	**2019**	**2018**
Costs with personnel	(3,450,170)	(3,076,669)	(2,305,788)
Maintenances and services from third parties	(101,933)	(88,176)	(59,393)
Lease	(116,443)	(77,503)	(51,607)
Employee benefits (i)	(77,112)	(44,637)	(25,711)
Taxes and fees	(17,867)	(13,148)	(8,462)
Cost of goods sold	(68,339)	(83,490)	(69,481)
Depreciation and Amortization	(27,154)	(17,659)	(9,090)
Provision (reversal) for labor contingent liabilities	13,053	15,557	(9,317)
Others	(157,037)	(161,447)	(112,071)
	(4,001,002)	**(3,547,172)**	**(2,650,920)**

(i) Employee benefits mean amounts related to food voucher, meal voucher, transportation voucher and medical and dental care.

b. Expected loss of services billed and to be billed

	Consolidated		
	2020	**2019**	**2018**
(Reversals) Losses with billed customers	(2,478)	4,163	8,137
Losses with customers to be invoiced (i)	350	(1,470)	-
	(2,128)	**2,693**	**8,137**

(i) Refers to the provision for loss on services measured and not yet invoiced until the closing date of the accounting information.

c. General and administrative expenses

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Personnel expenses	(125)	(125)	(125)	(274,623)	(219,581)	(152,377)
Maintenances and services from third parties	-	(58)	(869)	(33,045)	(27,905)	(25,071)
Employee benefits (i)	-	-	-	(14,665)	(16,562)	(22,932)
Lease	-	-	(3)	(6,460)	(12,625)	(11,753)
Provision (reversal) for labor contingent liabilities	-	-	-	3	(670)	26,180
Provision (reversal) for non-labor contingent liabilities	-	-	-	(9,288)	(2,665)	(2,828)
Provision for bonus	-	-	-	(17,840)	(43,549)	(3,599)

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Taxes and fees	-	-	(3)	(4,191)	(3,273)	(2,640)
Losses with customers				(27,887)	(10,583)	(18,608)
Others	(38)	(29)	(88)	(14,701)	(17,292)	(22,460)
	(163)	**(212)**	**(1,088)**	**(402,697)**	**(354,705)**	**(236,088)**
Depreciation and amortization	-	-	-	(16,644)	(11,180)	(2,361)
Amortization of portfolio of customers and brands	-	-	-	(55,777)	(43,993)	(17,402)
	-	-	-	**(72,421)**	**(55,173)**	**(19,763)**
	(163)	**(212)**	**(1,088)**	**(475,118)**	**(409,878)**	**(255,851)**

(i) Employee benefits mean amounts related to food voucher, meal voucher, transportation voucher and medical and dental care.

d. Other operating income and expenses

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Other operating income						
Reversal of *sub judice* taxes (1)	-	-	118	12,074	53,991	26,627
Reversal of goodwill - WP V (2)	-	5,790	4,632	-	-	-
Bargain purchase	-	-	-	1,328	-	-
Others	-	83	-	2,840	-	2,479
Total other operating income	**-**	**5,873**	**4,750**	**16,242**	**53,991**	**29,106**
Other operating expenses						
Expenses with acquisition of subsidiaries	-	(2)	(1,727)	(9,255)	(19,403)	(6,478)
Reversion of *sub judice* taxes (1)	(198)	-	-	-	-	-
Fines	-	-	-	-	-	(588)
Provision for tax credit risk	-	-	-	-	-	(7,349)
Others	(87)	-	(136)	(6,094)	(14,965)	(29,651)
Total other operating expenses	**(285)**	**(2)**	**(1,863)**	**(15,349)**	**(34,368)**	**(44,066)**
Total other operating income and expenses	**(285)**	**5,871**	**2,887**	**893**	**19,623**	**(14,960)**

(1) Refers to Note No. 27 (b).

(2) Refers to Note No. 3.12.

