

Locaweb Serviços de Internet S.A.

Individual and consolidated interim financial information September 30, 2023

(A free translation of the original report in Portuguese containing financial statements prepared in accordance with the Brazilian and International standard on review Engagements (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively))

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Report on review of quarterly information - ITR

To the Shareholders and Administrators 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 September 30, 2023, comprising the statements financial position as of September 30, 2023, the respective statements of profit or loss and other comprehensive income for the three and nine-months periods then ended and of statements of changes in equity and cash flows for the nine-month period then ended, including notes the financial statements.

Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) and International Accounting 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 these 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 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively).

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 on the individual interim financial information**

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

Conclusion on the consolidated interim financial information

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

Other matters – Statements of added value

The interim financial information referred above comprise the statements of added value (DVA), individual and consolidated, for the nine-month period ended September 30, 2023, prepared under the 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.

São Paulo, November 6, 2023

KPMG Auditores Independentes Ltda.
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 September 30, 2023 and December 31, 2022

(In thousands of Reais)

		Parent company		Consolidated	
	Note:	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Assets					
Cash and cash equivalents	3.1	941,156	1,309,361	1,107,016	1,448,231
Accounts receivable	4.1	19,636	22,729	739,850	673,167
Taxes recoverable		10,419	7,011	11,828	8,353
Income tax and social contribution recoverable		3,984	22,239	10,502	32,034
Other assets	5	18,614	11,856	31,071	29,357
Total current assets		993,809	1,373,196	1,900,267	2,191,142
Court deposits	14	402	447	548	1,063
Financial assets	3.2	-	-	17,047	13,381
Other assets	5	4,697	9,620	7,748	6,521
Deferred income tax and social contribution	21	90,354	46,282	136,460	66,377
Total long-term assets		95,453	56,349	161,803	87,342
Investments	7	2,294,417	2,111,045	-	-
Property, plant, and equipment	8	55,813	61,801	87,412	96,516
Intangible assets	9	143,245	137,122	2,285,433	2,282,457
Right-of-use asset	10	55,017	61,166	61,095	68,830
Total non-current assets		2,643,945	2,427,483	2,595,743	2,535,145
Total assets		3,637,754	3,800,679	4,496,010	4,726,287

The accompanying notes are an integral part of the interim financial information.

Locaweb Serviços de Internet S.A.

Interim statements of financial position as at September 30, 2023 and December 31, 2022

(In thousands of Reais)

		Parent company		Consolidated	
	Note	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Liabilities					
Suppliers		16,928	18,815	30,778	51,304
Loans and financing	12.1	-	-	95	380
Lease liabilities	12.2	7,687	7,243	11,613	11,535
Salaries, charges, and social benefits	13	41,014	31,125	118,719	90,330
Other taxes payable		4,419	3,367	13,399	9,458
Services to be provided	4.2	47,894	43,850	95,154	84,559
Receivables to be transferred		-	-	557,613	537,097
Interest on equity and dividends payable		5	7,197	5	7,197
Taxes in installments	11	251	282	3,013	2,882
Derivative financial instruments	23.f	879	-	879	-
Obligation with investment acquisitions	7.1	379,069	178,657	458,780	311,873
Other liabilities		3,992	2,852	23,366	5,115
Total current liabilities		502,138	293,388	1,313,414	1,111,730
Loans and financing	12.1	-	-	6	41
Lease liabilities	12.2	55,705	61,420	58,338	65,335
Services to provide	4.2	4,297	2,587	4,297	2,587
Taxes in installments	11	1,233	1,321	14,845	16,013
Obligation with investment acquisitions	7.1	147,589	457,727	176,459	543,529
Provision for contingencies	14	1,777	447	4,567	3,728
Provision for investment losses	7	3,509	6,161	-	-
Deferred income tax and social contribution	21	-	-	2,342	3,056
Other liabilities		-	1,476	236	4,116
Total non-current liabilities		214,110	531,139	261,090	638,405
Net equity					
Share capital	15	2,937,665	2,934,231	2,937,665	2,934,231
Treasury shares	15	(63,218)	(47,481)	(63,218)	(47,481)
Capital reserves	15	73,825	63,322	73,825	63,322
Profit reserves		2,457	26,080	2,457	26,080
Other comprehensive income		(580)	-	(580)	-
Accumulated losses		(28,643)	-	(28,643)	-
Total net equity		2,921,506	2,976,152	2,921,506	2,976,152
Total liabilities and net equity		3,637,754	3,800,679	4,496,010	4,726,287

The accompanying notes are an integral part of the interim financial information.

