

# Locaweb Serviços de Internet S.A.

**Interim Financial Information  
June 30, 2021  
with report on review of Quartely  
Financial Information - ITR**

*(A free translation of the original report in  
Portuguese, as filed with the Brazilian Securities  
and Exchange Commission (CVM))*

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## Report on Review of Quarterly Financial Information - ITR

To the Shareholders, Board Members and Directors of  
**Locaweb Serviços de Internet S.A.**  
São Paulo - SP

### Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Locaweb Serviços de Internet S.A. ("the Company"), contained in the Quarterly Financial Information Form (ITR) for the quarter ended June 30, 2021, comprising the statements financial position as of June 30, 2021, the respective statements of profit or loss and other comprehensive income for the three and six-month period then ended, changes in equity and cash flows for the six-month period ended, including notes the financial statements.

The Company's Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) and International Standard IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board - IASB, and for the presentation of this information in accordance with the standards issued by the Comissão de Valores Imobiliários, applicable to the preparation of the Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the Brazilian and International Standard on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity).

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred above have not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of Quarterly Financial Information - ITR and presented in accordance with the standards issued by Comissão de Valores Mobiliários.

### **Other matters**

#### ***Statements of added value***

The interim financial information referred above comprise the statements of added value (DVA) for the six-month period ended June 30, 2021, prepared under responsibility of Company's management, and presented as supplementary information for the purpose of IAS 34. These statements, were submitted to the review procedures performed together with the review of the Quarterly Financial Information, with the purpose to evaluate whether these are reconciled to the financial information and to accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that the statements of added value referred above have not been prepared, in all material respects, in accordance with the criteria defined in this Standard and consistently in relation to the interim financial information taken as a whole.

#### **Corresponding amounts**

The exam of the individual and consolidated balance sheet as of December 31, 2020 and the review of the interim financial information related to the statements of income and comprehensive income for the three and six-month period ended on June 30, 2020, changes in shareholders' equity and cash flows for the six-month period ended on June 30, 2020, were conducted under the responsibility of other independent auditors, who issued an unmodified audit report and review report, dated March 22, 2021 and August 11, 2020, respectively. The corresponding amounts for the statements of value added (DVA), both individual and consolidated, for the six-month period ended on June 30, 2020, were submitted to the same review procedures by those independent auditors and, based on its review, those auditors issued an unqualified conclusion that nothing has come to their attention of any facts that would lead them to believe that the DVA was not prepared, in all material respects, consistently with the individual and consolidated Quarterly Financial Information taken as whole.

São Paulo, August 10, 2021

KPMG Auditores Independentes  
CRC 2SP014428/O-6  
Original report in Portuguese signed by  
João Paulo A. Pacheco Neves  
Accountant CRC 1SP222303/O-4

# Locaweb Serviços de Internet S.A.

## Interim statements of financial position as at June 30, 2021 and December 31, 2020

(In thousand of Reais)

	Notes	Company		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3.1	1,799,842	358,700	1,891,662	404,628
Restricted cash	3.2	1,613	1,601	1,613	1,601
Accounts receivable	4.1	17,688	18,578	414,412	358,578
Recoverable taxes	5	12,822	5,794	17,308	9,412
Derivatives	23	10,238	19,367	10,238	19,367
Other assets	6	10,010	9,145	18,207	13,909
<b>Total current assets</b>		<b>1,852,213</b>	<b>413,185</b>	<b>2,353,440</b>	<b>807,495</b>
<b>Non-current assets</b>					
Restricted cash	3.2	1,613	3,202	2,728	3,202
Judicial deposits	14	435	434	546	538
Other assets	6	3,247	1,561	1,313	1,160
Deferred income taxes	21	19,701	20,193	22,466	20,713
Investments	8	1,299,409	320,781	-	-
Property and equipment	9	61,836	60,063	87,318	76,263
Intangible assets	10	62,863	60,348	1,496,511	477,889
Right-of-use assets	10.2	63,308	62,770	70,255	65,104
<b>Total non-current assets</b>		<b>1,512,412</b>	<b>529,352</b>	<b>1,681,137</b>	<b>644,869</b>
<b>Total assets</b>		<b>3,364,625</b>	<b>942,537</b>	<b>4,034,577</b>	<b>1,452,364</b>

The accompanying notes are an integral part of these interim financial statements.

# Locaweb Serviços de Internet S.A.

## Interim statements of financial position as at June 30, 2021 and December 31, 2020

(In thousand of Reais)

		Company		Consolidated	
	Nota	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Suppliers		7,496	11,208	20,312	20,540
Loans and financing	12.1	34,650	55,660	35,996	56,876
Lease liability	12.2	5,552	5,100	8,006	5,811
Salaries and related charges	13	24,603	22,441	53,147	35,970
Income taxes payable		-	-	909	1,230
Other taxes payable		2,784	2,684	7,680	4,591
Deferred revenue	4.2	38,173	35,031	58,039	43,588
Payables to clients	4.3	-	-	326,018	271,665
Interest on shareholders' equity and dividends payable		6	19	6	19
Taxes payable in installments	11	-	-	2,860	2,847
Accounts payable to former shareholders	8.1	2,372	3,442	2,372	3,442
Other liabilities		604	1	2,751	4,053
<b>Total current liabilities</b>		<b>116,240</b>	<b>135,586</b>	<b>518,096</b>	<b>450,632</b>
Loans and financing	12.1	9,826	27,515	12,600	27,682
Deferred revenue	4.2	427	-	427	-
Provision for legal proceedings	14	789	592	1,376	1,116
Accounts payable to former shareholders	8.1	213,260	39,153	453,833	211,610
Lease liability	12.2	62,878	61,896	68,740	63,734
Provision for losses on investments	8	2,735	2,198	-	-
Taxes payable in installments	11	-	-	18,299	19,571
Deferred income taxes		-	-	598	-
Other liabilities		1,223	1,624	3,361	4,046
<b>Total non-current liabilities</b>		<b>291,138</b>	<b>132,978</b>	<b>559,234</b>	<b>327,759</b>
<b>Equity</b>					
Capital stock	15	2,897,836	643,651	2,897,836	643,651
Treasury shares		(7)	(7)	(7)	(7)
Capital reserves		44,045	10,155	44,045	10,155
Earning reserves		20,174	20,174	20,174	20,174
Accumulated profits		(4,801)	-	(4,801)	-
<b>Total equity</b>		<b>2,957,247</b>	<b>673,973</b>	<b>2,957,247</b>	<b>673,973</b>
<b>Total liabilities and equity</b>		<b>3,364,625</b>	<b>942,537</b>	<b>4,034,577</b>	<b>1,452,364</b>

The accompanying notes are an integral part of these interim financial statements.

# Locaweb Serviços de Internet S.A.

## Interim statements of operations

Three-month and six-month periods ended June 30, 2021 and 2020

(In Thousand of Reais)

	Notes	Company				Consolidated			
		01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
<b>Net revenue</b>	18	<b>140,776</b>	<b>135,324</b>	<b>71,406</b>	<b>68,972</b>	<b>345,204</b>	<b>221,834</b>	<b>184,286</b>	<b>117,302</b>
Cost of services	19	(96,539)	(92,006)	(48,245)	(48,022)	(189,643)	(131,938)	(97,986)	(69,463)
<b>Gross profit</b>		<b>44,237</b>	<b>43,318</b>	<b>23,161</b>	<b>20,950</b>	<b>155,561</b>	<b>89,896</b>	<b>86,300</b>	<b>47,839</b>
<b>Operation income (expenses)</b>									
Selling expenses	19	(22,440)	(22,552)	(11,391)	(11,658)	(57,217)	(32,268)	(31,465)	(16,901)
General and administrative expenses	19	(31,410)	(21,616)	(11,881)	(4,746)	(83,008)	(36,998)	(38,742)	(14,889)
Impairment loss	19	(852)	(2,830)	(608)	(420)	(4,576)	(5,330)	(3,103)	(1,733)
Equity equivalence results	7	(6,151)	8,778	2,431	4,512	-	-	-	-
Other operation income (expenses)	19	94	319	189	116	899	386	357	158
		<b>(60,759)</b>	<b>(37,901)</b>	<b>(26,122)</b>	<b>(12,196)</b>	<b>(143,902)</b>	<b>(74,210)</b>	<b>(72,953)</b>	<b>(33,365)</b>
<b>Income (Loss) before financial results and income taxes</b>		<b>(16,522)</b>	<b>5,417</b>	<b>(2,961)</b>	<b>8,754</b>	<b>11,659</b>	<b>15,686</b>	<b>13,347</b>	<b>14,474</b>
Financial income	20	23,327	37,353	14,654	8,379	24,384	37,532	15,230	8,441
Financial expenses	20	(11,114)	(40,156)	(5,376)	(10,984)	(29,369)	(43,272)	(16,092)	(12,334)
		<b>12,213</b>	<b>(2,803)</b>	<b>9,278</b>	<b>(2,605)</b>	<b>(4,985)</b>	<b>(5,740)</b>	<b>(862)</b>	<b>(3,893)</b>
<b>Income (Loss) before income taxes</b>		<b>(4,309)</b>	<b>2,614</b>	<b>6,317</b>	<b>6,149</b>	<b>6,674</b>	<b>9,946</b>	<b>12,485</b>	<b>10,581</b>
Current income tax and social contribution	21	-	(99)	47	(99)	(12,634)	(7,406)	(6,870)	(4,328)
Deferred income tax and social contribution	21	(492)	456	(2,788)	(808)	1,159	431	(2,039)	(1,011)
		<b>(492)</b>	<b>357</b>	<b>(2,741)</b>	<b>(907)</b>	<b>(11,475)</b>	<b>(6,975)</b>	<b>(8,909)</b>	<b>(5,339)</b>
<b>Net income (Loss) for the period</b>		<b>(4,801)</b>	<b>2,971</b>	<b>3,576</b>	<b>5,242</b>	<b>(4,801)</b>	<b>2,971</b>	<b>3,576</b>	<b>5,242</b>
<b>Earnings (Losses) per share</b> (in R\$ per share)									
Earnings (losses) per share – Basic	17	-	-	-	-	(0.01)	0.02	0.01	0.04
Earnings (losses) per share - Diluted	17	-	-	-	-	(0.01)	0.02	0.01	0.04

The accompanying notes are an integral part of these interim financial statements.

# Locaweb Serviços de Internet S.A.

## Interim statements of comprehensive income

Three-month and six-month periods ended June 30, 2021 and 2020

*(In Thousand of Reais)*

	Company				Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Net income (Loss) for the period	<u>(4,801)</u>	<u>2,971</u>	<u>3,576</u>	<u>5,242</u>	<u>(4,801)</u>	<u>2,971</u>	<u>3,576</u>	<u>5,242</u>
Comprehensive income (loss) for the period	<u><u>(4,801)</u></u>	<u><u>2,971</u></u>	<u><u>3,576</u></u>	<u><u>5,242</u></u>	<u><u>(4,801)</u></u>	<u><u>2,971</u></u>	<u><u>3,576</u></u>	<u><u>5,242</u></u>

The accompanying notes are an integral part of these interim financial statements.



# Locaweb Serviços de Internet S.A.

## Interim statements of changes in shareholders' equity

Six-month periods ended June 30, 2021 and 2020

(In Thousand of Reais)

	Capital stock				Treasury shares	Capital reserves			Profit Reserves		Accumulated losses (retained earnings)	Total equity
	Paid-in capital	Unpaid capital	Advance for future capital increase	Share issuance costs	Treasury shares	Goodwill on capital transaction	Share based payments reserve	Goodwill on share issuance	Legal reserve	Retained earnings reserve		
<b>Balances as of December 31, 2020</b>	<u>636,177</u>	<u>7,474</u>	<u>-</u>	<u>(27,357)</u>	<u>(7)</u>	<u>(22,344)</u>	<u>47,860</u>	<u>11,996</u>	<u>2,377</u>	<u>17,797</u>	<u>-</u>	<u>673,973</u>
Loss for the period	-	-	-	-	-	-	-	-	-	-	(4,801)	(4,801)
Capital increase	2,353,934	(7,474)	-	(73,951)	-	-	-	-	-	-	-	2,272,509
Stock option plan	-	-	9,033	-	-	-	6,533	-	-	-	-	15,566
<b>Balances as of June 30, 2021</b>	<u>2,990,111</u>	<u>-</u>	<u>9,033</u>	<u>(101,308)</u>	<u>(7)</u>	<u>(22,344)</u>	<u>54,393</u>	<u>11,996</u>	<u>2,377</u>	<u>17,797</u>	<u>(4,801)</u>	<u>2,957,247</u>

  

	Capital stock				Treasury shares	Capital reserves			Earnings reserve		Accumulated losses (retained earnings)	Total equity
	Paid-in capital	Unpaid capital	Advance for future capital increase	Share issuance costs	Treasury shares	Goodwill on capital transaction	Share based payments reserve	Goodwill on share issuance	Legal reserve	Retained earnings reserve		
<b>Balances as of December 31, 2019</b>	<u>53,629</u>	<u>-</u>	<u>-</u>	<u>(3,645)</u>	<u>(9)</u>	<u>(22,344)</u>	<u>32,313</u>	<u>11,955</u>	<u>1,390</u>	<u>15,044</u>	<u>-</u>	<u>88,333</u>
Net income for the period	-	-	-	-	-	-	-	-	-	-	2,971	2,971
Capital increase	576,930	4,993	-	(35,504)	-	-	-	-	-	-	-	546,419
Stock option plan	-	-	-	-	1	-	6,902	17	-	-	-	6,920
<b>Allocation of income:</b>												
Legal reserve	-	-	-	-	-	-	-	-	149	-	(149)	-
Retained earnings reserve	-	-	-	-	-	-	-	-	-	2,822	(2,822)	-
<b>Balances as of June 30, 2020</b>	<u>30,559</u>	<u>4,993</u>	<u>-</u>	<u>(39,149)</u>	<u>(8)</u>	<u>(22,344)</u>	<u>39,215</u>	<u>11,972</u>	<u>1,539</u>	<u>17,866</u>	<u>-</u>	<u>644,643</u>

The accompanying notes are an integral part of these interim financial statements.

# Locaweb Serviços de Internet S.A.

## Interim statements of cash flows

Six-month periods ended June 30, 2021 and 2020

(In Thousand of Reais)

	Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
<b>Cash flow from operating activities</b>				
<b>Income (Loss) before income taxes</b>	<b>(4,309)</b>	<b>2,614</b>	<b>6,674</b>	<b>9,946</b>
Adjustments to reconcile income (loss) before income taxes to net cash flow from operating activities:				
Depreciation and amortization	21,634	22,437	39,037	28,005
Equity results	6,151	(8,778)	-	-
Interest, derivatives and foreign exchange and monetary variations	9,584	8,150	22,789	8,170
Mark-to-market of derivatives	(1,599)	(580)	(1,599)	(580)
Stock options plan	6,533	6,920	6,533	6,920
Provisions and other adjustments	298	1,732	434	1,855
<b>Changes in assets and liabilities</b>				
Accounts receivable	327	(1,984)	(48,686)	(142,993)
Recoverable taxes	(6,895)	(2,956)	(5,775)	(1,460)
Other assets	1,059	(244)	3,466	(236)
Judicial deposits	(1)	274	(8)	273
Related parties, net	(1,803)	(2,336)	-	-
Suppliers	(3,649)	2,429	(6,242)	3,432
Salaries and related charges	2,162	7,097	11,069	10,435
Other taxes payable	113	3,819	(3,282)	4,990
Deferred revenue	4,069	1,006	12,619	2,276
Payables to clients	-	-	54,337	91,976
Other liabilities	189	(164)	(32,059)	(870)
Income taxes paid	(13)	(532)	(10,888)	(5,815)
<b>Net cash from operating activities</b>	<b>33,850</b>	<b>38,904</b>	<b>48,419</b>	<b>16,324</b>
<b>Cash flow from investment activities</b>				
Purchase of property and equipment	(18,464)	(9,686)	(25,066)	(13,537)
Accounts payable for acquisition of equity interest	(1,069)	(11,628)	(1,069)	(11,628)
Advance for future capital increase	(105,623)	(50,250)	-	-
Cash received in incorporation	-	-	-	-
Sale of equity interest	-	-	-	-
Acquisition of a subsidiary, net of cash acquired	(709,813)	-	(761,514)	-
Acquisition and development of intangible assets	(5,903)	(4,120)	(16,544)	(8,242)
<b>Net cash used in investment activities</b>	<b>(840,872)</b>	<b>(75,684)</b>	<b>(804,193)</b>	<b>(33,407)</b>
<b>Cash flow from financing activities</b>				
Paying-in of capital	2,281,541	546,419	2,281,541	546,419
Payment of lease liabilities	(5,167)	(4,855)	(6,728)	(5,315)
Proceeds from loans and financing	-	-	-	-
Restricted cash	1,607	2,702	2,633	2,702
Repayment of Loans and financing	(27,504)	(19,097)	(31,617)	(19,119)
Interest and foreign exchange variations paid and received	(10,595)	(7,556)	(11,303)	(7,572)
Derivatives paid and received	8,327	2,991	8,327	2,991
Bank guarantees paid	(45)	(102)	(45)	(102)
Dividends and interest on shareholders' equity paid	-	-	-	-
<b>Net cash from financing activities</b>	<b>2,248,164</b>	<b>520,502</b>	<b>2,242,808</b>	<b>520,004</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,441,142</b>	<b>483,722</b>	<b>1,487,034</b>	<b>502,921</b>
Cash and cash equivalents at beginning of period	358,700	16,076	404,628	25,275
Cash and cash equivalents at end of period	1,799,842	499,798	1,891,662	528,196
<b>Net increase in cash and cash equivalents</b>	<b>1,441,142</b>	<b>483,722</b>	<b>1,487,034</b>	<b>502,921</b>

The accompanying notes are an integral part of these interim financial statements.