33 Finance income and finance expenses

See accounting policy in Note No. 8.17

Finance income	**Parent Company**			**Consolidated**		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Earnings from financial investments	-	-	-	20,588	25,125	24,506
Monetary correction of assets	577	546	739	2,674	6,415	5,220
Income with Swap	-	-	-	53,178	16,063	22,781
Income with Swap - MTM	-	-	-	-	1,063	-
Foreign exchange variation	-	-	-	47,972	37,091	24,414
Others	274	-	-	2,648	1,345	1,187
	851	**546**	**739**	**127,060**	**87,102**	**78,108**

Finance expenses	**Parent Company**			**Consolidated**		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Interest on borrowings	-	-	-	(71,456)	(72,182)	(55,120)
Bank expenses	-	-	-	(2,333)	(2,494)	(3,033)
Expense with swap - fair value	-	-	-	(10)	(1,953)	(962)
Foreign exchange variation	-	-	-	(90,843)	(45,901)	(45,396)
Interest on sub judice taxes	-	-	-	237	(1,934)	(3,852)
Interest on acquisition debt	-	-	-	(1,506)	(3,077)	(3,794)
Interest on Lease agreement	-	-	-	(1,134)	(2,254)	-
Other finance expenses	(31)	(30)	(662)	(8,635)	(10,713)	(11,309)
Net finance income (expenses)	**(31)**	**(30)**	**(662)**	**(175,680)**	**(140,508)**	**(123,466)**

34 Earnings per share

The Consolidated presents the following information on earnings per share for the fiscal years ended December 31, 2020, 2019 and 2018.

(i) Basic earnings and diluted per share

The basic calculation of earnings per share is made through the division of the net income for the period by weighted average of common shares available during the period:

Weighted average of shares

Year	**R$ - Net Income**	**Weighted average of shares**	**R$ - Earnings per share**
2018	201,086	5,593,388	35.95
2019	212,266	5,612,261	37.82
2020	282,646	5,650,890	50.02

35 Operating leases

See accounting policy in Note No. 8.10.

a. Leases as lessee

The Group leases a series of vehicles and machines for operation as allocated in the contracts, under operating leases. These contracts do not transfer risks and rewards to the user of the assets. These operating leases typically last from 12 to 24 months, with option to renew the lease after this period and that were excluded from the application of CPC 06 (R2) / IFRS 16. Lease payments are adjusted annually, to reflect market values. For certain operating leases, the Group is prevented from entering into any sub-lease agreement.

The rent paid to the lessor is adjusted at regular intervals according to market prices, and the Group does not participate in the residual value of the leased assets. Consequently, it has been determined that basically, all risks and benefits of the assets fall on lessor.

(i) Future minimum operating lease payments

As of December 31, the minimum future payments for non-cancellable operating leases are as follows:

	Consolidated		
	2020	**2019**	**2018**
Less than one year	39,926	31,244	47,532
Between one and five years	97,384	45,165	18,549
More than five years	-	-	2,018
	137,310	**76,409**	**68,099**

(ii) Amounts recognized in the Statements of profit or loss

	Consolidated		
	2020	**2019**	**2018**
Lease expenditures	(138,911)	(101,174)	(63,360)
	(138,911)	**(101,174)**	**(63,360)**

36 Insurance coverage

The Group has a risk management program aimed at delimiting risks, by taking out coverages from the market, compatible with its size and operations. The insurance coverage has been taken out for amounts which Management considers sufficient to cover any losses, taking into account the nature of its activities, the risks involved in its operations and the advice of its insurance consultants.

The Group keeps insurance policies contracted with the main insurers in the country. These policies were defined according to the necessity of the operations and took into account the nature and level of risk involved.

As of December 31, 2020, insurance coverage against risks was R$ 131,700 for civil liability and R$ 253,800 for pecuniary damage and performance bonds of the Group.

In 2019, insurance coverage against risks was R$ 86,100 for civil liability and R$ 81,500 for pecuniary damage and performance bonds of the Group.

In 2018, insurance coverage against risks was R$ 56,383 for civil liability and R$ 84,167 for pecuniary damage and performance bonds of the Group.