Locaweb Serviços de Internet S.A.

Interim statements of result

Period of three and nine months ended September 30, 2023 and 2022

(In thousands of Reais)

		Parent company				Consolidated			
	Notes	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
Net operating revenue	18	272,879	258,153	92,557	93,364	945,452	832,935	330,090	303,080
Cost of services provided	19	(199,589)	(184,341)	(70,204)	(67,055)	(513,317)	(455,746)	(185,082)	(164,708)
Gross profit		73,290	73,812	22,353	26,309	432,135	377,189	145,008	138,372
Operating revenues (expenses)									
Sales expenses	19	(37,627)	(44,360)	(13,380)	(15,059)	(197,478)	(182,892)	(67,031)	(64,477)
General and administrative expenses	19	(31,176)	(20,111)	(14,208)	(6,966)	(184,598)	(164,344)	(61,995)	(60,558)
Gain/Loss due to impairment	19	(1,531)	(163)	(271)	(180)	(4,930)	(2,552)	(1,557)	(1,066)
Equity income	7	(23,303)	10,203	(1,956)	37,969	-	-	-	-
Other operating revenues (expenses)	19	6,296	350	326	(9,028)	8,954	808	332	(8,755)
		(87,341)	(54,081)	(29,489)	6,736	(378,052)	(348,980)	(130,251)	(134,856)
Income before net financial revenues (expenses)		(14,051)	19,731	(7,136)	33,045	54,083	28,209	14,757	3,516
Financial revenues	20	109,089	132,315	34,742	46,206	124,697	139,663	40,765	49,340
Financial expenses	20	(135,262)	(116,538)	(23,068)	(75,690)	(209,212)	(124,230)	(45,004)	(47,704)
Net financial income (expenses)		(26,173)	15,777	11,674	(29,484)	(84,515)	15,433	(4,239)	1,636
Income before income tax and social contribution		(40,224)	35,508	4,538	3,561	(30,432)	43,642	10,518	5,152
Current income tax and social contribution	21	(32,192)	(29,436)	(10,673)	(12,026)	(68,709)	(51,489)	(24,086)	(20,727)
Deferred income tax and social contribution taxes	21	43,773	4,020	10,005	1,202	70,498	17,939	17,438	8,312
		11,581	(25,416)	(668)	(10,824)	1,789	(33,550)	(6,648)	(12,415)
(Loss) net profit for the period		(28,643)	10,092	3,870	(7,263)	(28,643)	10,092	3,870	(7,263)
Earnings per share									
(expressed in BRL per share)									
(Loss)/basic profit per share	17	-	-	-	-	(0,05)	0,01	0,01	(0,01)
(Loss)/diluted profit per share	17	-	-	-	-	(0,05)	0,01	0,01	(0,01)

The accompanying notes are an integral part of the interim financial information.

Locaweb Serviços de Internet S.A.

Interim statements of comprehensive income

Period of three and nine months ended September 30, 2023 and 2022

(In thousands of Reais)

	Parent company				Consolidated			
	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	04/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
(Loss) net profit for the period	(28,643)	10,092	3,870	(7,263)	(28,643)	10,092	3,870	(7,263)
Other comprehensive income								
Cash flow hedge	879	-	(1,385)	-	879	-	(1,385)	-
Deferred taxes on cash flow hedges	(299)	-	471	-	(299)	-	471	-
Comprehensive income for the period	(28,063)	10,092	2,956	(7,263)	(28,063)	10,092	2,956	(7,263)

The accompanying notes are an integral part of the interim financial information.

Locaweb Serviços de Internet S.A.