# Locaweb Serviços de Internet S.A.

## Interim statements of value added

Six-month periods ended June 30, 2021 and 2020

(In Thousand of Reais)

	Notes	Company		Consolidated	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020
<b>Revenues</b>		<b>153,779</b>	<b>146,196</b>	<b>382,166</b>	<b>242,970</b>
Gross sales from services	18	166,513	160,366	394,498	258,176
Discounts and rebates	18	(12,450)	(14,502)	(12,829)	(15,609)
Other operating revenues		(284)	332	497	403
<b>Inputs acquired from third parties (inclusive of ICMS, PIS and COFINS)</b>		<b>(57,511)</b>	<b>(48,878)</b>	<b>(151,532)</b>	<b>(82,364)</b>
Cost of services		(39,402)	(36,400)	(89,461)	(55,409)
Materials, energy, third-party services and other items		(18,109)	(12,478)	(62,071)	(26,955)
<b>Gross added value</b>		<b>96,268</b>	<b>97,318</b>	<b>230,634</b>	<b>160,606</b>
Retentions		(24,498)	(22,437)	(39,087)	(28,006)
Depreciation and amortization	9;10	(24,498)	(22,437)	(39,087)	(28,006)
Net added value produced		<b>71,770</b>	<b>74,881</b>	<b>191,547</b>	<b>132,600</b>
<b>Added value received in transfer</b>		<b>20,006</b>	<b>46,132</b>	<b>24,144</b>	<b>37,532</b>
Equity results	8	(3,288)	8,779	-	-
Financial revenues	20	23,294	37,353	24,144	37,532
<b>Total added value distributable</b>		<b>91,776</b>	<b>121,013</b>	<b>215,691</b>	<b>170,132</b>
<b>Distribution of added value</b>		<b>91,776</b>	<b>121,013</b>	<b>215,691</b>	<b>170,132</b>
Staff and charges		<b>61,808</b>	<b>56,369</b>	<b>123,855</b>	<b>82,160</b>
Direct compensation		53,278	49,103	104,752	69,982
Benefits		5,392	4,455	12,085	7,636
F.G.T.S.		3,138	2,811	7,018	4,542
Taxes, fees and contributions		<b>23,688</b>	<b>21,466</b>	<b>66,861</b>	<b>41,469</b>
Federal		18,483	16,420	55,229	33,847
State		-	-	92	100
Municipal		5,205	5,046	11,540	7,522
Interest and rents		<b>11,081</b>	<b>40,207</b>	<b>29,776</b>	<b>43,352</b>
<b>Remuneration of equity</b>		<b>(4,801)</b>	<b>2,971</b>	<b>(4,801)</b>	<b>2,971</b>
Retained earn (loss)		(4,801)	2,971	(4,801)	2,971

The accompanying notes are an integral part of these interim financial statements.

## Notes to the interim financial information

*(amounts in Thousand of Reais, unless otherwise stated)*

### 1 Operation context

Locaweb Serviços de Internet S.A. (the “Company” or “Locaweb”) has its head office at Rua Itapaiúna, 2,434 - São Paulo/SP, and began its operations in 1998, and is one of the pioneers in Business to Business (B2B) solutions for the digital transformation of business in Brazil. The Company’s wide portfolio offers integrated solutions for the purpose of helping its customers’ businesses to grow through the use of technology.

The Company has two operating segments: (i) Be Online and Software as a Service (SaaS) & Solutions (“Be Online/SaaS”), which offer services to its customers through Locaweb, Locaweb Corp, Allin, Cluster2Go, Kinghost, Delivery Direto, Etus, Social Miner and Connectplug brands; and (ii) Commerce, which offers services to its customers through the Tray, Tray Corp, Yapay, Melhor Envio, Ideris, Samurai, Credisfera, Vindi, Dooça, Bling and Pagcerto brands. These business segments are complementary of each other and generate operational synergies for the Company and its customers, and together, they create an environment that enables cross-selling and up-selling activities within the extensive and diverse customer base, which consists of approximately 350.5 thousand active customers from various industry sectors, with a particular focus on small and medium-size enterprises.

### 2 Summary of main accounting policies

The consolidated financial statements include the operations of the Company and its subsidiaries, as follows:

Subsidiaries	Stake	Interest %	
		2021	2020
Locaweb Telecom	Direct	100%	100%
Yapay	Direct	100%	100%
Tray Tecnologia	Direct	100%	100%
Fbits	Indirect	100%	100%
Ananke Participações	Direct	100%	100%
Ananke Tecnologia	Indirect	100%	100%
Primehost	Indirect (c)	-	100%
Ion	Indirect (c)	-	100%
Novaion	Indirect (c)	-	100%
Kinghost	Direct	100%	100%
Delivery Direto	Direct	100%	100%
Locaweb E-Commerce	Direct	100%	100%
Etus	Direct (a)	100%	100%
Ideris	Indirect (a)	100%	100%
Melhor Envio	Indirect (a)	100%	100%
Vindi Tecnologia	Direct (b)	100%	-
Smart Tecnologia	Indirect (b)	100%	-
Vindi Eventos	Indirect (b)	100%	-
Fast Notas	Indirect (b)	100%	-
Vindi Pagamentos	Indirect (b)	100%	-
Social Miner	Direct (b)	100%	-
Connectplug	Direct (b)	100%	-
Dooça	Indirect (b)	100%	-
Credisfera	Indirect (b)	100%	-

Subsidiaries	Stake	Interest %	
		2021	2020
Samurai Holding	Indirect (b)	100%	-
Samurai Desenvolvimento	Indirect (b)	100%	-
V.O Desenvolvimento	Indirect (b)	100%	-
Bling	Direct (b)	100%	-
Pagcerto	Indirect (b)	100%	-

- (a) Companies acquired during the year ended December 31,2020.
- (b) Companies acquired during the year 2021.
- (c) Companies merged during the year 2021 by Ananke Tecnologia.

The issuance of the interim individual and consolidated financial statements was authorized by the Board of Directors on August 9, 2021.

The interim financial statements were prepared in accordance with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or “CVM”) Deliberation No. 673/11, which establishes the minimum content of the interim financial statements, as well the recognition and measurement principles used in complete or condensed interim financial statements.

The interim financial information, in this case, is intended to provide the quarterly information based on the latest complete annual financial statements.

Accordingly, they focus on new activities, events and circumstances, not duplicating the information that was disclosed previously, except where Management considers important to maintain specific information.

The interim financial information presented herein was prepared based on the accounting policies and assumptions and estimates adopted in preparing the annual financial statements for the year ended December 31, 2020.

There were no changes in relation to accounting policies and assumptions and estimates used. As provided for in the CVM Deliberation No. 673/11, Management decided not to repeat the detailed disclosure the accounting policies adopted by the Company. Accordingly, these interim individual and consolidated financial statements must be read together with the individual and consolidated financial statements for the year ended December 31, 2020.

## 2.1 Declaration of compliance and basis of preparation

The interim individual and consolidated financial statements were prepared and are presented in accordance with technical pronouncement CPC 21 – Interim Financial Reporting and the International Financial Reporting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, and in compliance with the standards issued by CVM that are applicable to the quarterly financial information.

## 2.2 New standards, changes and interpretations of standards

There are no standards, amendments to standards and interpretations to IFRS issued by IASB that are effective and could have relevant impact in the interim financial information as of June 30, 2021 that has not been adopted by the Company.

## 3 Cash and cash equivalents and restricted cash

### 3.1 Cash and cash equivalents

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and banks	667	554	9,032	11,898
CDB (a)	1,784,525	358,146	1,867,980	392,730
Funds	<u>14,650</u>	<u>-</u>	<u>14,650</u>	<u>-</u>
	<b><u>1,799,842</u></b>	<b><u>358,700</u></b>	<b><u>1,891,662</u></b>	<b><u>404,628</u></b>

- (a) As of June 30, 2021, financial investments in Bank Deposit Certificates (CDBs) were remunerated at a mean rate of 100,4% of the CDI (92,4% of the CDI for December 31, 2020), with daily liquidity and redeemable with the issuer itself, with no significant loss of value.

### 3.2 Restricted cash

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
CDB (a)	3,226	4,803	3,226	4,803
Funds	<u>-</u>	<u>-</u>	<u>1,115</u>	<u>-</u>
	<b><u>3,226</u></b>	<b><u>4,803</u></b>	<b><u>4,341</u></b>	<b><u>4,803</u></b>
Current	1,613	1,601	1,613	1,601
Non-current	1,613	3,202	2,728	3,202

- (a) As of June 30, 2020, financial investments in Bank Deposit Certificates (CDBs) were remunerated at a mean rate of 97,5% of the CDI (97,7% of the CDI for December 31, 2020) with expected liquidity over 90.

## 4 Accounts receivable, deferred revenue and payables to clients

### 4.1 Accounts receivable

The balance of accounts receivable is comprised by:

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Credit card operators	6,138	4,320	392,704	319,736
Other trade receivables	<u>13,138</u>	<u>15,283</u>	<u>24,542</u>	<u>40,891</u>
<b>Total accounts receivable</b>	<b><u>19,276</u></b>	<b><u>19,603</u></b>	<b><u>417,246</u></b>	<b><u>360,627</u></b>
Expected credit losses	(1,588)	(1,025)	(2,834)	(2,049)
<b>Net accounts receivable</b>	<b>17,688</b>	<b>18,578</b>	<b>414,412</b>	<b>358,578</b>

The aging of accounts receivable is shown below:

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<b>Amounts to become due</b>	<b>15,589</b>	<b>15,004</b>	<b>407,767</b>	<b>350,695</b>
Amounts overdue:				
Up to 30 days	1,535	1,984	4,924	5,245
31-180 days	865	1,711	2,149	2,814
Over 180 days	1,287	904	2,406	1,873
<b>Total accounts receivable</b>	<b>19,276</b>	<b>19,603</b>	<b>417,246</b>	<b>360,627</b>

The estimated losses on doubtful debts were set up based on a review of amounts overdue and at amounts deemed sufficient by Management to cover any losses on realization of accounts receivable.

Management believes the risk related to accounts receivable is minimized by the fact that the balance of the Company's end customers is highly pulverized. The Company has more than 300,000 active-end customers in its portfolio, and no customer accounts for more than 5% of its revenues as at June 30, 2021.

#### 4.2 Deferred revenue

Deferred revenue is recorded in current liabilities, being similar to an advance from customers. Therefore, it refers to amounts received in advance, on the signing of the agreements with customers for services to be provided by the Company.

The amounts recorded in this account are recognized in the statement of operations as services are provided and performance obligations under the agreements are met, according to the Company's accounting policy for revenues.

#### 4.3 Payables to clients

Payables to clients are classified in current liabilities because the obligation is to be settled within the next 12 months, and records amounts received which will be passed to the Company's partners.

### 5 Recoverable taxes

These are amounts that generate the right to offset taxes in future periods. The Company is currently analyzing the recoverability of these amounts.

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Income tax recoverable	7,492	3,992	6,688	6,548
Social contribution recoverable	1,269	799	5,727	1,307
PIS recoverable	1	-	42	5
COFINS recoverable	4	-	191	23
IRRF recoverable	4,045	874	4,079	875
Other recoverable taxes	11	129	581	654
<b>Total</b>	<b>12,822</b>	<b>5,794</b>	<b>17,308</b>	<b>9,412</b>

## 6 Other assets

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Advances to suppliers	286	555	4,395	3,430
Advances to employees	515	671	933	1,106
Software license to be recognized	8,889	6,925	11,358	8,219
Related-party (note 7a.)	2,562	789	-	-
Other assets	1,005	1,766	2,834	2,314
	<b>13,257</b>	<b>10,706</b>	<b>19,520</b>	<b>15,069</b>
Current	10,010	9,145	18,207	13,909
Non-current	3,247	1,561	1,313	1,160

## 7 Related-party transactions

Related-party transactions basically refer to transactions with subsidiaries and with companies whose shareholders are the members of the Company's controlling shareholders, and the Company has a lease for its headquarter.

### a. Transactions and balances

The Company and its subsidiaries are operated in an integrated manner and, accordingly, they have common expenses that are shared based on technical criteria that are reviewed annually by Management.

The Company entered into a private agreement to share expenses, refunds, transfers and amounts withheld and prorated within the same business group. The purpose of this agreement is to objectively set forth, and considering the responsibility of each party, the terms and characteristics of the expense-sharing arrangements.

Main related-party transactions and balances are as follows:

	Company			
	Non-current assets		Current liabilities	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cyberweb (a)	340	212	-	-
Fbits (a)	81	-	-	-
Yapay (a)	668	-	-	-
Locaweb Telecom (a)	528	577	-	-
Ananke Tecnologia (a)	317	-	-	24
Ion Tecnologia (a)	-	-	-	1
Tray Tecnologia (a)	628	-	-	6
	<b>2,562</b>	<b>789</b>	<b>-</b>	<b>31</b>

(a) The balances recorded refer to shared backoffice services.



The Company and its subsidiaries are operated in an integrated manner and, accordingly, they have common expenses that are shared based on technical criteria that are reviewed annually by Management. Transactions are carried out on terms agreed upon by the parties, subject to market conditions.

	<b>Company</b>					
	<b>Revenues</b>		<b>Costs</b>		<b>Expenses</b>	
	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>06/30/2021</b>	<b>06/30/2020</b>
Tray Tecnologia (a)	889	181	-	-	-	-
Yapay (a) (b)	6	2	-	-	(21)	(277)
Locaweb Telecom (c)	-	-	(76)	(78)	(35)	(36)
MG4 (e)	-	-	(3,892)	(3,732)	(1,276)	(1,223)
Ananke Tecnologia (a) (b)	464	464	-	-	(38)	-
Fbits (a)	1	-	-	-	-	-
Cyberweb (a)	109	-	-	-	-	-
Delivery Direto (a)	25	-	-	(20)	-	-
Tech and Soul (d)	-	-	-	-	-	(300)
Connectplug (a)	31	-	-	-	-	-
Etus (a) (d)	17	-	-	-	(1)	-
	<b><u>1,542</u></b>	<b><u>647</u></b>	<b><u>(3,968)</u></b>	<b><u>(3,830)</u></b>	<b><u>(1,371)</u></b>	<b><u>(1,836)</u></b>

- (a) Hosting, software licensing and technical support services.
- (b) Software licensing expenses.
- (c) Telephony costs and expenses.
- (d) Advertising and media broadcasting expenses.
- (e) Property rental costs and expenses.