37 Transactions not affecting cash

Below is the list of transactions during the fiscal year which did not affect cash and cash equivalents:

	Parent Company			Consolidated		
	2020	**2019**	**2018**	**2020**	**2019**	**2018**
Provision for assessing the Fair Value of the ILP (i)	-	-	23,592	-	-	23,592
ILP derecognition	-	68,861	-	-	68,861	-
Adjustment to the fair value of acquisitions PUT	-	-	-	104,881	(9,870)	30,262
Financial liability for acquisition of subsidiaries Onseg Group (ii)	-	-	-	-	-	53,854
Financial liability for acquisition of subsidiaries Poliservice Group (ii)	-	-	-	-	-	31,215
Financial liability for acquisition of subsidiaries RZF (ii)	-	-	-	-	-	54,006
Financial liability for acquisition of subsidiary Proteg Group (ii)	-	-	-	-	44	-
Financial liabilities for acquisition of subsidiary Magnus Group (ii)	-	-	-	-	40,849	-
Financial liabilities for acquisition of subsidiaries Algar Group (ii)	-	-	-	-	33,588	-
Financial liabilities for acquisition of JAM subsidiaries (ii)	-	-	-	-	17,026	-
Financial liabilities for acquisition of subsidiaries Servis (ii)	-	-	-	-	113,372	-
Financial liabilities for acquisition of subsidiaries Quattro (ii)	-	-	-	-	8,214	-
Financial liabilities for acquisition of subsidiaries Polonorte Group (ii)	-	-	-	-	12,890	-
Financial liabilities for the acquisition of subsidiaries Gol (ii)	-	-	-	-	28,295	
Financial liabilities for acquisition of subsidiaries BC2 Group (ii)	-	-	-	91,870	-	-
Financial liabilities for acquisition of subsidiaries Luandre Group (ii)	-	-	-	164,386	-	-
Financial liabilities for acquisition of subsidiary Conbras (ii)	-	-	-	48,032	-	-
Financial liabilities for acquisition of subsidiary Sunset Group (ii)	-	-	-	71,749	-	-
Financial liabilities for acquisition of subsidiary ISS Group (ii)	-	-	-	(58,849)	-	-
Capital increase without issue of new shares (Note 29 (e))		-	279,383	-	-	279,383
Constitution of minimum mandatory dividends (i)	67,128	45,824	50,673	67,128	45,824	50,673
Constitution of additional approved dividends	-	-	-	332,872	-	-
Dividends receivable	66,970	46,225	51,311	-	-	-
Dividends from subsidiaries	273,030	-	-	-	-	-
Compensation of tax installments	-	-	-	157	3,560	4,803

(i) See DMPL.

(ii) See Note No. 28

38 Subsequent events

a. Stock purchase program

As decided by the Board of Directors' meeting held on February 2, 2021, the Company's Stock Purchase Program for the calendar year 2021 (“PRCA-21”) was approved, in the context of the Company's Stock Purchase Plan, approved at the Meeting of December 12, 2019, with the consequent issuance of new shares and a corresponding increase in the Company's Capital Stock based on the authorized capital. As a result of the said approval, the Company's capital increases to R$ 591,598 divided into 5,773,032 (five million, seven hundred and seventy-three thousand, and thirty-two) common shares, nominative and without par value.

b. Administration authorizations

On February 12, 2021, at the Extraordinary General Meeting - AGE, it was decided and approved:

- The submission by the Company of the application for registration as a publicly held company in category "A" with CVM, under the terms of CVM Instruction 480;

- The offer will comprise the primary public distribution of common shares issued by the Company to be carried out in Brazil, in an unorganized over-the-counter market, under the terms of CVM Instruction 400 and other applicable regulations, with efforts to place Shares abroad, in accordance with certain exemptions from registration under the United States of America's Secutities Act of 1933. At the shareholders' discretion, the offer may also count on the secondary distribution of shares issued by the Company;

- Submission to B3 S.A. - Brasil, Bolsa, Balcão: (a) the Company's application to join the Novo Mercado; and (b) the request for admission to trading of the Company's shares in B3, as well as the execution with B3 of the Novo Mercado Participation Agreement, with the Company's Executive Board being authorized to take all measures.

* * *

Directors' statement

In compliance with the provisions contained in article 25 of the Securities and Exchange Commission Instruction no. 480, of December 7, 2009, as amended, the Company's Statutory Directors declare that (a) they have reviewed, discussed and agreed with the financial statements for the fiscal years ended on December 31, 2020, 2019 and 2018; and (b) reviewed, discussed and agreed with the opinion presented in the audit report of KPMG Auditores Independentes, issued on February 19, 2021, on the financial statements for the fiscal year ended December 31, 2020.

Luis Carlos Martinez Romero
Chief Executive Officer

Guilherme Nascimento Robortella
Chief Financial Officer

Anderson Nunes da Silva
Chief Accounting Officer
Controller – CRC: 1SP232030/O-9