Interim statements of changes in shareholders' equity

Nine-month period ended September 30, 2023 and 2022

(In thousands of Reais)

	Share capital			Treasury shares	Capital Reserves			Profit Reserves			Accumulated (Losses) profits	Total net equity
	Paid up capital stock	Capital stock yet to be paid in	Expenses with the issuance of shares	Treasury shares	Goodwill on capital transactions	Stock option plan reserve	Goodwill on the issuance of shares	Legal reserve	Profit retention reserve	Other comprehensive income		
Balances on December 31, 2021	3,000,154	2,822	(76,201)	(45,769)	(22,344)	60,084	11,895	2,377	2,048	-	-	2,935,066
Net income for the period	-	-	-	-	-	-	-	-	-	-	10,092	10,092
Capital increase (Note 15.a)	6,783	(6,783)	-	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	(1,712)	-	-	-	-	-	-	-	(1,712)
Share options exercised	-	3,961	-	-	-	-	-	-	-	-	-	3,961
Share-based payments	-	-	-	-	-	11,118	-	-	-	-	-	11,118
Balances on September 30, 2022	3,006,937	-	(76,201)	(47,481)	(22,344)	71,202	11,895	2,377	2,048	-	10,092	2,958,525
Balances on December 31, 2022	3,006,937	3,495	(76,201)	(47,481)	(22,344)	73,771	11,895	3,892	22,188	-	-	2,976,152
Net income for the period	-	-	-	-	-	-	-	-	-	-	(28,643)	(28,643)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	(580)	-	(580)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(580)	(28,643)	(29,223)
Capital increase (Note 15.a)	6,929	(6,929)	-	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	(15,771)	-	-	-	-	-	-	-	(15,771)
Share options exercised	-	3,434	-	34	-	-	-	-	-	-	-	3,468
Share-based payments	-	-	-	-	-	10,503	-	-	-	-	-	10,503
Dividends distributed	-	-	-	-	-	-	-	-	(23,623)	-	-	(23,623)
Balances on September 30, 2023	3,013,866	-	(76,201)	(63,218)	(22,344)	84,274	11,895	3,892	(1,435)	(580)	(28,643)	2,921,506

The accompanying notes are an integral part of the interim financial information.

Locaweb Serviços de Internet S.A.

Interim statements of cash flows

Nine-month period ended September 30, 2023 and 2022

(In thousands of Reais)

	Note	Parent company		Consolidated	
		01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Cash flows from operating activities					
Profit before income tax and social contribution		(40,224)	35,097	(30,432)	43,642
Adjustments to reconcile profit before income tax and social contribution with net cash flow from operating activities:					
Depreciation and amortization	8;9;10	35,352	29,815	88,281	75,474
Equity income	7	23,303	(9,792)	-	-
Passive lease interest, derivatives, exchange and monetary variations		2,338	3,019	2,022	3,380
Remeasurement fair value of contingent consideration	7.1;20	123,300	101,437	146,636	69,227
Mark-to-Market of Derivatives	23.f	-	148	-	148
Share-based payments	16	8,932	8,705	11,962	10,893
Provisions and other adjustments		1,463	(142)	2,372	401
Changes in assets and liabilities					
Accounts receivable from customers		2,964	(2,730)	(67,315)	(106,766)
Taxes recoverable		16,292	(9,545)	20,449	(451)
Other assets		(1,835)	(1,085)	(2,941)	(6,295)
Court deposits		45	(12)	515	(29)
Suppliers		654	308	(18,200)	10,464
Salaries, charges, and social benefits		9,108	8,150	26,931	30,364
Other taxes payable		(15,715)	(11,679)	(16,319)	(17,697)
Services to provide		5,754	3,446	12,305	15,038
Receipts to be passed on		-	-	20,516	50,748
Other liabilities		(336)	(500)	14,371	(636)
Income tax and social contribution paid		(15,544)	(13,911)	(49,487)	(35,156)
Net cash from operating activities		155,851	140,729	161,666	142,749
Cash flows from investing activities					
Acquisitions of property, plant and equipment		(13,821)	(16,401)	(20,186)	(33,001)
Obligation with the acquisition of investments	7.1	(233,026)	(66,843)	(366,824)	(161,303)
Capital Increase in Subsidiary	7	(206,974)	(165,523)	-	-
Cash received in incorporation		-	624	-	-
Restricted financial investment		-	1,685	-	1,685
Subsidiary acquisition, net of cash acquired		-	-	-	(28,062)
Financial Assets		-	(13,281)	(4,499)	(13,281)
Acquisition and development of intangible assets		(18,025)	(16,295)	(54,633)	(40,952)
Receipt for the sale of assets	9	78	-	199	-
Net cash used in investing activities		(471,768)	(276,034)	(445,943)	(274,914)
Cash flows from financing activities					
Capital payment, net of share issuance expenses		3,468	3,961	3,468	3,961
Payment of lease liabilities	12.2	(9,170)	(8,768)	(13,462)	(12,898)
Loans and financing paid	23.b	-	(18,956)	(321)	(19,507)
Interest and exchange variation paid		-	(8,216)	(37)	(8,573)
Derivatives paid and received		-	7,425	-	7,425
Dividends and interest on equity paid		(30,815)	-	(30,815)	-
Repurchase of own shares		(15,771)	(1,712)	(15,771)	(1,712)
Net cash (used in) generated by financing activities		(52,288)	(26,266)	(56,938)	(31,304)
(Reduction) net increase in cash and cash equivalents		(368,205)	(161,571)	(341,215)	(163,469)
Cash and cash equivalents at the start of the period		1,309,361	1,465,014	1,448,231	1,584,399
Cash and cash equivalents at the end of the period		941,156	1,303,443	1,107,016	1,420,930
(Reduction) net increase in cash and cash equivalents		(368,205)	(161,571)	(341,215)	(163,469)