	<b>Consolidated</b>					
	<b>Revenues</b>		<b>Costs</b>		<b>Expenses</b>	
	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>06/30/2021</b>	<b>06/30/2020</b>	<b>06/30/2021</b>	<b>06/30/2020</b>
MG4	-	-	(3,892)	(3,732)	(1,276)	(1,223)
WW Marques	-	-	-	-	(317)	(255)
Tech and Soul	-	-	-	-	(303)	(300)
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(3,892)</u></b>	<b><u>(3,732)</u></b>	<b><u>(1,896)</u></b>	<b><u>(1,778)</u></b>

MG4 and WW Marques are owners of properties occupied by the Company and its subsidiaries, while Tech and Soul provides communication and advertising services. In all of these companies, the owners are related parties.

The Company has a lease of its headquarter with MG4, a company whose shareholders are the Company's controlling shareholders, for a monthly amount of approximately R\$887. Lease payments amounted to R\$5,168 in the six-month period ended June 30, 2021 (R\$4,855 in same period of 2020), in line with market conditions. The lease agreement is for a term of 120 months, and the rent is adjusted by the IGP-M (General Market Price Index) every 12 months. By virtue of the expense-sharing agreement, the expenses are prorated among the Company and its subsidiaries that use the same property as headquarters.

Tray Tecnologia and Yapay have a lease of their headquarters with WW Marques, a company that has a Company manager among its shareholders, for a monthly amount of approximately R\$53. Lease payments amounted to R\$317 in the six-month period ended June 30, 2021 (R\$255 in same period of 2020), in line with market conditions. The lease agreement is for a term of 60 months, and the rent is adjusted by the IGP-M every 12 months.

Tech and Soul that has a Company shareholder and manager among its shareholders, is a provider of institutional communication and advertising services under an agreement signed on September 6, 2017. The amount in the six-month period ended June 30, 2021 was R\$303 (R\$300 in same period of 2020).

Management believes there are no present or future effects on the equity or financial conditions of such companies due to the discontinuation of business with the related party given the preemptive rights agreed upon on both the property and MG4.

**b. Management compensation**

Management compensation expenses for the periods ended June 30, 2021 and 2020 are shown below:

	<b>06/30/2021</b>	<b>06/30/2020</b>
Compensation	9,287	8,151
Benefits and related expenses	2,386	2,019
Share based compensation expenses	3,155	4,665
<b>Total</b>	<b>14,828</b>	<b>14,835</b>

**8 Investments**

Investments as at June 30, 2021 and December 31, 2020 are comprised as follows:

	<b>Company</b>	
	<b>06/30/2021</b>	<b>12/31/2020</b>
Investments in subsidiaries	1,299,409	320,781
Provision for loss on investments	(2,735)	(2,198)
<b>Total investments, net</b>	<b>1,296,674</b>	<b>318,583</b>
<b>Reconciliation of investments</b>		
Investments in subsidiaries and affiliates	329,154	214,187
Goodwill on investment acquisitions	967,520	104,396
<b>Total investments, net</b>	<b>1,296,674</b>	<b>318,583</b>

The breakdown and changes in goodwill on investments made by the Company are presented below:

Investee	Company			Balance as of Jun 30, 2021
	Balance as of Dec 31, 2020	Equity acquisition	Others/Amortization of capital gains on acquired assets	
<b>Diretas</b>				
Cluster2Go	20,609	-	(146)	20,463
Kinghost	33,487	-	(1,625)	31,862
Delivery Direto	24,879	-	(677)	24,202
Etus	25,421	-	(715)	24,706
Vindi Tecnologia	-	184,188	(2,561)	181,627
Connectplug	-	25,634	(390)	25,244
Social Miner	-	27,673	(503)	27,170
Bling	-	633,293	(1,047)	632,246
<b>Total goodwill on investment acquisitions</b>	<b>104,396</b>	<b>870,788</b>	<b>(7,664)</b>	<b>967,520</b>

The subsidiaries' key financial information is presented below:

Name	Balances as of Jun 30, 2021					
	%			Shareholders' Equity	Net Revenue	Year Income (loss)
	Interest	Assets	Liabilities			
<b>Direct holdings</b>						
Locaweb Telecom	100%	226	655	(429)	224	(57)
Yapay	100%	415,714	320,013	95,701	51,373	11,111
Tray Tecnologia	100%	196,717	96,842	99,876	37,301	1,861
Cluster2Go	100%	639	2,945	(2,306)	17,829	(1,800)
Kinghost	100%	27,332	17,078	10,254	21,587	1,046
Delivery Direto	100%	2,744	1,649	1,095	7,326	(291)
Locaweb E-Commerce	100%	264,185	161,599	102,585	-	(10,570)
Etus	100%	1,936	975	962	4,609	(1,229)
Vindi Tecnologia	100%	16,096	10,229	5,867	14,454	(2,411)
Connectplug	100%	717	835	(119)	1,577	(1,582)
Social Miner	100%	3,321	3,802	(481)	3,288	(1,961)
Bling	100%	22,939	6,790	16,149	5,162	(268)
<b>Indirect holdings</b>						
Fbits	100%	15,145	2,995	12,150	6,450	1,602
Melhor Envio	100%	36,614	33,422	3,193	20,939	(790)
Ideris	100%	7,421	7,712	(290)	7,289	(138)
Smart Tecnologia	100%	32	299	(268)	-	(42)
Fast Notas	100%	6	108	(101)	-	(22)
Vindi Pagamentos	100%	3,887	3,132	754	1,588	346
Dooca	100%	320	523	(203)	2,081	(669)
Credisfera	100%	7,254	1,344	5,910	1,117	(2,290)
Samurai Holding	100%	970	734	236	-	(162)
Samurai Desenvolvimento	100%	2,029	1,867	162	2,681	(224)
V.O Desenvolvimento	100%	833	89	743	93	63
PagCerto	100%	1,328	1,597	(269)	37	(166)

<b>Balance as of Dec 31, 2020</b>						
<b>Denominação</b>	<b>% Interest</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Shareholders' Equity</b>	<b>Net Revenue</b>	<b>Year Income (loss)</b>
<b>Direct holdings</b>						
Locaweb Telecom	100%	263	805	(542)	602	(365)
Yapay	100%	345,896	261,306	84,590	73,159	19,078
Tray Tecnologia	100%	45,238	11,723	33,515	53,176	13,950
Cluster2Go	100%	1,292	2,948	(1,656)	2,000	(3,340)
Kinghost	100%	27,339	19,756	7,583	3,695	2,934
Delivery Direto	100%	1,977	1,268	709	11,114	334
Locaweb E-Commerce	100%	264,016	175,503	88,513	-	(2,287)
Etus	100%	1,991	515	1,476	2,232	743
<b>Indirect holdings</b>						
Fbits	100%	13,067	2,519	10,548	11,290	2,959
Melhor Envio	100%	29,904	25,921	3,983	3,735	(765)
Ideris	100%	6,277	9,323	(3,047)	957	84

Changes in investments in subsidiaries are shown below:

<b>Investee</b>	<b>Balance as of Dec 31, 2020</b>	<b>Acquisition of Equity Interest</b>	<b>Advance/ capital increase</b>	<b>Equity accounting (reduced from the amortization of the capital gain)</b>	<b>Balance as of Jun 30, 2021</b>
Locaweb Telecom	(542)	-	170	(57)	(429)
Yapay	84,590	-	-	11,111	95,701
Tray Tecnologia	33,515	-	64,500	1,861	99,876
Cluster2Go	(1,656)	-	1,004	(1,654)	(2,306)
Kinghost	7,583	-	-	2,671	10,254
Delivery Direto	709	-	-	386	1,095
Locaweb E-Commerce	88,512	-	24,643	(10,570)	102,585
Etus	1,476	-	-	(514)	962
Vindi Tecnologia	-	273	5,444	150	5,867
Connectplug	-	(1,423)	2,497	(1,192)	(118)
Social Miner	-	387	590	(1,458)	(481)
Bling	-	8,594	6,775	779	16,148
	<b>214,187</b>	<b>7,831</b>	<b>105,623</b>	<b>1,513</b>	<b>329,154</b>

## 8.1 Accounts payable to former shareholders

Accounts payable to former shareholders are comprised as follows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2021</b>	<b>12/31/2020</b>	<b>06/30/2021</b>	<b>12/31/2020</b>
Cluster2Go	2,372	3,442	2,372	3,442
Kinghost	19,857	19,280	19,857	19,281
Delivery Direto	10,044	9,564	10,044	9,564
Etus	11,123	10,309	11,123	10,309
Ideris	-	-	21,762	37,285
Melhor Envio	-	-	136,652	135,171
ConnectPlug	8,131	-	8,131	-
Social Miner	7,773	-	7,773	-

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Vindi Tecnologia	33,213	-	33,213	-
Dooca	-	-	15,347	-
Credisfera	-	-	56,122	-
Samurai	-	-	10,690	-
Bling	123,119	-	123,119	-
	<b>215,632</b>	<b>42,595</b>	<b>456,205</b>	<b>215,052</b>
<b>Total investments liabilities</b>				
Current	2,372	3,442	2,372	3,442
Non-current	213,260	39,153	453,833	211,610

## 8.2 Business combination

### 8.2.1 Acquisitions in 2021

#### a. Vindi Tecnologia Acquisition

On January 12, 2021 the Company completed the final acquisition of 100% (one-hundred percent) of the total capital stock (entirely diluted) of Vindi Tecnologia e Marketing S.A. (“Vindi”), with 4 wholly owned subsidiaries, Smart Tecnologia S.A., Vindi Eventos e Conteúdo Ltda., Fast Notas Softwares de Gestão Ltda. and Vindi Pagamentos Ltda. Vindi provides solutions in the subscription model (plans and month fees) and combines recurring billing software with a payment platform. Among more than 6,000 customers currently served by Vindi, there are important brands and the largest subscription cases in Brazil. The acquisition plans include integrating Vindi’s recurring payment APIs into Tray (e-commerce platform) and exploring the potential of cross selling with other business segments of the Company (BeOnline, SaaS and Commerce) with the acquiree.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>47,343</b>
Cash and cash equivalents	469
Short term investments	4,615
Restricted cash	1,280
Accounts receivable	3,400
Advances	163
Prepaid expenses	7
Recoverable taxes	141
Related parties	205

<b>Fair value recognized on acquisition</b>	
Guarantee and deposits	624
Property and equipment	6,066
Intangible	30,373
<b>Liabilities</b>	<b>18,420</b>
Loans and financing	3,351
Suppliers	292
Salaries and related charges	2,312
Taxes payable	378
Other accounts payable	11,785
Payable to clients	269
Long term taxes payables in installments	33
<b>Total net assets identifiable</b>	<b>28,923</b>
Goodwill created on acquisition	155,708
<b>Total consideration</b>	<b>184,631</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	147,254
Acquisition cost	2,313
<b>Cash paid on acquisition</b>	<b>149,567</b>
Total consideration is shown below:	
Cash paid on the closing date	152,338
Obligations with investment acquisition	32,293
<b>Total consideration</b>	<b>184,631</b>

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), in the amount R\$36,151, price withheld as guarantee of obligations assumed in contract of R\$2,548, the present value of which on the acquisition date was R\$32,293 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$184,188 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Commerce segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$2,313 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Vindi contributed with total net revenue of R\$16,042 and net income of R\$150 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Vindi would have contributed with net revenue of R\$19,385 and net income of R\$1,107.

*b. Social Miner acquisition*

On January 20, 2021, the Company completed the final acquisition of 100% (one-hundred percent) of the total capital stock of Social Miner Internet Ltda. (“Social Miner” and “Contrato”, respectively). Social Miner is a company that provides a SaaS platform for e-commerce and retailers to increase sales, engage consumers, convert visitor flows to sign-ups and/or purchases and decrease the cost of acquiring customers, using big data and artificial intelligence. With the integration of solutions from Social Miner, which has a consolidated product on the market, and All In, a company acquired by Locaweb in 2013, we now provide a complete suite of services that accompanies the entire consumer journey for e-commerces and retailers of all segments and sizes, which will be very important to boost the sales of customers of our e-commerce platform Tray.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>11,431</b>
Cash and cash equivalents	637
Restricted cash	1,103
Accounts receivable	1,338
Recoverable taxes	119
Allowance for doubtful accounts	(160)
Other assets	377
Property and equipment	27
Intangible	7,990
<b>Liabilities</b>	<b>4,018</b>
Taxes payable	123
Accounts payable	484
Salaries and related charges	882
Loans and financing	2,529
<b>Total net assets identifiable</b>	<b>7,413</b>
Goodwill created on acquisition	20,647
<b>Total consideration</b>	<b>28,060</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	19,613
Acquisition cost	997
<b>Cash paid on acquisition</b>	<b>20,610</b>

Total consideration is shown below:

Cash paid on the closing date	20,250
Obligations with investment acquisition	<u>7,810</u>
<b>Total consideration</b>	<b><u>28,060</u></b>

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), in the amount R\$6,256, price withheld as guarantee of obligations assumed in contract of R\$3,002, the present value of which on the acquisition date was R\$7,810 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$27,673 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Be Online & SaaS segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$997 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Social Miner contributed with total net revenue of R\$3,288 and net loss of R\$1,458 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Social Miner would have contributed with net revenue of R\$3,835 and net loss of R\$1,857.

*c. Connectplug acquisition*

On January 26, 2021, the Purchase and Sale of Quotas and Other Covenants Agreement was signed between the Company and the shareholders of Connectplug Desenvolvimento de Softwares Ltda. (“ConnectPlug”), company that provides a SaaS platform with a point of sale system (POS) and a complete management system, with a big presence in the food services segment. With this acquisition, we strengthen our portfolio, we entered for the important market for technology solutions for physical commerce and continued to consolidate ourselves in the digitalization segment of companies in Brazil, expanding our capacity to provide omnichannel solutions and the possibilities of cross-selling with Tray's tenant base.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:



	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b><u>5,787</u></b>
Cash and cash equivalents	1
Short term investments	371
Advances to employees	1
Property and equipment	145
Intangible	5,269
<b>Liabilities</b>	<b><u>1,946</u></b>
Suppliers	3
Accounts payable	70
Salaries and related charges	222
Taxes payable	193
Loans and financing	47
AFAC	1,400
Long-term loans and financing	<u>11</u>
<b>Total net assets identifiable</b>	<b><u>3,841</u></b>
Goodwill created on acquisition	<u>20,370</u>
<b>Total consideration</b>	<b><u>24,211</u></b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	16,228
Acquisition cost	<u>1,001</u>
<b>Cash paid on acquisition</b>	<b><u>17,229</u></b>
Total consideration is shown below:	
Cash paid on the closing date	16,600
Obligations with investment acquisition (a)	<u>7,611</u>
<b>Total consideration</b>	<b><u>24,211</u></b>

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), in the amount R\$11,351, the present value of which on the acquisition date was R\$7,611 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$25,634 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Be Online & SaaS segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$1,001 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Connectplug contributed with total net revenue of R\$1,577 and net loss of R\$1,192 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Connectplug would have contributed with net revenue of R\$1,841 and net loss of R\$2,256.

*d. Dooca acquisition*

On February 18, 2021, the Purchase and Sale of Quotas and Other Covenants Agreement was signed between its wholly owned subsidiary Tray Tecnologia em Ecommerce Ltda. (“Tray”) and the shareholders of Dooca Tecnologia da Informação Ltda. (“Dooca”), virtual store platform focused on SMEs, which helps retailers to create, set up and manage their virtual store and sell online. With the acquisition, the Company, which already has a prominent role and leadership in the segment with Tray, consolidates itself in this market that presented a strong acceleration in 2020. Plans for the acquisition and capture of synergies include Dooca in the Company's robust Commerce ecosystem, providing the entire YaPay payment solution to all of Dooca's customer base, integrations with more than 30 marketplaces and Store-in-Store provided by Ideris, Melhor Envio's logistics solutions, Vindi's recurring payment APIs and the entire digital marketing portfolio with Social Miner and All In.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>7,958</b>
Cash and cash equivalents	272
Other credits	34
Property and equipment	3
Intangible	7,649
<b>Liabilities</b>	<b>232</b>
Salaries and related charges	29
Taxes payable	203
<b>Total net assets identifiable</b>	<b>7,726</b>
Goodwill created on acquisition	32,381
<b>Total consideration</b>	<b>40,107</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	25,228
Acquisition cost	1,003
<b>Cash paid on acquisition</b>	<b>26,231</b>

Total consideration is shown below:

Cash paid on the closing date	25,500
Obligations with investment acquisition (a)	14,607

**Total consideration** **40,107**

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), in the amount R\$19,060, price withheld as guarantee of obligations assumed in contract of R\$897, the present value of which on the acquisition date was R\$14,607 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$40,030 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Commerce segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$1,003 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Dooça contributed with total net revenue of R\$2,081 and net loss of R\$669 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Dooça would have contributed with net revenue of R\$2,902 and net loss of R\$493.

*e. Credisfera acquisition*

On February 26, 2021, the Purchase and Sale of shares and Other Covenants Agreement was signed between Tray Tecnologia em Ecommerce Ltda. (“Tray”) and the shareholders of Credisfera Serviços Financeiros S.A. (“Credisfera”). Credisfera is a Fintech that provides credit solutions for SMEs and will allow Locaweb to offer this service to its customer base in an integrated manner.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>13,715</b>
Cash and cash equivalents	15
Short term investments	1,975
Accounts receivable	677
Recoverable taxes	294
Advances	5
Property and equipment	152
Intangible	10,597
<b>Liabilities</b>	<b>4,309</b>
Accounts payable	3,886
Salaries and related charges	138
Taxes payable	113
Provisions	172

	<b>Fair value recognized on acquisition</b>
<b>Total net assets identifiable</b>	<b>9,406</b>
Goodwill created on acquisition	67,902
<b>Total consideration</b>	<b>77,308</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	22,139
Acquisition cost	1,022
<b>Cash paid on acquisition</b>	<b>23,161</b>

Total consideration is shown below:

Cash paid on the closing date	24,129
Obligations with investment acquisition (a)	53,179
<b>Total da contraprestação</b>	<b>77,308</b>

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), in the amount R\$77,916, price withheld as guarantee of obligations assumed in contract of R\$2,277, the present value of which on the acquisition date was R\$53,179 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$74,629 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Commerce segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$1,022 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Dooça contributed with total net revenue of R\$1,117 and net loss of R\$2,290 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Dooça would have contributed with net revenue of R\$1,930 and net loss of R\$2,772.

*f. Samurai acquisition*

On March 2, 2021, the Purchase and Sale of shares and Other Covenants Agreement was signed between Tray Tecnologia em Ecommerce Ltda. (“Tray”) and the shareholders of Samurai Experts Holding Ltda. (“Samurai”). Samurai is a technology company that provides an application ecosystem compatible with different platforms in the market to optimize the results of virtual stores. Samurai strengthens the group's strategy to serve medium and large e-commerces, joining forces with Tray Corp and improving the ability to handle complex and customized projects. In parallel, Samurai will be able to provide the Yapay payment solution, the integrations with more than 30 marketplaces and Store-in-Store offered by Ideris, Melhor Envio’s logistics solutions, Vindi's recurring payment APIs and the entire marketing portfolio digital with Social Miner and All In for its entire customer base. With the acquisition, the objective is to absorb the Samurai team, which currently has 40 engineering, software and agile methodological professionals, who must work together in the development of Locaweb's ecommerce ecosystem products.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>3,831</b>
Cash and cash equivalents	5
Accounts receivable	396
Recoverable taxes	95
Other assets	2
Property and equipment	31
Intangible	3,302
<b>Liabilities</b>	<b>715</b>
Suppliers	28
Salaries and related charges	560
Taxes payable	22
Advances	86
Taxes payable in installments	19
<b>Total net assets identifiable</b>	<b>3,116</b>
Goodwill created on acquisition	15,449
<b>Total consideration</b>	<b>18,565</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	8,394
Acquisition cost	994
<b>Cash paid on acquisition</b>	<b>9,388</b>

Total consideration is shown below:

Cash paid on the closing date	8,399
Obligations with investment acquisition(a)	10,166
<b>Total consideration</b>	<b>18,565</b>

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), in the amount R\$13,533, price withheld as guarantee of obligations assumed in contract of R\$1,282, the present value of which on the acquisition date was R\$10,166 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$18,751 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Commerce segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$994 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Samurai contributed with total net revenue of R\$2,774 and net loss of R\$162 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Samurai would have contributed with net revenue of R\$3,776 and net loss of R\$317.

*g. Bling Acquisition*

On April 21, 2021 the Purchase and Sale of shares and Other Covenants Agreement between the Company and and the shareholders of Organisys Software S.A. (“Bling” e “Contrato Bling”, respectively), to regulate the acquisition of all of its share capital by the Company (“Operation”). Launched in 2009, Bling is an online management system for the segment of e-commerce and micro and small companies - MPEs, with more than 200 integrations, which provides solutions in the SaaS model for physical, virtual or hybrid businesses. The closing price for the acquisition of all of Bling's shares is approximately R \$ 524.3 million and is also subject to certain adjustments to net debt and working capital, which are usual in this type of transaction. In addition, sellers will be entitled to receive any earnout, depending on the achievement of certain financial goals determined based on the net operating revenue of Bling and its subsidiaries.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>139,955</b>
Cash and cash equivalents	26,838
Accounts receivable	974
Advances	2,995
Other Assets	64
Property and equipment	2,367
Intangible	106,717
<b>Liabilities</b>	<b>24,749</b>
Suppliers	1,230
Loans and financing	745
Salaries and related charges	1,453
Taxes payable	584
Advances	2,760
Dividends payable	17,000
Provisions	977
<b>Total net assets identifiable</b>	<b>115,206</b>
Goodwill created on acquisition	526,681
<b>Total consideration</b>	<b>641,887</b>

	<b>Fair value recognized on acquisition</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	493,317
Acquisition cost	3,786
<b>Cash paid on acquisition</b>	512,145
 Total consideration is shown below:	
Cash paid on the closing date	520,155
Obligations with investment acquisition (a)	121,732
<b>Total da consideration</b>	<b>641,887</b>

- (a) Contingent consideration in connection with an additional payment based on certain performance indicators (earn-out), Block A in the amount R\$33,073, (*earn-out*) Block B in the amount R\$118,328, price adjustment of R\$10,921 and price withheld as guarantee of obligations assumed in contract of R\$4,121, the present value of which on the acquisition date was R\$121,732 and which was recorded in accounts payable to former shareholders.

The goodwill at the acquisition date was R\$526,681 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Commerce segment. The Company understands that goodwill will be deductible for tax purposes.

Acquisition cost of R\$3,786 was recognized in the statement of income in general administrative expenses, and in operating activities in the statements of cash flows.

In 2021, from the date of its acquisition, Bling contributed with total net revenue of R\$5,162 and net income of R\$779 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Bling would have contributed with net revenue of R\$29,693 and net income of R\$7,419.

*h. Pagcerto acquisition*

On April 21, 2021 simultaneously to the signing of the purchase and sale agreement for the transaction, the Company also entered into a purchase and sale agreement for the acquisition of all the shares issued by Pagcerto Soluções em Pagamento S.A. (“Pagcerto” e “Contrato Pagcerto”, respectively), a company which operates through a white label sub-acquisition platform and BaaS (banking as a service), services that will be integrated and used by Bling. The acquisition of Pagcerto will be carried out by Bling after it becomes a company controlled by the Company, that is, after the conclusion of the Transaction under the terms of the Bling Agreement.

The accounting of the net assets acquired in the interim financial statements of June 30, 2021 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination still requires the conclusion of the analysis of eventual price adjustment. Such an assessment had not been completed when the financial statements were approved by Management.

Below the balances ascertained:

	<b>Fair value recognized on acquisition</b>
<b>Assets</b>	<b>1,462</b>
Accounts receivable	809
Others assets	343
Property and equipment	210
Intangible	100
<b>Liabilities</b>	<b>1,919</b>
Suppliers	30
Salaries and related charges	176
Taxes payable	53
Loans and financing	713
Advances	577
Others liabilities	370
<b>Total net assets identifiable</b>	<b>(457)</b>
Goodwill created on acquisition	7,232
<b>Total consideration</b>	<b>6,775</b>
<b>Cash flow on acquisition</b>	
Cash paid, net cash acquired	6,775
<b>Cash paid on acquisition</b>	<b>6,775</b>

Total consideration is shown below

Cash paid on the closing date	6,775
<b>Total consideration</b>	<b>6,775</b>

The goodwill calculated in a preliminary way based on the amount paid on the acquisition date was R\$6,775 and includes the amount of future economic benefits from synergies from the acquisition. The goodwill has been allocated to Commerce segment. The Company understands that goodwill will be deductible for tax purposes.

In 2021, from the date of its acquisition, Bling contributed with total net revenue of R\$37 and net loss of R\$166 for the period ended June 30, 2021. If the acquisition had taken place at the beginning of 2021, Bling would have contributed with net revenue of R\$198 and net loss of R\$791.



## **8.2.2 Acquisitions in 2020**

*a. Etus acquisition*

The accounting of the net assets acquired in the financial statements as of December 31, 2020 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination had not been completed when the interim financial statements were approved by Management.

*b. Ideris acquisition*

The accounting of the net assets acquired in the financial statements as of December 31, 2020 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination had not been completed when the interim financial statements were approved by Management.

*c. Melhor Envio acquisition*

The accounting of the net assets acquired in the financial statements as of December 31, 2020 was made based on a preliminary assessment of the fair value, since the assessment of the identified assets and liabilities assumed in the business combination had not been completed when the interim financial statements were approved by Management.

## 9 Property and equipment

Changes in the Company are presented below:

	Company						Total property and equipment
	Computers and peripherals	Improvements	Furniture and fixtures	Machinery and equipment	Components for assembly	Other property and equipment	
<b>Cost</b>							
<b>Balances on December 31, 2020</b>	<u>5,561</u>	<u>32,178</u>	<u>2,402</u>	<u>282,534</u>	<u>497</u>	<u>970</u>	<u>324,142</u>
Additions for the period	998	1,238	1,183	11,333	1,114	726	16,592
Disposals	-	-	(598)	(63)	-	(343)	(1,004)
Transfer	<u>(62)</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>(167)</u>	<u>-</u>	<u>-</u>
<b>Balances on June 30, 2021</b>	<u>6,497</u>	<u>33,416</u>	<u>2,987</u>	<u>294,033</u>	<u>1,444</u>	<u>1,353</u>	<u>339,730</u>
<b>Depreciation</b>							
<b>Balances on December 31, 2020</b>	<u>(4,219)</u>	<u>(14,704)</u>	<u>(1,878)</u>	<u>(242,717)</u>	<u>-</u>	<u>(561)</u>	<u>(264,079)</u>
Depreciation for the period	(297)	(991)	(95)	(13,271)	-	(119)	(14,773)
Disposals	-	-	580	63	-	315	958
Transfer	<u>3</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balances on June 30, 2021</b>	<u>(4,513)</u>	<u>(15,695)</u>	<u>(1,393)</u>	<u>(255,928)</u>	<u>-</u>	<u>(365)</u>	<u>(277,894)</u>
<b>Residual Value</b>							
<b>Balances on December 31, 2020</b>	<u>1,342</u>	<u>17,474</u>	<u>524</u>	<u>39,817</u>	<u>497</u>	<u>409</u>	<u>60,063</u>
<b>Balances on June 30, 2021</b>	<u>1,984</u>	<u>17,721</u>	<u>1,594</u>	<u>38,105</u>	<u>1,444</u>	<u>988</u>	<u>61,836</u>

	<b>Company</b>						
	Computers and peripherals	Improvements	Furniture and fixtures	Machinery and equipment	Components for assembly	Other property and equipment	Total property and equipment
<b>Cost</b>							
<b>Balances on December 31, 2019</b>	<u>5,071</u>	<u>30,949</u>	<u>2,281</u>	<u>260,702</u>	<u>122</u>	<u>956</u>	<u>300,081</u>
Additions for the period	243	162	85	9,343	13	147	9,993
Disposals	(31)	-	(17)	(4)	-	(133)	(185)
Transfer	-	(35)	35	-	-	-	-
<b>Balances on June 30, 2020</b>	<u>5,283</u>	<u>31,076</u>	<u>2,384</u>	<u>270,041</u>	<u>135</u>	<u>970</u>	<u>309,889</u>
<b>Depreciation</b>							
<b>Balances on December 31, 2019</b>	<u>(3,717)</u>	<u>(12,924)</u>	<u>(1,694)</u>	<u>(216,341)</u>	<u>-</u>	<u>(511)</u>	<u>(235,187)</u>
Depreciation for the period	(264)	(881)	(111)	(14,616)	-	(88)	(15,960)
Disposals	28	-	7	2	-	129	166
Transfer	-	1	(1)	-	-	-	-
<b>Balances on June 30, 2020</b>	<u>(3,954)</u>	<u>(13,804)</u>	<u>(1,800)</u>	<u>(230,955)</u>	<u>-</u>	<u>(470)</u>	<u>(250,981)</u>
<b>Residual Value</b>							
<b>Balances on December 31, 2019</b>	<u>1,354</u>	<u>18,025</u>	<u>587</u>	<u>44,361</u>	<u>122</u>	<u>445</u>	<u>64,894</u>
<b>Balances on June 30, 2020</b>	<u>1,329</u>	<u>17,272</u>	<u>585</u>	<u>39,086</u>	<u>122</u>	<u>500</u>	<u>58,908</u>

Changes in the consolidated financial statements are presented below:

	<b>Consolidated</b>						
	<b>Computers and peripherals</b>	<b>Improvements</b>	<b>Furniture and fixtures</b>	<b>Machinery and equipment</b>	<b>Components for assembly</b>	<b>Other property and equipment</b>	<b>Total property and equipment</b>
<b>Cost</b>							
<b>Balances on December 31, 2020</b>	<b>19,521</b>	<b>33,692</b>	<b>4,609</b>	<b>291,144</b>	<b>914</b>	<b>1,487</b>	<b>351,367</b>
Additions from business acquisitions	2,439	1,819	937	584	-	26	5,805
Additions for the period	5,961	1,238	1,185	12,826	2,902	797	24,909
Disposals	(2)	(5)	(645)	(59)	-	(343)	(1,054)
Transfer	359	-	-	(191)	(168)	-	-
<b>Balances on June 30, 2021</b>	<b>28,278</b>	<b>36,744</b>	<b>6,086</b>	<b>304,304</b>	<b>3,648</b>	<b>1,967</b>	<b>381,027</b>
<b>Depreciation</b>							
<b>Balances on December 31, 2020</b>	<b>(9,013)</b>	<b>(15,082)</b>	<b>(3,026)</b>	<b>(247,373)</b>	<b>-</b>	<b>(610)</b>	<b>(275,104)</b>
Additions from business acquisitions	(879)	(501)	(204)	(233)	-	(4)	(1,821)
Depreciation for the period	(2,127)	(1,211)	(218)	(14,067)	-	(149)	(17,772)
Disposals	16	8	583	65	-	316	988
Transfer	(67)	-	(6)	73	-	-	-
<b>Balances on June 30, 2021</b>	<b>(12,070)</b>	<b>(16,786)</b>	<b>(2,871)</b>	<b>(261,535)</b>	<b>-</b>	<b>(447)</b>	<b>(293,709)</b>
<b>Residual value</b>							
<b>Balances on December 31, 2020</b>	<b>10,508</b>	<b>18,610</b>	<b>1,583</b>	<b>43,771</b>	<b>914</b>	<b>877</b>	<b>76,263</b>
<b>Balances on June 30, 2021</b>	<b>16,208</b>	<b>19,958</b>	<b>3,215</b>	<b>42,769</b>	<b>3,648</b>	<b>1,520</b>	<b>87,318</b>