The accompanying notes are an integral part of the interim financial information.

Locaweb Serviços de Internet S.A.

Interim statements of value add

Nine-month period ended September 30, 2023 and 2022

(In thousands of Reais)

	Notes	Parent company		Consolidated	
		01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Revenue		303,821	283,856	1,042,910	913,293
Service revenue	18	301,694	293,246	1,040,685	923,688
Discounts and rebates	18	(4,674)	(10,140)	(6,965)	(11,424)
Other operating revenues		6,801	750	9,190	1,029
Inputs purchased from third parties (includes ICMS, PIS and Cofins)		(136,764)	(94,917)	(405,272)	(369,896)
Cost of services provided		(93,889)	(89,655)	(245,676)	(223,593)
Materials, energy, third-party services and other services		(42,875)	(5,262)	(159,596)	(146,303)
Gross added value		167,057	188,939	637,638	543,397
Retention		(35,352)	(29,815)	(88,281)	(75,474)
Depreciation and amortization	8;9;10	(35,352)	(29,815)	(88,281)	(75,474)
Net added value generated		131,705	159,124	549,357	467,923
Added value received in transfers		85,786	142,518	124,697	139,663
Equity income	7	(23,303)	10,203	-	-
Financial revenues	20	109,089	132,315	124,697	139,663
Total added value to be distributed		217,491	301,642	674,054	607,586
Added value distribution		217,491	301,642	674,054	607,586
Personnel and charges		82,199	107,484	357,780	312,306
Direct compensation		61,248	90,339	294,009	260,897
Benefits		13,907	10,648	40,797	32,163
Severance Pay Indemnity Fund (FGTS)		7,044	6,497	22,974	19,246
Taxes, fees and contributions		28,672	67,529	135,364	160,449
Federal		18,815	58,245	105,161	133,604
State		-	-	70	111
Municipal		9,857	9,284	30,133	26,734
Interest and rent		135,263	116,537	209,553	124,739
Equity remuneration		(28,643)	10,092	(28,643)	10,092
Dividend distribution		(30,815)	-	(30,815)	-
(Loss) retained net profit		2,172	10,092	2,172	10,092

The accompanying notes are an integral part of the interim financial information.

Notes to individual and consolidated interim financial information

(In thousands of Reais, unless otherwise stated)

1 Operational context

Operations

Locaweb Serviços de Internet S.A. (hereinafter referred to as “Company”, also referred to as “Group” or “Locaweb”), headquartered at Rua Itapaituna, 2434 - São Paulo/SP, with operations starting in 1998, is one of the pioneer companies in Business to Business (B2B) solutions for digital business transformation in Brazil. The Company offers a varied portfolio of integrated solutions, with the purpose of helping its clients' businesses to grow and prosper 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 are offered to its customers through the brands: Locaweb, Allin, Nextios, Kinghost, Delivery Direto, Etus, Social Miner and Connectplug; and (ii) Commerce, offered to its customers through the brands: Tray, Tray Corp, Yapay, Melhor Envio, Ideris, Samurai, Credisfera, Vindi, Bagy Sul, Bling, PagCerto, Bagy, Octadesk, Squid and Síntese. These business segments are extremely complementary, generate great operational synergies for the Company and its customers and together form an ecosystem that allows for strong cross-selling and up-selling within its extensive and diversified customer base of approximately 700,000 active customers, from multiple sectors of the economy, with greater concentration in small and medium-sized companies.