	<b>Consolidated</b>						
	<b>Computers and peripherals</b>	<b>Improvements</b>	<b>Furniture and fixtures</b>	<b>Machinery and equipment</b>	<b>Components for assembly</b>	<b>Other property and equipment</b>	<b>Total property and equipment</b>
<b>Cost</b>							
<b>Balances on December 31, 2019</b>	<b><u>13,941</u></b>	<b><u>31,830</u></b>	<b><u>3,808</u></b>	<b><u>265,787</u></b>	<b><u>365</u></b>	<b><u>1,188</u></b>	<b><u>316,919</u></b>
Additions for the period	2,306	791	297	10,528	1,751	147	15,820
Disposals	(37)	-	(16)	(7)	-	(133)	(193)
Transfer	406	(35)	(16)	1,121	(1,476)	-	-
<b>Balances on June 30, 2020</b>	<b><u>16,615</u></b>	<b><u>32,586</u></b>	<b><u>4,073</u></b>	<b><u>277,429</u></b>	<b><u>640</u></b>	<b><u>(1,202)</u></b>	<b><u>332,546</u></b>
<b>Depreciation</b>							
<b>Balances on December 31, 2019</b>	<b><u>(6,675)</u></b>	<b><u>(13,550)</u></b>	<b><u>(2,006)</u></b>	<b><u>(219,543)</u></b>	<b><u>-</u></b>	<b><u>(575)</u></b>	<b><u>(242,349)</u></b>
Depreciation for the period	(1,246)	(1,003)	(173)	(15,189)	-	(111)	(17,722)
Disposals	28	-	7	4	-	129	168
Transfer	-	1	-	(1)	-	-	-
<b>Balances on June 30, 2020</b>	<b><u>(7,893)</u></b>	<b><u>(14,552)</u></b>	<b><u>(2,172)</u></b>	<b><u>(234,729)</u></b>	<b><u>-</u></b>	<b><u>(557)</u></b>	<b><u>(259,903)</u></b>
<b>Residual value</b>							
<b>Balances on December 31, 2019</b>	<b><u>7,266</u></b>	<b><u>18,280</u></b>	<b><u>1,802</u></b>	<b><u>46,244</u></b>	<b><u>365</u></b>	<b><u>613</u></b>	<b><u>74,570</u></b>
<b>Balances on June 30, 2020</b>	<b><u>8,722</u></b>	<b><u>18,034</u></b>	<b><u>1,901</u></b>	<b><u>42,700</u></b>	<b><u>640</u></b>	<b><u>645</u></b>	<b><u>72,643</u></b>

(\*) There were no impairment indicators for the periods ended June 30, 2021 and 2020.

**10 Intangible and right-of-use assets**  
**10.1 Intangible assets**

Changes in intangible assets of the Company are presented below:

	<b>Company</b>								
	<b>Software</b>	<b>Trademarks and patents</b>	<b>Internal development(a)</b>	<b>Other</b>	<b>Goodwill</b>	<b>Trademark</b>	<b>Technology</b>	<b>Customer portfolio</b>	<b>Total intangible assets</b>
<b>Cost</b>									
<b>Balances on December 31, 2020</b>	<u>1,174</u>	<u>1,399</u>	<u>41,190</u>	<u>872</u>	<u>33,087</u>	<u>733</u>	<u>3,666</u>	<u>2,586</u>	<u>84,707</u>
Additions for the period	-	-	5,903	-	-	-	-	-	5,903
Disposals for the period	-	-	(7)	-	-	-	-	-	(7)
<b>Balances on June 30, 2021</b>	<u>1,174</u>	<u>1,399</u>	<u>47,086</u>	<u>872</u>	<u>33,087</u>	<u>733</u>	<u>3,666</u>	<u>2,586</u>	<u>90,603</u>
<b>Amortization</b>									
<b>Balances on December 31, 2020</b>	<u>(617)</u>	<u>-</u>	<u>(16,757)</u>	<u>(458)</u>	<u>-</u>	<u>(275)</u>	<u>(3,666)</u>	<u>(2,586)</u>	<u>(24,359)</u>
Amortization for the period	(166)	-	(3,161)	(43)	-	(18)	-	-	(3,388)
Disposals for the period	-	-	7	-	-	-	-	-	7
<b>Balances on June 30, 2021</b>	<u>(783)</u>	<u>-</u>	<u>(19,911)</u>	<u>(501)</u>	<u>-</u>	<u>(293)</u>	<u>(3,666)</u>	<u>(2,586)</u>	<u>(27,740)</u>
<b>Residual value</b>									
<b>Balances on December 31, 2020</b>	<u>557</u>	<u>1,399</u>	<u>24,433</u>	<u>414</u>	<u>33,087</u>	<u>458</u>	<u>-</u>	<u>-</u>	<u>60,348</u>
<b>Balances on June 30, 2021</b>	<u>391</u>	<u>1,399</u>	<u>27,175</u>	<u>371</u>	<u>33,087</u>	<u>440</u>	<u>-</u>	<u>-</u>	<u>62,863</u>

<b>Company</b>									
	<b>Software</b>	<b>Trademarks and patents</b>	<b>Internal development(a)</b>	<b>Other</b>	<b>Goodwill</b>	<b>Trademark</b>	<b>Technology</b>	<b>Customer portfolio</b>	<b>Total intangible assets</b>
<b>Cost</b>									
<b>Balances on December 31, 2019</b>	<b><u>662</u></b>	<b><u>553</u></b>	<b><u>31,738</u></b>	<b><u>872</u></b>	<b><u>33,087</u></b>	<b><u>1,578</u></b>	<b><u>3,666</u></b>	<b><u>2,586</u></b>	<b><u>74,742</u></b>
Additions for the period	513	-	3,607	-	-	-	-	-	4,120
Disposals for the period	-	-	-	-	-	-	-	-	-
<b>Balances on June 30, 2020</b>	<b><u>1,175</u></b>	<b><u>553</u></b>	<b><u>35,345</u></b>	<b><u>872</u></b>	<b><u>33,087</u></b>	<b><u>1,578</u></b>	<b><u>3,666</u></b>	<b><u>2,586</u></b>	<b><u>78,862</u></b>
<b>Amortization</b>									
<b>Balances on December 31, 2019</b>	<b><u>(295)</u></b>	<b><u>-</u></b>	<b><u>(8,742)</u></b>	<b><u>(370)</u></b>	<b><u>-</u></b>	<b><u>(1,578)</u></b>	<b><u>(3,666)</u></b>	<b><u>(2,586)</u></b>	<b><u>(20,390)</u></b>
Amortization for the period	(151)	-	(3,002)	(43)	-	(18)	-	(13)	(3,227)
Transfer	-	-	(1,525)	-	-	1,340	-	185	-
<b>Balances on June 30, 2020</b>	<b><u>(446)</u></b>	<b><u>-</u></b>	<b><u>(13,269)</u></b>	<b><u>(413)</u></b>	<b><u>-</u></b>	<b><u>(256)</u></b>	<b><u>(3,666)</u></b>	<b><u>(2,414)</u></b>	<b><u>(23,617)</u></b>
<b>Residual value</b>									
<b>Balances on December 31, 2019</b>	<b><u>367</u></b>	<b><u>553</u></b>	<b><u>22,996</u></b>	<b><u>502</u></b>	<b><u>33,087</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>57,507</u></b>
<b>Balances on June 30, 2020</b>	<b><u>729</u></b>	<b><u>553</u></b>	<b><u>22,076</u></b>	<b><u>459</u></b>	<b><u>33,087</u></b>	<b><u>1,322</u></b>	<b><u>-</u></b>	<b><u>172</u></b>	<b><u>58,398</u></b>

(a) Refers to internal development costs of technological innovations for existing products, which were recorded as intangible assets in accordance with the criteria set forth in CPC 04 (R1)/IAS 38, with an average amortization period of 5 years.

Changes in the consolidated financial statements are presented below:

	<b>Consolidated</b>								
	Software	Trademarks and patents	Internal development(a)	Other	Goodwill	Trademark	Technology	Customer portfolio	Total intangible assets
<b>Cost</b>									
<b>Balances on December 31, 2020</b>	<b>8,645</b>	<b>1,447</b>	<b>63,347</b>	<b>872</b>	<b>384,038</b>	<b>15,865</b>	<b>35,478</b>	<b>12,840</b>	<b>522,532</b>
Additions from business acquisitions	5,017	8	1,518	4	846,370	53,087	69,836	44,023	1,019,863
Additions for the period	-	-	16,515	-	-	-	-	-	16,515
Transfer	(363)	-	363	-	-	-	-	-	-
Disposals for the period	-	-	(7)	-	-	-	-	-	(7)
<b>Balances on June 30, 2021</b>	<b>13,299</b>	<b>1,455</b>	<b>81,736</b>	<b>876</b>	<b>1,230,408</b>	<b>68,952</b>	<b>105,314</b>	<b>56,863</b>	<b>1,558,903</b>
<b>Amortization</b>									
<b>Balances on December 31, 2020</b>	<b>(2,267)</b>	<b>-</b>	<b>(20,923)</b>	<b>(457)</b>	<b>-</b>	<b>(1,617)</b>	<b>(13,756)</b>	<b>(5,623)</b>	<b>(44,643)</b>
Additions from business acquisitions	(1,181)	-	-	-	-	-	-	-	(1,181)
Amortization for the period	(513)	-	(5,274)	(43)	-	(2,403)	(6,385)	(1,953)	(16,571)
Transfer	(91)	-	91	-	-	-	-	-	-
Disposals for the period	-	-	3	-	-	-	-	-	3
<b>Balances on June 30, 2021</b>	<b>(4,052)</b>	<b>-</b>	<b>(26,103)</b>	<b>(500)</b>	<b>-</b>	<b>(4,020)</b>	<b>(20,141)</b>	<b>(7,576)</b>	<b>(62,392)</b>
<b>Residual Value</b>									
<b>Balances on December 31, 2020</b>	<b>6,378</b>	<b>1,447</b>	<b>42,424</b>	<b>415</b>	<b>384,038</b>	<b>14,248</b>	<b>21,722</b>	<b>7,217</b>	<b>477,889</b>
<b>Balances on June 30, 2021</b>	<b>9,247</b>	<b>1,455</b>	<b>55,633</b>	<b>376</b>	<b>1,230,408</b>	<b>64,932</b>	<b>85,173</b>	<b>49,287</b>	<b>1,496,511</b>



**Consolidated**

	Software	Trademarks and patents	Internal development(a)	Other Ativos	Goodwill	Trademark	Technology	Customer portfolio	Total intangible assets
<b>Cost</b>									
<b>Balances on December 31, 2019</b>	<u>1,718</u>	<u>596</u>	<u>44,399</u>	<u>872</u>	<u>117,947</u>	<u>9,406</u>	<u>24,702</u>	<u>12,563</u>	<u>212,203</u>
Additions for the period	511	-	7,731	-	-	-	-	-	8,242
Transfer	1,086	-	-	-	-	1,035	(708)	(1,413)	-
<b>Balances on June 30, 2020</b>	<u>3,315</u>	<u>596</u>	<u>52,130</u>	<u>872</u>	<u>117,947</u>	<u>10,441</u>	<u>23,994</u>	<u>11,150</u>	<u>220,445</u>
<b>Amortization</b>									
<b>Balances on December 31, 2019</b>	<u>(891)</u>	<u>-</u>	<u>(12,475)</u>	<u>(370)</u>	<u>-</u>	<u>(546)</u>	<u>(11,394)</u>	<u>(4,208)</u>	<u>(29,884)</u>
Amortization for the period	(303)	-	(3,484)	(43)	-	(402)	(1,420)	(823)	(6,475)
Transfer	<u>(303)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117)</u>	<u>48</u>	<u>372</u>	<u>-</u>
<b>Balances on June 30, 2020</b>	<u>1,497</u>	<u>(596)</u>	<u>(15,959)</u>	<u>(413)</u>	<u>-</u>	<u>(1,065)</u>	<u>(12,766)</u>	<u>(4,659)</u>	<u>(36,359)</u>
<b>Residual Value</b>									
<b>Balances on December 31, 2019</b>	<u>827</u>	<u>596</u>	<u>31,924</u>	<u>502</u>	<u>117,947</u>	<u>8,860</u>	<u>13,308</u>	<u>8,355</u>	<u>182,319</u>
<b>Balances on June 30, 2020</b>	<u>1,818</u>	<u>596</u>	<u>36,171</u>	<u>459</u>	<u>117,947</u>	<u>9,376</u>	<u>11,228</u>	<u>6,491</u>	<u>184,086</u>

(a) Refers to internal development costs of technological innovations for existing products, which were recorded as intangible assets in accordance with the criteria set forth in CPC 04 (R1)/IAS 38

There were no impairment indicators for the periods ended June 30, 2021 and 2020.

## 10.2 Right-of-use assets

Changes in right-of-use assets are presented below:

	Company	Consolidated
<b>Right-of-use asset as of December 31, 2020</b>	<b>62,770</b>	<b>65,104</b>
Additions from business acquisitions	-	5,218
Addition	4,011	4,677
Amortization	(3,473)	(4,744)
<b>Right-of-use asset as of June 30, 2021</b>	<b>63,308</b>	<b>70,255</b>
	<b>Company</b>	<b>Consolidated</b>
<b>Right-of-use asset as of December 31, 2019</b>	<b>64,879</b>	<b>67,808</b>
Addition	4,505	5,094
Amortization	(3,251)	(3,808)
<b>Right-of-use asset as of June 30, 2020</b>	<b>66,133</b>	<b>69,094</b>

## 11 Taxes payables in installments

Refer to taxes payable in installments in connection with the special tax regularization program (PERT):

	Consolidated	
	06/30/2021	12/31/2020
PIS / COFINS	2,251	2,392
CPRB	1,103	1,170
IRPJ / CSLL	15,546	16,415
INSS	856	969
Other	1,403	1,472
<b>Total tax installments</b>	<b>21,159</b>	<b>22,418</b>
Current	2,860	2,847
Non-current	18,299	19,571

## 12 Loans, financing and lease liabilities

### 12.1 Loans and financing

Type	Interest	Maturity	Company		Consolidated	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020
Bank Loan (US\$7,694)	US\$ + 4.31% a.a.	february/21	-	8,121	-	8,121
Refundable Financing	TJLP + 0.5% a.a.	august/21	-	7,589	-	7,589
Bank Loan (US\$8,091)	US\$ + 5.44% a.a.	february/22	10,997	19,264	10,997	19,264
Bank Loan (US\$2,697)	US\$ + 4.77% a.a.	february/22	3,662	6,415	3,662	6,415
Bank Loan (US\$10,000)	US\$ + (3M Libor + 1.56%)*1.71 a.a	july/22	29,817	41,786	29,817	41,786
Other			-	-	4,120	1,383
			<b>44,476</b>	<b>83,175</b>	<b>48,596</b>	<b>84,558</b>

Type	Interest	Maturity	Company		Consolidated	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020
Current		-	34,650	55,660	35,996	56,876
Non-current		-	9,826	27,515	12,600	27,682
<b>Financial instruments – fair value hedge</b>			<b>(10,238)</b>	<b>(19,367)</b>	<b>(10,238)</b>	<b>(19,367)</b>
<b>Total net asset swap loans and financing</b>			<b>34,238</b>	<b>63,808</b>	<b>38,358</b>	<b>65,191</b>

As of June 30, 2021, all covenants relating to the Company's loans and financing were complied with.