2 Summary of main accounting practices

The issuance of the interim individual and consolidated financial information was authorized by the Board of Directors on November 6, 2023.

The interim financial information was prepared in accordance with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or “CVM”) Resolution No. 673/11, which establishes the minimum content of an interim financial statement and the principles for recognition and measurement for complete or condensed interim statements.

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

Accordingly, they focus on new activities, events and circumstances and not duplicating the information that was previously disclosed, except when the Management deems the maintenance of certain information relevant.

The interim financial information presented herein was prepared based on the accounting policies, assumptions and estimates calculation methods adopted in the preparation of the annual financial statements for the year ended December 31, 2022.

There has been no changes of any nature with respect to such policies and methods of calculating estimates. As allowed by CVM Resolution No. 673/11, the Management decided not to disclose the accounting policies adopted by the Company. Accordingly, these individual and consolidated interim financial information must be read together with the annual individual and consolidated financial statements for the year ended December 31, 2022.

2.1 Basis of consolidation

The consolidated interim financial information includes the operations of the Company and its subsidiaries, as follows:

Subsidiaries	Interest	Interest %	
		2023	2022
Locaweb Telecom	Direct	100%	100%
Yapay	Direct	100%	100%
Tray Tecnologia	Direct	100%	100%
Wake (b)	Indirect	100%	100%
LWK Hosting	Direct	100%	100%
Cyberweb	Indirect	100%	100%
IT Capital (Delivery Direto)	Direct	100%	100%
Locaweb Commerce	Direct	100%	100%
Etus	Direct	100%	100%
Ideris	Indirect	100%	100%
Melhor Envio	Indirect	100%	100%
Vindi Tecnologia	Direct	100%	100%
Vindi Pagamentos	Indirect	100%	100%
Connectplug	Direct	100%	100%
Bagy Sul (a)	Indirect	100%	100%
Credisfera	Indirect	100%	100%
Samurai Holding	Indirect	100%	100%
Samurai Desenvolvimento	Indirect	100%	100%
Bling	Direct	100%	100%
Organisys Payments Holding	Indirect	100%	100%
Pagcerto	Indirect	100%	100%
Bagy	Indirect	100%	100%
Octadesk	Direct	100%	100%
Squid	Direct	100%	100%
LW Ventures FIP	Direct	100%	100%
Síntese	Indirect	100%	100%

- (a) In April 2023, the name of Dooca Tecnologia da Informação Ltda. was changed to Bagy Sul Soluções de Comércio Digital Ltda.
- (b) In September 2023, the name of Fbits Desenvolvimento de Software Ltda. was changed to Wake Commerce Ltda.

2.2 Declaration of compliance and basis of preparation

The individual interim financial information were prepared and are presented in accordance with technical pronouncement CPC 21 – Interim Financial Reporting (R1) the consolidated interim financial information were prepared and are presented in accordance with technical pronouncement CPC 21 – Interim Financial Reporting (R1) and the International Financial Reporting Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB and in accordance with the standards issued by CVM that are applicable to the preparation of quarterly financial information.

2.3 Restatement of financial statements - rectification of immaterial error

The Company's management is restating the individual and consolidated financial statements after issuance for the year ended December 31, 2022 and the period ended September 30, 2022.

This is a restatement with immaterial effects, but which the Company has deemed important because it provides a better reading and interpretation of the absolute operating performance for 2023, compared to the previous year.

Context

Tray's revenue recognition did not include deferral for the months in which the service was provided, implying that the total revenue from these plans was recognized in the month of sale.

The following table summarizes the impacts on the Company's individual and consolidated financial statements:

Note

- (A) Refers to the adjustment in revenue from annual plans that were recognized outside the accrual basis;
- (B) Refers to the impact on income taxes resulting from adjustment (A);
- (C) Refers to the impact on the calculation of income tax and social contribution resulting from the adjustments to income (A and B);
- (D) Refers to the constitution of the balance of services to be rendered of the annual plans which had their revenues reversed and will be moved according to the competence of the service rendered;
- (E) Refers to adjustments to the accounts receivable balance as a result of revenue adjustments;
- (F) Refers to the impact on retained earnings resulting from adjustments to results (A, B and C);
- (G) Refers to the impact on investments and equity as a result of the adjustment to retained earnings in the investee Tray.