## 12.2 Lease liabilities

	Company	Consolidated
<b>Right-of-use liabilities as of Dec 31, 2020</b>	<b>66,996</b>	<b>69,545</b>
Additions from business acquisitions	-	6,555
Addition	4,011	4,677
Interest incurred	2,590	2,697
Payment of principal	(5,167)	(6,728)
<b>Right-of-use liabilities as of Jun 30, 2021</b>	<b>68,430</b>	<b>76,746</b>
Current	5,552	8,006
Non-current	62,878	68,740
	<b>Company</b>	<b>Consolidated</b>
<b>Right-of-use liabilities as of Dec 31, 2019</b>	<b>67,141</b>	<b>70,218</b>
Addition	4,505	5,094
Interest incurred	2,613	2,688
Payment of principal	(4,856)	(5,433)
<b>Right-of-use liabilities as of Jun 30, 2020</b>	<b>69,403</b>	<b>72,567</b>
Current	9,685	10,396
Non-current	59,718	62,171

## 13 Salaries and related charges

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Salaries and related expenses	7,040	6,871	17,864	10,980
Provision for vacation pay and charges	12,572	9,279	28,079	15,231
Profit-Sharing Plan (PPR)	4,991	6,291	7,204	9,759
	<b>24,603</b>	<b>22,441</b>	<b>53,147</b>	<b>35,970</b>

## 14 Provision for contingencies

The breakdown and changes in the provision for legal proceedings, which is set up for lawsuits considered a “Probable” risk, are presented below:

	<b>Company</b>		
	<b>Civil cases</b>	<b>Labor cases</b>	<b>Total</b>
<b>Balances as of December 31, 2020</b>	<u>435</u>	<u>157</u>	<u>592</u>
Reversals / Additions	<u>268</u>	<u>(71)</u>	<u>197</u>
<b>Balances as of June 30, 2021</b>	<b>703</b>	<b>86</b>	<b>789</b>

	<b>Company</b>		
	<b>Civil cases</b>	<b>Labor cases</b>	<b>Total</b>
<b>Balances as of December 31, 2019</b>	<u>474</u>	<u>464</u>	<u>938</u>
Reversals / Additions	<u>(90)</u>	<u>(385)</u>	<u>(475)</u>
<b>Balances as of June 30, 2020</b>	<u>384</u>	<u>79</u>	<u>463</u>

	<b>Consolidated</b>		
	<b>Civil cases</b>	<b>Labor cases</b>	<b>Total</b>
<b>Balances as of December 31, 2020</b>	<u>913</u>	<u>203</u>	<u>1,116</u>
Additions from business acquisitions	-	-	6,266
Reversals / Additions	<u>377</u>	<u>(117)</u>	<u>260</u>
<b>Balances as of June 30, 2021</b>	<u>1,290</u>	<u>86</u>	<u>7,642</u>

	<b>Consolidated</b>		
	<b>Civil cases</b>	<b>Labor cases</b>	<b>Total</b>
<b>Balances as of December 31, 2019</b>	<u>542</u>	<u>464</u>	<u>1,006</u>
Reversals / Additions	<u>(120)</u>	<u>(339)</u>	<u>(283)</u>
<b>Balances as of June 30, 2020</b>	<u>422</u>	<u>125</u>	<u>723</u>

The civil proceedings are mostly represented by claims for damages due to possible problems caused by the services rendered, while labor claims refer to claims with different characteristics and at different stages of the procedural system. There are no significant proceedings worthy of note.

### **Possible losses**

The Company and its subsidiaries have ongoing civil and tax proceedings involving risks of loss classified by Management as possible, based on the assessment of its legal counsel, and for which no provisions have been, as shown in the breakdown and estimates below:

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Civil	1,229	1,700	4,100	1,715
Labor	60	-	71	-
Tax	11,939	12,069	11,939	12,069
	<b>13,228</b>	<b>13,769</b>	<b>16,110</b>	<b>13,784</b>

The civil proceedings are mostly represented by claims for damages due to possible problems caused by the services rendered. There are no significant proceedings worthy of notice.

The tax proceedings refer mainly to litigation over information on ancillary obligations and the tax basis for payroll charges for specific activities.

Main tax proceeding: On December 31, 2015, a Tax Assessment Notice was issued by the São Paulo State Treasury Department against Locaweb seeking to demand payment of an alleged debt for unpaid ICMS on its software and electronic files operations and to charge Locaweb with failing to register as ICMS taxpayer in its capacity as communication service provider. The updated amount assigned to this case is R\$10,027, with likelihood of loss classified as possible. Final judgment of the case is currently awaited with the São Paulo Tax Court.

For the proceedings with a provision, there is a balance of judicial deposits as at June 30, 2021 in the amount of R\$435 for the Company (R\$434 as at December 31, 2020) and R\$546 for the Consolidated (R\$538 as at December 31, 2020).

The tax statements filed by the Company and its subsidiaries at the federal, state and municipal levels are subject to review and final acceptance by the tax authorities, with a statute of limitations of five years.

## 15 Shareholders' equity

### a. Capital stock

Locaweb's authorized capital stock is R \$ 5,000,000,000 (five billion reais). As of June 30, 2020, Locaweb's capital stock subscribed for and paid it was R\$ 2,990,111 (R\$ 2,913,946 net of cost of issuing shares), it was represented by 585,461,772 common shares (503,561,184 on December 31, 2020), all of which are registered book-entry shares with no par value. Treasury shares total 56,472 (56,472 on December 31, 2020).

The capital movements in the period ended June 30, 2021 refer to: (a) the issue of 3,700,588 (927,147 before the split) common shares with no par value, paid in the period, in the amount of R\$7,934 arising from the exercise of stock option plans and (b) the issue of 78,000,000 common shares with no par value, paid in the period, in the amount of R\$2,346,000 through the public offering of shares with restricted efforts (Follow on), as approved on January 9, 2021. Expenses related to the issue of shares totaled R\$73,952 and were recorded as a reduction in capital stock. Expenses were recognized gross of income tax and social contribution in the amount of R\$25,143, which were not recognized as it is not probable that future taxable income will be available for the Company to use this deferred tax asset.

On June 30, 2021, the Company recorded in its equity the amount of R\$9,033, referring to an advance for future capital increase, as a result of the exercise, by various beneficiaries, of their respective call options under the Option Plan. These amounts were received in advance of the corporate act, which took place on July 7, 2021 (note 25.a).

The distribution of shares as at June 30, 2021 is as follows:

	06/30/2021		12/31/2020	
	Interest %	Number of shares	Interest %	Number of shares
Claudio Gora	6.06%	35,504,321	7.66%	38,565,396
Gilberto Mautner	6.06%	35,504,321	7.66%	38,565,396
Michel Gora	6.06%	35,504,324	7.66%	38,565,400
Ricardo Gora	6.06%	35,504,321	7.66%	38,565,396
Andrea Gora Cohen	2.69%	15,724,265	3.39%	17,079,964
Ação em Tesouraria	0.01%	56,472	0.01%	56,472
GIC Private Limited	-	-	6.46%	32,503,340
BlackRock	4.32%	25,265,116	5.02%	25,265,116
JP Morgan	4.50%	26,319,628	5.23%	26,319,628
Other shareholders	64.24%	376,079,004	49.25%	248,075,076
	<b>100.00%</b>	<b>585,461,772</b>	<b>100.00%</b>	<b>503,561,184</b>

The Company may, upon resolution of the Board of Directors, acquire its own shares to be kept in treasury and subsequent sale or cancellation, up to the amount of the balance of earnings and reserves, except for the legal reserve, without decreasing its capital, subject to the applicable legal and regulatory provisions.

The Company may, upon resolution of the Board of Directors and in accordance with the plan approved by the Shareholders' Meeting, grant stock purchase or subscription options, with no preemptive rights to shareholders, in favor of its management members, employees or individuals who provide services to the Company, and this option may be extended to the managers and employees of the Company's direct or indirect subsidiaries (Note 15).

Transaction costs incurred to raise own funds are accounted for in a specific shareholders' equity reduction account, less possible tax effects.

**b. Legal reserve**

The Company allocates 5% of its annual net income to the legal reserve, before allocation of dividends, limiting this reserve to 20% of the total capital.

**c. Interest on shareholders' equity and dividends**

In accordance with the option set forth in Law 9.249/95 and based on the Board of Directors' resolutions, the Company calculates interest on shareholders' equity, limited to the pro rata variation of the Long Term Interest Rate - TJLP, which are subject to a 15% withholding income tax, except for corporate shareholders that can prove to be exempt or immune. Interest on shareholders' equity is part of the basis for calculating dividends, which, for purposes of Brazilian tax legislation, are deductible.

**d. Capital reserves**

Capital reserves are formed by amounts related to goodwill on the issuance of shares, goodwill on capital transactions and amounts resulting from the stock option plans, which are recorded directly in shareholders' equity

**e. Retained earnings reserves**

The retained earnings reserve refers to the retention of the remaining balance of retained earnings to meet the business growth project established in the Company's investment plan, pursuant to the capital budget approved and proposed by the Company's management members, to be resolved at the Shareholders' Meeting, in compliance with Article 196 of the Brazilian Corporation Law.

## **16 Stock option plans, restricted stock grant plan and performance plan.**

**a. Stock option plans**

The Board of Directors approved in March 2021 the 17<sup>th</sup> Stock Option Plan. Option granted under these plans can be exercised on January 1 and July 1 of each year ("Exercise Dates"), in full or in part.

Starting from the reference date specified in each Stock Option Agreement ("Reference Date"), the following periods are stipulated for a decision on the options granted under the 9th Plan: (i) up to 25% of all shares available by exercising the option can be acquired on the Exercise Dates upon lapse of one year of the Reference Date; (ii) up to 25% of the shares available by exercising the option, plus any surplus from options not exercised on the previous Exercise Dates, can be acquired on the Exercise Dates upon lapse of two years of the Reference Date; (iii) up to 25% of the shares available by exercising an option, plus any surplus from options not exercised on the previous Exercise Dates, upon lapse of three years of the Reference Date; and (iv) up to 25% of the shares available by exercising an option, plus any surplus from options not exercised on the previous Exercise Dates, may be exercised on the Exercise Dates upon lapse of four years of the Reference Date ("Vesting Periods").

In any event, the number of shares available to be acquired after each Vesting Period will remain in force until the Exercise Deadline (i.e. until July 1, 2024), and the portion of options not exercised by such date and according to the stipulated conditions will be deemed automatically terminated, without any right to compensation.

The information on the Company's stock option plans is summarized below:

June 30, 2021							Number of shares			
Series	Date of grant	Reference date	First exercise date	Expiry date	Strike price	Fair value	Granted	Exercised	Expired	Total in effect
Series A	07/15/2009	01/01/2008	01/01/2010	01/01/2017	1.08	1.95	9,681,164	(7,343,460)	(2,337,704)	-
Series B	07/15/2009	07/01/2009	07/01/2010	07/01/2018	1.08	1.82	667,728	(667,728)	-	-
Series C	09/03/2010	01/01/2010	01/01/2011	01/01/2019	1.08	2.03	3,980,000	(332,560)	(3,647,440)	-
Series D	07/01/2011	07/01/2011	01/01/2012	07/01/2019	1.31	1.64	1,720,000	(1,130,000)	(590,000)	-
Series E	01/01/2012	01/01/2012	01/01/2013	01/01/2020	1.31	2.07	3,720,000	(1,640,000)	(1,730,000)	350,000
Series F	07/01/2012	07/01/2012	01/01/2013	07/01/2020	2.74	4.06	512,000	(166,000)	(346,000)	-
Series G	01/01/2013	01/01/2013	01/01/2014	01/01/2021	2.32	4.44	5,568,000	-	(5,568,000)	-
Series H	04/01/2013	04/01/2013	01/01/2014	04/01/2021	2.74	4.61	1,320,000	(20,000)	(1,195,000)	105,000
Series I	01/01/2014	01/01/2014	01/01/2015	01/01/2022	2.74	4.24	2,740,000	(55,000)	(2,520,000)	165,000
Series J	07/01/2015	07/01/2015	07/01/2016	07/01/2022	2.26	4.07	1,540,000	(535,000)	(960,000)	45,000
Series K	03/01/2016	03/01/2016	03/01/2017	04/01/2022	2.50	3.51	2,800,000	-	(1,400,000)	1,400,000
Series L	04/01/2016	04/01/2016	04/01/2017	04/01/2022	2.50	3.51	3,120,000	(280,000)	(900,000)	1,940,000
Series M	04/01/2017	04/01/2017	04/01/2018	07/01/2023	2.50	3.19	1,880,000	(336,040)	(635,000)	908,960
Series N	07/01/2018	07/01/2018	07/01/2019	07/01/2024	1.75	2.26	4,360,000	(385,000)	(590,000)	3,385,000
Series O	05/14/2019	05/14/2019	05/13/2020	05/14/2025	1.75	3.89	1,800,000	-	-	1,800,000
Series P	05/14/2019	05/14/2019	05/13/2020	05/14/2025	1.75	3.89	1,320,000	(224,200)	-	1,095,800
Series Q	12/04/2019	12/04/2019	08/01/2020	01/01/2026	1.75	2.12	10,175,880	-	-	10,175,880
Series R	12/04/2019	12/04/2019	08/01/2020	01/01/2026	4.31	1.09	1,200,000	-	-	1,200,000
Series S	08/11/2020	08/11/2020	08/11/2021	08/11/2026	4.31	1.67	900,000	-	-	900,000
Series T	08/11/2020	08/11/2020	08/11/2021	08/11/2026	6.37	9.85	1,810,132	-	-	1,810,132
							<b><u>60,814,904</u></b>	<b><u>(13,114,988)</u></b>	<b><u>(22,419,144)</u></b>	<b><u>25,280,772</u></b>

The table below shows the changes in the Company's stock options:

	Options	Average Strike Price
<b>Balance outstanding on December 31, 2020</b>	<b><u>25,040,772</u></b>	<b><u>1.83</u></b>
Granted during the period	<u>240,000</u>	<u>1.82</u>
<b>Balance outstanding on June 30, 2021</b>	<b><u><u>25,280,772</u></u></b>	<b><u><u>1.82</u></u></b>

As at June 30, 2021 and December 31, 2020, the number of exercisable stock options was 7,379,000. The following table presents the assumptions used for determining the fair value of a stock option on the grant date for options granted in the periods ended June 30, 2021:

	Plan 13 Series Q	Plan 14 Series R	Plan 15 Series R	Plan 16 Series T	Plan 17 Series T
Dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%
Expected volatility	43.2%	43.2%	43.2%	43.2%	43.2%
Risk-free return rate (per annum)	4.50%	4.50%	4.50%	2.00%	2.00%
Expected stock option lifetime	4 years	4 years	4 years	4 years	4 years
Weighted-average price of shares (R\$)	1.75	4.31	4.31	6.37	6.37
<b>Model used</b>	<b>Black-Scholes</b>	<b>Black-Scholes</b>	<b>Black-Scholes</b>	<b>Black-Scholes</b>	<b>Black-Scholes</b>



Technical pronouncement CPC 10/IFRS 2 - Share-based Payment requires the effects of share-based payment transactions to be reflected in the Company's statement of operations. The expense recorded in the Company's and the Consolidated statement of operations as of June 30, 2021 was R\$6,533 (R\$6,902 as of June 30, 2020).

**b. Restricted stock grant plan**

On April 30, the Company's Restricted Shares Granting Plan was approved at a meeting, which establishes the respective general conditions for granting rights to acquire up to 1,700,000 (one million, seven hundred thousand) common shares, with no par value, issued by the Company, to its beneficiaries, who will be appointed annually among the employees of the Company and/or other companies of the Company's economic group. The first grant of the plan will take place in July 2021.

**c. Performance plan**

On April 30, the Share Granting Plan Subject to the Company's Performance ("Performance Plan") was approved at a meeting, which establishes the respective general conditions for granting rights to acquire up to 1,300,000 (one million three hundred thousand) common shares, with no par value, issued by the Company, to its beneficiaries, who will be appointed annually among the statutory directors and statutory directors/administrators of the Company and other companies of the Company's economic group (not including members of the Company's Board of Directors and its subsidiaries, as applicable).

**17 Loss per share**

**a. Basic loss per share**

Basic loss per share is calculated by dividing the net income loss attributable to the Company's shareholders by the weighted-average number of common shares outstanding during the period:

	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Net income (loss) attributable to the Company's shareholders	(4,801)	2,971	3,576	5,242
Weighted-average number of common shares outstanding – in thousands	<u>568,042</u>	<u>498,044</u>	<u>568,042</u>	<u>498,044</u>
<b>Basic earnings (losses) per share - R\$</b>	<b><u>(0.01)</u></b>	<b><u>0.01</u></b>	<b><u>0.01</u></b>	<b><u>0.01</u></b>

**b. Diluted earnings (losses) per share**

Diluted earnings (losses) per share is calculated by adjusting the weighted-average number of common shares outstanding, assuming the conversion of all potential diluted common shares relative to stock options, and the dilution potential of such options is represented by 25,196 thousands shares as at June 30, 2021 (6,106 thousands shares in 2020, 24,424 thousands after split).

	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Net income (loss) attributable to the Company's shareholders	(4,801)	2,971	3,576	5,242
Weighted-average number of common shares outstanding – in thousands	<u>568,042</u>	<u>498,044</u>	<u>568,042</u>	<u>498,044</u>
<b>Diluted earnings (losses) per share - R\$</b>	<b><u>(0.01)</u></b>	<b><u>0.01</u></b>	<b><u>0.01</u></b>	<b><u>0.01</u></b>

## 18 Net operating revenue

	Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
<b>Gross operation revenue</b>	<b>166,513</b>	<b>160,366</b>	<b>394,498</b>	<b>258,176</b>
BeOnline & SaaS	166,513	160,366	226,414	194,591
Commerce	-	-	168,084	63,585
<b>Discounts and rebates</b>	<b>(12,450)</b>	<b>(12,313)</b>	<b>(12,829)</b>	<b>(13,201)</b>
BeOnline & SaaS	(12,450)	(12,313)	(12,634)	(12,314)
Commerce	-	-	(195)	(887)
<b>Taxes on sales</b>	<b>(13,287)</b>	<b>(12,729)</b>	<b>(36,465)</b>	<b>(23,141)</b>
BeOnline & SaaS	(13,287)	(12,729)	(18,731)	(16,000)
Commerce	-	-	(17,734)	(7,141)
<b>Net operating revenue</b>	<b>140,776</b>	<b>135,324</b>	<b>345,204</b>	<b>221,834</b>
BeOnline & SaaS	140,776	135,324	195,049	166,277
Commerce	-	-	150,155	55,557

## 19 Operating costs and expenses

	Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Personnel expenses	(58,082)	(52,871)	(137,256)	(88,008)
Advisory and consulting services	(18,300)	(9,002)	(30,135)	(11,591)
Depreciation and amortization expenses	(24,498)	(22,437)	(39,087)	(28,006)
Amortization of right-of-use assets	(4,571)	(4,826)	(6,086)	(5,711)
Operating cost (a)	(31,128)	(29,456)	(77,046)	(46,353)
Impairment loss	(852)	(2,830)	(4,576)	(5,330)
Marketing expenses	(8,209)	(9,460)	(28,232)	(12,603)
Stock option plan expenses	(6,533)	(6,902)	(6,533)	(6,902)
Other general and administrative expenses	(1,931)	(1,220)	(5,493)	(2,027)
<b>Total</b>	<b>(154,104)</b>	<b>(139,004)</b>	<b>(334,444)</b>	<b>(206,531)</b>
Cost of services	(96,539)	(92,006)	(189,643)	(131,939)
Selling expenses	(22,440)	(22,552)	(57,217)	(32,268)
Impairment loss	(852)	(2,830)	(4,576)	(5,330)
General and administrative expenses	(34,273)	(21,616)	(83,008)	(36,994)
<b>Total</b>	<b>(154,104)</b>	<b>(139,004)</b>	<b>(334,444)</b>	<b>(206,531)</b>

The balances of other operating revenues (expenses) for the year are presented below:

	Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Disposal of property and equipment	125	198	141	198
Other revenues	140	121	929	186
Investment losses	(171)	-	(171)	-
<b>Total</b>	<b>94</b>	<b>319</b>	<b>899</b>	<b>384</b>

- (a) Operating cost includes disbursements for software systems, website hosting, domain registrations and fees from credit card companies (Yapay).

## 20 Net financial result

	Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
<b>Financial income</b>				
Income from financial investments	22,758	6,245	23,376	6,305
Interest	281	473	569	618
Foreign exchange rate fluctuation	-	336	-	247
Other financial income	288	111	439	174
	<b>23,327</b>	<b>7,165</b>	<b>24,384</b>	<b>7,344</b>
<b>Financial expenses</b>				
Debt cost	(222)	(3,723)	(1,145)	(3,827)
Banking service fees (*)	(1,377)	(1,363)	(4,390)	(2,891)
Foreign exchange rate fluctuation	(33)	-	(241)	-
Interest on lease liabilities	(2,590)	(2,613)	(2,697)	(2,688)
IOF (Tax on Financial Transactions)	(171)	(149)	(425)	(253)
Accounts receivable advance expense	(1)	-	(1,287)	(814)
Present value adjustment	(5,311)	(1,347)	(17,245)	(1,347)
Other financial expenses	(1,409)	(773)	(1,939)	(1,264)
	<b>(11,114)</b>	<b>(9,968)</b>	<b>(29,369)</b>	<b>(13,084)</b>
<b>Net financial income</b>	<b>12,213</b>	<b>(2,803)</b>	<b>(4,985)</b>	<b>(5,740)</b>

- (\*) Banking service fees include charges, services and issue of invoices.

## 21 Income taxes

The deferred tax breakdown is shown below:

	Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Provision for profit sharing	1,697	2,139	2,384	3,318
Depreciation of leased property (leasing)	-	(155)	-	(155)
Provision for legal proceedings	268	201	443	356
Other provisions	6,392	4,385	9,187	5,630
“Lei do Bem”	(46)	(80)	(3,294)	(3,767)
Intangible assets identified in business combination	5,464	2,859	6,462	3,479
Derivatives and foreign exchange rate fluctuation	33	649	51	649
Goodwill	(11,438)	(11,059)	(11,438)	(11,059)
Tax losses	17,331	21,254	18,077	22,262
<b>Total deferred income taxes</b>	<b>19,701</b>	<b>20,193</b>	<b>21,872</b>	<b>20,713</b>

Changes in deferred taxes are shown below:

Company Nature	Balance Dec 31, 2020	Result Gain/(loss)	Balance June 30, 2021
Tax benefit from tax losses carryforward	21,253	(3,922)	17,331
Tax benefit from goodwill	(11,058)	(380)	(11,438)
Temporary differences	9,998	3,810	13,808
<b>Total</b>	<b>20,193</b>	<b>(492)</b>	<b>19,701</b>
<b>Consolidated Nature</b>	<b>Balance Dec 31, 2020</b>	<b>Result Gain/(loss)</b>	<b>Balance June 30, 2021</b>
Tax benefit from tax losses carryforward	22,263	(4,186)	18,077
Tax benefit from goodwill	(11,058)	(380)	(11,438)
Temporary differences	9,508	5,725	15,233
<b>Total</b>	<b>20,713</b>	<b>1,159</b>	<b>21,872</b>

The reconciliation of expense calculated by applying the combined nominal tax rates and income tax expense charged to net income is as follows:

	Company		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Income before income taxes	(4,309)	2,614	6,673	9,946
Income taxes at a combined statutory rate of 34%	1,465	(889)	(2,269)	(3,382)
<b>Adjustments to the actual rate:</b>				
Effect of presumed profit method	-	-	(4,279)	(231)
Effect of equity results	515	3,817	(57)	-
Effect of accounting for stock option plan	(2,221)	(2,347)	(2,221)	(2,347)
Effect of officer vehicle depreciation and other expenses	(52)	(35)	(61)	(47)
Amortization of intangible assets	(6)	(65)	(6)	(65)
Tax losses carryforward assets not recognized (tax loss)	-	-	(2,502)	(943)
Other	(193)	(124)	(79)	40
Income taxes in the statement of operations	(492)	357	(11,474)	(6,975)
	<b>-11.42%</b>	<b>-13.65%</b>	<b>171.95%</b>	<b>70.12%</b>

## 22 Reportable segments

### a. Statements of operations by segments

	06/30/2021			06/30/2020		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
<b>Gross operating revenue, net of discounts</b>	213,780	167,889	381,669	182,277	62,698	24,975
Income tax and social contributions on revenues	(18,731)	(17,734)	(36,465)	(16,000)	(7,141)	(23,141)
<b>Net operating revenue</b>	195,049	150,155	345,204	166,277	55,557	22,834
Cost of services	(134,207)	(55,436)	(189,643)	(115,085)	(16,854)	(131,939)
<b>Gross profit</b>	<b>60,842</b>	<b>94,719</b>	<b>155,561</b>	<b>51,192</b>	<b>38,703</b>	<b>89,895</b>
Selling expenses	(30,758)	(26,459)	(57,217)	(26,706)	(5,562)	(32,268)
General and administrative expenses	(46,510)	(36,499)	(83,008)	(28,323)	(8,670)	(36,993)
Impairment loss	(1,256)	(3,320)	(4,576)	(2,969)	(2,361)	(5,330)
Other operating income (expenses)	219	679	898	384	-	384
<b>Income before financial results</b>	<b>(17,463)</b>	<b>29,121</b>	<b>11,658</b>	<b>(6,422)</b>	<b>22,110</b>	<b>1,688</b>
<b>Operating expenses included in costs and expenses:</b>						
Depreciation and amortization expenses	30,954	8,133	39,087	26,216	1,790	28,006
Stock option plan expenses	6,533	-	6,533	6,902	-	6,902
	04/01/2021 to 06/30/2021			04/01/2020 to 06/30/2020		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
<b>Gross operating revenues, net of discounts</b>	109,052	94,653	203,705	90,950	36,927	127,877
Taxes and Contributions on Revenues	(9,567)	(9,852)	(19,419)	(6,355)	(4,220)	(10,575)
<b>Net operating revenue</b>	99,485	84,801	184,286	84,595	32,707	117,302
Cost of services	(67,104)	(30,882)	(97,986)	(59,874)	(9,590)	(69,464)
<b>Gross profit</b>	<b>32,381</b>	<b>53,919</b>	<b>86,300</b>	<b>24,721</b>	<b>23,117</b>	<b>47,838</b>
Selling expenses	(16,430)	(15,035)	(31,465)	(13,852)	(3,049)	(16,901)
General and administrative expenses	(20,397)	(18,345)	(38,742)	(9,514)	(5,368)	(14,882)
Impairment loss	(989)	(2,114)	(3,103)	(551)	(1,182)	(1,733)
Other operating income (expenses)	250	105	355	154	-	154
<b>Income before financial results</b>	<b>(5,185)</b>	<b>18,530</b>	<b>13,345</b>	<b>958</b>	<b>13,518</b>	<b>14,476</b>
<b>Operating expenses included in Costs and Expenses:</b>						
Depreciation and amortization expenses	16,172	4,392	20,564	13,316	949	14,265
Stock option plan expenses	3,311	-	3,311	3,204	-	3,204

**b. Main segments' assets and liabilities**

	<b>06/30/2021</b>		
	<b>BeOnline &amp; SaaS</b>	<b>Commerce</b>	<b>Consolidated</b>
Net accounts receivable	24,368	390,044	414,412
Property and equipment	71,356	15,962	87,318
Intangible assets	<u>1,058,353</u>	<u>438,158</u>	<u>1,496,511</u>
<b>Total main assets</b>	<b><u>1,154,077</u></b>	<b><u>844,164</u></b>	<b><u>1,998,241</u></b>
Loans and financing	47,114	1,482	48,596
Services to be provided	47,678	10,788	58,466
Payables to clients	<u>572</u>	<u>325,446</u>	<u>326,018</u>
<b>Total main liabilities</b>	<b><u>95,364</u></b>	<b><u>337,716</u></b>	<b><u>433,080</u></b>
	<b>12/31/2020</b>		
	<b>BeOnline &amp; SaaS</b>	<b>Commerce</b>	<b>Consolidated</b>
Net accounts receivable	21,075	337,503	358,578
Property and equipment	67,931	8,332	76,263
Intangible assets	<u>178,184</u>	<u>299,705</u>	<u>477,889</u>
<b>Total main assets</b>	<b><u>267,190</u></b>	<b><u>645,540</u></b>	<b><u>912,730</u></b>
Loans and financing	83,274	1,284	84,558
Services to be provided	17,953	25,635	43,588
Payables to clients	<u>23,762</u>	<u>247,903</u>	<u>271,665</u>
<b>Total main liabilities</b>	<b><u>124,989</u></b>	<b><u>274,822</u></b>	<b><u>399,811</u></b>

**23 Financial instruments**

The tables below present a breakdown of financial assets and liabilities as at June 30, 2021:

	<b>Company</b>			
	<b>06/30/2021</b>			
	<b>Measured at fair value through profit or loss</b>	<b>Amortized cost</b>	<b>Book value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents	1,799,842	-	1,799,842	1,799,842
Net accounts receivable	-	17,688	17,688	17,688
Derivatives	10,238	-	10,238	10,238
Accounts receivable - related parties	-	-	-	-
Restricted cash	<u>3,227</u>	<u>-</u>	<u>3,227</u>	<u>3,227</u>
<b>Total</b>	<b><u>1,813,307</u></b>	<b><u>17,688</u></b>	<b><u>1,830,995</u></b>	<b><u>1,830,995</u></b>
<b>Financial liabilities</b>				
Loans and financing	-	44,476	44,476	44,476

Suppliers	-	7,496	7,496	7,496
Lease liabilities	-	68,430	68,430	68,430
Obligations with investments acquisitions	-	215,632	215,632	215,632
<b>Total</b>	<b>-</b>	<b>336,034</b>	<b>336,034</b>	<b>336,034</b>

**Consolidated**

**06/30/2021**

	<b>Measured at fair value through profit or loss</b>	<b>Amortized cost</b>	<b>Book value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents	1,891,662	-	1,891,662	1,891,662
Net accounts receivable	-	414,412	414,412	414,412
Derivatives	10,238	-	10,238	10,238
Restricted cash	4,341	-	4,341	4,341
<b>Total</b>	<b>1,906,241</b>	<b>414,412</b>	<b>2,320,653</b>	<b>2,320,653</b>
<b>Financial liabilities</b>				
Loans and financing	-	48,596	48,596	48,596
Suppliers	-	20,312	20,312	20,312
Lease liabilities	-	76,746	76,746	76,746
Obligations with investments acquisitions	-	456,205	456,205	456,205
Payables to clients	-	326,018	326,018	326,018
<b>Total</b>	<b>-</b>	<b>927,877</b>	<b>927,877</b>	<b>927,877</b>

**Company**

**12/31/2020**

	<b>Measured at fair value through profit or loss</b>	<b>Amortized cost</b>	<b>Book value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents	358,700	-	358,700	358,700
Net accounts receivable	-	18,578	18,578	18,578
Derivatives	19,367	-	19,367	19,367
Accounts receivable - related parties	-	789	789	789
Restricted cash	4,803	-	4,803	4,803
<b>Total</b>	<b>382,870</b>	<b>19,367</b>	<b>402,237</b>	<b>402,237</b>
<b>Financial liabilities</b>				
Loans and financing	-	83,175	83,175	83,175
Suppliers	-	11,208	11,208	11,208
Lease liabilities	-	66,996	66,996	66,996
Obligations with investments acquisitions	42,595	-	42,596	42,596
<b>Total</b>	<b>42,595</b>	<b>161,379</b>	<b>203,974</b>	<b>203,974</b>

<b>Consolidated</b>				
<b>12/31/2020</b>				
	<b>Measured at fair value through profit or loss</b>	<b>Amortized cost</b>	<b>Book value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents	404,628	-	404,628	404,628
Net accounts receivable	-	358,578	358,578	358,578
Derivatives	19,367	-	19,367	19,367
Restricted cash	4,803	-	4,803	4,803
<b>Total</b>	<b>428,798</b>	<b>358,578</b>	<b>787,376</b>	<b>787,376</b>
<b>Financial liabilities</b>				
Loans and financing	-	84,558	84,558	84,558
Suppliers	-	20,540	20,540	20,540
Lease liabilities	-	69,545	69,545	69,545
Obligations with investments acquisitions	215,052	-	215,052	215,052
Payables to clients	-	245,479	245,479	245,479
<b>Total</b>	<b>215,052</b>	<b>420,122</b>	<b>635,174</b>	<b>635,174</b>

Considering the terms and characteristics of these instruments, which are systematically renegotiated, their book values approximate to their fair value.

**a. Purpose of derivative financial instruments**

Derivative financial instruments contracted by the Company are intended to hedge against foreign currency risk related to loans denominated in foreign currency. The Company has no derivative financial instruments for speculative purposes.

On February 18, 2019, the Company entered into two cross-currency interest rate swap agreements with a total notional value of R\$40,000, equivalent to US\$10,787 on the inception date, when the exchange rate was R\$3.7080 per U.S. dollar.

These transactions, which resulted from a financing backed in foreign currency and supported by circular letter 3844/2017 of the Brazilian Central Bank (BACEN) (“Captação 3844/2019-1” and “Captação 3844/2019-2”), enabled the Company to replace its exposure to U.S. dollar fluctuations, plus 4.77% p.a., for a fixed rate for an amount equivalent to three quarters of the funding value (R\$30,000), and, for one quarter of the amount, a floating rate indexed to the CDI, plus a fixed spread.

On July 2, 2019, the Company entered into a cross-currency interest rate swap agreement with notional value of R\$38,300, equivalent to US\$10,000 on the inception date, when the exchange rate was R\$3.8300 per U.S. dollar.

This transaction, which resulted from a financing backed in foreign currency and based in federal law No. 4131/62 (“Captação 4131”), enabled the Company to replace its exposure to U.S. dollar fluctuations, plus 4.57% p.a., for a fixed rate.



On December 7, 2020, the Company entered into non-deliverable forward contracts (NDF) with two monthly maturities between December 2020 and June 2021. As of March 31, contracts outstanding amounted to US\$1,500.

The Company has internal controls over its derivative financial instruments which, according to Management, are appropriate to control the risks associated to each market action strategy. The results achieved by the Company from derivative financial instruments indicate that risks are being appropriately controlled by Management.

The Company's operations expose it to a number of financial risks: market risk (including interest rate, foreign currency, and price risks), credit risk, and liquidity risk.

The Company's Treasury area manages risks according to the policies approved by the Board of Directors. The Treasury area identifies, assesses and protects the Company against certain financial risks in cooperation with the Company's operating units.

The Board of Directors establishes the principles for risk management, as well as the principles applicable to specific areas for interest rate risk, foreign currency risk, credit risk, use of derivative and non-derivative financial instruments, and investment of cash surpluses.

**(i) Interest rate risk**

This risk arises from the possibility of losses incurred by the Company as a result of fluctuations in interest rates that may increase the financial expenses on loans and financing raised on the market.

**(ii) Credit risk**

Credit risk refers to the risk of failure by a counterparty to meet their obligations on a financial instrument or agreement with a customer, which would result in loss. The Company is particularly exposed to credit risk regarding cash and cash equivalents and accounts receivable. The Company reduces its credit risk by using the following policies:

- **Cash and cash equivalents:** The Company adopts methods that limit the amounts that may be allocated to a single financial institution and take into account the monetary limits and credit ratings of the financial institutions with which it operates, which are updated on a regular basis.
- **Accounts receivable:** Credit risk is reduced to the extent that the assets represented by receivables and services are intermediated by credit card administration companies. In this case, the credit risk with customers will be fully transferred to these companies, and the only risk assumed by the Company is the non-recognition of purchases by customers, for which an impairment provision is calculated and recorded. The Company now holds the credit risk before credit card administration companies.
- The amounts receivable from individual customers through bank slips are limited and represented approximately 8% of total accounts receivable at June 30, 2021 (11% as at December 31, 2020). The maximum exposure to credit risk as at June 30, 2021 is the amount shown in the statement of financial position.

**(iii) Liquidity risk**

Liquidity risk in the possibility that the Company or its subsidiaries may not have sufficient funds to meet their commitments upon the realization/liquidation of its rights and obligations.

The Company and its subsidiaries manage the maturities of non-derivative financial contracts as described in Note 12, so as to avoid impact on liquidity.

The liquidity and cash flows of the Company and its subsidiaries are managed on a daily basis by the Company, so as to ensure that operating cash generation and the advance raising of funds, when required, are sufficient to maintain their schedule of payments and avoid liquidity risk.

The table below shows the maturities of the consolidated financial liabilities of the Company:

	Less than 3 months	From 3 to 12 months	More than 1 year	Total
<b>June 30, 2021</b>				
Other accounts payable	2,752	-	3,361	6,113
Suppliers	20,312	-	-	20,312
Loans and financing	15,476	20,520	12,600	48,596
Lease liabilities	2,002	6,004	68,740	76,746
Payables to clients	326,018	-	-	326,018
Obligations with Investment acquisitions	-	2,372	453,833	456,205
	<b>366,560</b>	<b>28,896</b>	<b>538,534</b>	<b>933,990</b>
<b>December 31, 2020</b>				
Other accounts payable	4,053	-	4,046	8,099
Suppliers	20,540	-	-	20,540
Loans and financing	19,643	37,233	27,682	84,558
Lease liabilities	2,599	3,212	63,734	69,545
Payables to clients	271,665	-	-	271,665
Obligations with Investment acquisitions	1,083	2,359	211,610	215,052
	<b>319,583</b>	<b>42,804</b>	<b>307,072</b>	<b>669,459</b>

**(iv) Foreign currency risk**

Foreign currency risk derives from the risk of variation in future cash flows of loans denominated in foreign currency and financial instruments, due to variation in exchange rates. The foreign currency risk could significantly impact the Company's results of operations. In order to manage this risk, the Company uses derivative financial instruments (swaps) that are contracted with first-class financial institutions. Accordingly, the Company is fully hedged against fluctuations in foreign exchange rates on its loans.

The Company's policy is to use derivative financial instruments only to reduce the risks arising from foreign currency exposure, which is represented by loans denominated in foreign currency, and not for speculative purposes.

**b. Análise de sensibilidade**

As at June 30, 2021, the Company was exposed to fluctuation in U.S. dollar rates due to loans denominated in foreign currency, loans linked to the Benchmark Rate (TR) and the Long-Term Interest Rate (TJLP), which are indices used in loans denominated in local currency, as well as to variation on Interbank Deposit Certificates (CDI), which, in turn, adjusts financial investments earnings (CBD). Three different scenarios were defined to analyze the sensitivity of these indices.

According to Management's analysis, an increase of 5% was assumed for the probable scenario. Another two scenarios (A and B) are also shown. The Company assumed increases of 25% (scenario A) and 50% (scenario B – extreme situation) in its forecasts. The table below sets forth the sensitivity analysis for each type of risk considered relevant by Management:

Transaction	Risk	Balance as of Jun 30, 2021	Gain / (Loss) - Consolidated		
			Probable	Scenario A	Scenario B
Loans in foreign currency (USD)* Financial investments adjusted by the CDI	Increase in USD rate	(44,476)	(2,255)	(11,276)	(22,552)
	Decrease in CDI	<u>1,897,118</u>	<u>(3,937)</u>	<u>(19,683)</u>	<u>(39,365)</u>
<b>Dollar rate</b>		5.00	5.25	6.25	7.50
<b>CDI (downward scenario)</b>		4.15%	3.94%	3.11%	2.08%

(\*) Financing contracts adjusted by the foreign currency are hedged by cross-currency interest rate swap agreements against foreign exchange fluctuations.

**Sources:** US dollar: PTAX rate of the Central Bank of Brazil CDI: B3 Brasil, Bolsa, Balcão

**c. Capital management**

The Company's objective in managing its capital is to safeguard its ability to continue offering a return to shareholders, and benefits to other stakeholders, as well as to maintain an ideal capital structure to reduce these costs, or costs relating to the generation of these results and benefits.

In order to maintain or adjust its capital structure, the Company may review its receivables advance policy, and the payment of non-mandatory dividends, return capital to shareholders, or issue new shares to reduce its indebtedness level.

Capital management is at the consolidated level, as described below:

	06/30/2021	12/31/2020
Loans and financing	48,596	84,558
(+) Lease liabilities	76,746	69,545
(+) Derivatives	(10,238)	(19,367)
(-) Cash and cash equivalents	(1,891,662)	(404,628)
(-) Restricted cash	<u>(4,341)</u>	<u>(4,803)</u>
<b>(=) Net debt</b>	<b><u>(1,780,899)</u></b>	<b><u>(274,695)</u></b>
(+) Total equity	2,982,389	673,973
<b>(=) Total equity and net debt</b>	<b><u>1,201,490</u></b>	<b><u>399,278</u></b>

**d. Fair value of financial instruments**

The valuation method used for calculating the market value of financial liabilities (if applicable) and derivative financial instruments (swaps) was the discounted cash flow, taking into account the expectations of liquidation or realization of liabilities and assets at the market rates in force as at the date of the statements of financial position.

Fair values are calculated by estimating future operating flows; using the curves of BM&FBovespa; and discounting them to present value using the market exchange rates for swaps, as published by BM&FBovespa.

Market values of derivatives shown below were obtained using the market rates in effect as at the date of the statements of financial position, and the rates estimated by the market. In order to calculate the coupon of positions indexed to foreign currency, the Company adopted a linear convention of 360 calendar days. The table below shows the variation in fair values of derivative instruments and their respective amounts receivable (payable) at the close of the period.

<b>June 30, 2021</b>			
<b>Company and Consolidated</b>			
<b>Description</b>	<b>Reference value (notional)</b>	<b>Fair value</b>	<b>Amount receivable/(payable)</b>
<b>Funding 3844/2019-1</b>			
Asset position	10,995	11,266	11,266
Liability position	(8,301)	(8,443)	(8,443)
	<b>2,694</b>	<b>2,823</b>	<b>2,823</b>
<b>Funding 3844/2019-2</b>			
Asset position	3,662	3,743	3,743
Liability position	(2,750)	(2,772)	(2,772)
	<b>912</b>	<b>971</b>	<b>971</b>
<b>Funding 4131</b>			
Asset position	29,817	30,261	30,261
Liability position	(23,473)	(23,817)	(23,817)
	<b>6,343</b>	<b>6,444</b>	<b>6,444</b>
<b>Total derivative financial instruments</b>	<b>9,949</b>	<b>10,238</b>	<b>10,238</b>
Mark-to-market (MTM) (Jun 30, 2021 Balance)	-	289	289
Mark-to-market (MTM) (Dec 31, 2020 Balance)	-	-	(1,310)
Mark-to-market (MTM) for the period	-	-	1,599

**e. Fair value hierarchy**

The fair values of financial investments and swaps are classified in Level 2 of the fair value hierarchy. The Company has no financial instruments classified in Levels 1 and 3.

**f. Change in liabilities arising from financing activities**

	Company					
	06/30/2021			06/30/2020		
	Changes with cash effects	Changes without cash effects	Total	Changes with cash effects	Changes without cash effects	Total
Loans and Financing - Beginning of the period	-	-	83,175	-	-	116,352
Derivatives - Beginning of the period	-	-	(19,367)	-	-	(4,932)
<b>(=) Loans and financing, net of derivatives</b>	<b>-</b>	<b>-</b>	<b>63,808</b>	<b>-</b>	<b>-</b>	<b>111,420</b>
(+) Interest, exchange variation, and derivatives accrued	-	1,801	1,801	-	7,293	7,293
(-) Principal repayment in the period	(27,504)	-	(27,504)	(45,493)	-	(45,493)
(-) Interest, foreign exchange rate variation and derivatives paid	(2,268)	-	(2,268)	(8,027)	-	(8,027)
(+-) Mark-to-market of derivatives	-	(1,599)	(1,599)	-	(1,385)	(1,385)
<b>(=) Loans and financing, net of derivatives</b>	<b>(29,772)</b>	<b>202</b>	<b>34,238</b>	<b>(53,520)</b>	<b>5,908</b>	<b>63,808</b>
Loans and Financing - End of the period	-	-	44,476	-	-	83,175
Derivative financial instruments – End of the period	-	-	(10,238)	-	-	(19,367)
	<b>Consolidated</b>					
	06/30/2021			06/30/2020		
	Changes with cash effects	Changes without cash effects	Total	Changes with cash effects	Changes without cash effects	Total
Loans and Financing - Beginning of the period	-	-	84,558	-	-	116,513
Derivatives - Beginning of the period	-	-	(19,367)	-	-	(4,932)
<b>(=) Loans and financing, net of derivatives</b>	<b>-</b>	<b>-</b>	<b>65,191</b>	<b>-</b>	<b>-</b>	<b>111,581</b>
(+) Loans and financing from acquired companies	-	6,636	6,636	-	1,890	1,890
(+) Interest, exchange variation, and derivatives accrued	-	2,723	2,723	-	7,420	7,420
(-) Principal repayment in the period	(31,617)	-	(31,617)	(45,967)	-	(45,967)
(-) Interest, foreign exchange rate variation and derivatives paid	(2,976)	-	(2,976)	(8,348)	-	(8,348)
(+-) Mark-to-market of derivatives	-	(1,599)	(1,599)	-	(1,385)	(1,385)
<b>(=) Loans and financing, net of derivatives</b>	<b>(34,593)</b>	<b>7,760</b>	<b>38,358</b>	<b>(54,315)</b>	<b>7,925</b>	<b>65,191</b>
Loans and Financing - End of the period	-	-	48,596	-	-	84,558
Derivative financial instruments – End of the period	-	-	(10,238)	-	-	(19,367)

## 24 Non-cash transactions

In the six-month period ended June 30, 2021, there were transactions that did not affect cash, related to the acquisition of machines and equipment.

## 25 Insurance coverage

The Company and its subsidiaries contract insurance coverage to protect against any damages to its equity and assets, also including their establishments and vehicles fleet, the premiums of which were as follows in the respective years:

	Consolidated	
	06/30/2021	12/31/2020
Vehicles	11,347	7,700
Business (real estate and assets)	362,575	362,575
Electricity	-	201
Directors and officers liability	50,000	50,000
General liability	3,300	1,100
	427,222	421,576

## 26 Subsequent events

### a. Increase capital stock

On July 7, 2021, the Board of Directors approved the increase in the Company's capital, within the limit of authorized capital provided for in Article 5, Paragraph 2 of the Company's Bylaws, as a result of the exercise, by several beneficiaries, of their respective call options under the Option Plan. 4,119,800 new common shares were issued, all registered, book-entry and without par value. In the amount of R\$10,043, the Company's capital increased from R\$2,990,111, divided into 585,461,772, to R\$3,000,154, divided into 589,581,572 common shares, all registered, book-entry and without par value.

### b. Business Acquisition

On July 12, 2021, the Share Purchase and Sale Agreement and Other Covenants were entered into between the wholly-owned subsidiary Tray Tecnologia em Ecommerce Ltda. ("Tray") and the shareholders of Bagy Soluções de Comércio Digital Ltda. ("Bagy"), to regulate the acquisition of the entire share capital of Bagy by Tray ("Operation"). Founded in 2017, Bagy is an e-commerce platform focused on social commerce, with more than 13,500 active customers and 127,000 followers on social networks. Its objective is to help SMEs, individuals and influencers to set up a virtual store quickly and simply. The acquisition price of all shares of Bagy is approximately R\$10,100, subject to any adjustment pursuant to the Agreement. Additionally, the Agreement approved herein provides that the Sellers will be entitled to receive any earnout, depending on the achievement of certain financial targets determined based on Bagy's net operating revenue, under the terms contemplated in the Agreement and strictly related to the Transaction.

On August 2, 2021, the Agreement for the Purchase and Sale of Shares and Other Covenants was entered into between the Company and the partners of Octadesk Ltda. ("Octadesk" and

“Contrato”, respectively), to regulate the acquisition of the entire capital stock of Octadesk by the Company (“Operation”). Founded in 2015, Octadesk is a platform aimed at small and medium-sized companies to better relate to their customers at all stages of their journey (marketing, sales and service), in real time and across multiple channels such as WhatsApp, chat, Instagram, email, among others, organizing your interactions in one place. The closing price for the acquisition of all Octadesk quotas is approximately R\$102 million and is also subject to certain net debt and working capital adjustments, which are usual in this type of transaction. Additionally, sellers will have the right to receive an eventual earnout, depending on the achievement of certain financial targets determined based on Octadesk's net operating revenue.