(i) Parent company and consolidated balance sheets:

		Parent company				Consolidated	
		Balances as at 12/31/2022	Adjustment	Balances as at 12/31/2022 (Restated)	Balances as at 12/31/2022	Adjustment	Balances as at 12/31/2022 (Restated)
Assets	Note						
Cash and cash equivalents		1,309,361	-	1,309,361	1,448,231	-	1,448,231
Accounts receivable	E	22,729	-	22,729	671,482	1,685	673,167
Taxes recoverable		7,011	-	7,011	8,353	-	8,353
Income tax and social contribution recoverable		22,239	-	22,239	32,034	-	32,034
Other assets		11,856	-	11,856	29,357	-	29,357
Total current assets		1,373,196	-	1,373,196	2,189,457	1,685	2,191,142
Financial assets		-	-	-	13,381	-	13,381
Court deposits		447	-	447	1,063	-	1,063
Other assets		9,620	-	9,620	6,521	-	6,521
Deferred income tax and social contribution		46,282	-	46,282	66,377	-	66,377
Total long-term assets		56,349	-	56,349	87,342	-	87,342
Investments	G	2,112,480	(1,435)	2,111,045	-	-	-
Property, plant, and equipment		61,801	-	61,801	96,516	-	96,516
Right-of-use asset		61,166	-	61,166	68,830	-	68,830
Intangible assets		137,122	-	137,122	2,282,457	-	2,282,457
Total non-current assets		2,428,918	(1,435)	2,427,483	2,535,145	-	2,535,145
Total assets		3,802,114	(1,435)	3,800,679	4,724,602	1,685	4,726,287

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Liabilities	Parent company						Consolidated
	Note	Balances as at 12/31/2022	Adjustment	Balances as at 12/31/2022 (Restated)	Balances as at 12/31/2022	Adjustment	Balances as at 12/31/2022 (Restated)
Suppliers		18,815	-	18,815	51,304	-	51,304
Loans and financing		-	-	-	380	-	380
Lease liabilities		7,243	-	7,243	11,535	-	11,535
Salaries, charges, and social benefits		31,125	-	31,125	90,330	-	90,330
Other taxes payable	B, C	3,367	-	3,367	11,348	(1,890)	9,458
Services to be provided	D	43,850	-	43,850	79,549	5,010	84,559
Receivables to be transferred		-	-	-	537,097	-	537,097
Interest on equity and dividends payable		7,197	-	7,197	7,197	-	7,197
Taxes in installments		282	-	282	2,882	-	2,882
Obligation with investment acquisitions		178,657	-	178,657	311,873	-	311,873
Other liabilities		2,852	-	2,852	5,115	-	5,115
Total current liabilities		293,388	-	293,388	1,108,610	3,120	1,111,730
Loans and financing		-	-	-	41	-	41
Services to be provided		2,587	-	2,587	2,587	-	2,587
Provision for contingencies		447	-	447	3,728	-	3,728
Obligation with investment acquisitions		457,727	-	457,727	543,529	-	543,529
Lease liabilities		61,420	-	61,420	65,335	-	65,335
Provision for investment losses		6,161	-	6,161	-	-	-
Taxes in installments		1,321	-	1,321	16,013	-	16,013
Deferred income tax and social contribution		-	-	-	3,056	-	3,056
Other liabilities		1,476	-	1,476	4,116	-	4,116
Total non-current liabilities		531,139	-	531,139	638,405	-	638,405
Net equity							
Share capital		2,934,231	-	2,934,231	2,934,231	-	2,934,231
Treasury shares		(47,481)	-	(47,481)	(47,481)	-	(47,481)
Capital reserves		63,322	-	63,322	63,322	-	63,322
Profit reserves	F	27,515	(1,435)	26,080	27,515	(1,435)	26,080
Total net equity		2,977,587	(1,435)	2,976,152	2,977,587	(1,435)	2,976,152
Total liabilities and net equity		3,802,114	(1,435)	3,800,679	4,724,602	1,685	4,726,287

(ii) Parent company and consolidated balance sheets:

Parent company							Consolidated								
		Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)	Balances presented on 07/01/2022 to 09/30/2022	Adjustment	Balances 07/01/2022 to 09/30/2022 (Restated)			Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)	Balances presented on 07/01/2022 to 09/30/2022	Adjustment	Balances 07/01/2022 to 09/30/2022 (Restated)
Net operating revenue	A/ B	258,153	-	258,153	93,364	-	93,364			835,552	(2,617)	832,935	304,270	(1,190)	303,080
Cost of services provided		(184,341)	-	(184,341)	(67,055)	-	(67,055)			(455,746)	-	(455,746)	(164,708)	-	(164,708)
Gross profit		73,812	-	73,812	26,309	-	26,309			379,806	(2,617)	377,189	139,562	(1,190)	138,372
Operating revenues (expenses)															
Sales expenses		(44,360)	-	(44,360)	(15,059)	-	(15,059)			(182,892)	-	(182,892)	(64,477)	-	(64,477)
General and administrative expenses		(20,111)	-	(20,111)	(6,966)	-	(6,966)			(164,344)	-	(164,344)	(60,558)	-	(60,558)
Gain/Loss due to impairment		(163)	-	(163)	(180)	-	(180)			(2,552)	-	(2,552)	(1,066)	-	(1,066)
Equity income	G	11,519	(1,316)	10,203	38,854	(885)	37,969			-	-	-	-	-	-
Other operating revenues (expenses)		350	-	350	(9,028)	-	(9,028)			808	-	808	(8,755)	-	(8,755)
		(52,765)	(1,316)	(54,081)	7,621	(885)	6,736			(348,980)	-	(348,980)	(134,856)	-	(134,856)
Income before net financial revenues (expenses)		21,047	(1,316)	19,731	33,930	(885)	33,045			30,826	(2,617)	28,209	4,706	(1,190)	3,516
Financial revenues		132,315	-	132,315	46,206	-	46,206			139,663	-	139,663	49,340	-	49,340
Financial expenses		(116,538)	-	(116,538)	(75,690)	-	(75,690)			(124,230)	-	(124,230)	(47,704)	-	(47,704)
Net financial income (expenses)		15,777	-	15,777	(29,484)	-	(29,484)			15,433	-	15,433	1,636	-	1,636
Income before income tax and social contribution		36,824	(1,316)	35,508	4,446	(885)	3,561			46,259	(2,617)	43,642	6,342	(1,190)	5,152
Current income tax and social contribution	C	(29,436)	-	(29,436)	(12,026)	-	(12,026)			(52,790)	1,301	(51,489)	(21,032)	305	(20,727)
Deferred income tax and social contribution taxes		4,020	-	4,020	1,202	-	1,202			17,939	-	17,939	8,312	-	8,312
		(25,416)	-	(25,416)	(10,824)	-	(10,824)			(34,851)	1,301	(33,550)	(12,720)	305	(12,415)
Net profit (loss) for the period		11,408	(1,316)	10,092	(6,378)	(885)	(7,263)			11,408	(1,316)	10,092	(6,378)	(885)	(7,263)

(iii) Statement of comprehensive income parent company and consolidated:

Parent company						
	Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)	Balances presented on 07/01/2022 to 09/30/2022	Adjustment	Balances 07/01/2022 to 09/30/2022 (Restated)
Net profit (loss) for the period	11,408	(1,316)	10,092	(6,378)	(885)	(7,263)
Other comprehensive income						
Cash flow hedge	-	-	-	-	-	-
Deferred taxes on cash flow hedges	-	-	-	-	-	-
Comprehensive income for the period	11,408	(1,316)	10,092	(6,378)	(885)	(7,263)
Consolidated						
	Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)	Balances presented on 07/01/2022 to 09/30/2022	Adjustment	Balances 07/01/2022 to 09/30/2022 (Restated)
Net profit (loss) for the period	11,408	(1,316)	10,092	(6,378)	(885)	(7,263)
Other comprehensive income						
Cash flow hedge	-	-	-	-	-	-
Deferred taxes on cash flow hedges	-	-	-	-	-	-
Comprehensive income for the period	11,408	(1,316)	10,092	(6,378)	(885)	(7,263)

(iv) Parent company and consolidated cash flow statements:

	Parent company			Consolidated		
	Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)	Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)
Cash flows from operating activities						
Profit before income tax and social contribution	36,824	(1,316)	35,508	46,259	(2,617)	43,642
Adjustments to reconcile profit before income tax and social contribution with net cash flow from operating activities:						
Depreciation and amortization	29,815	-	29,815	75,474	-	75,474
Equity income	(11,519)	1,316	(10,203)	-	-	-
Passive lease interest, derivatives, exchange and monetary variations	3,019	-	3,019	3,380	-	3,380
Remeasurement fair value of contingent consideration	101,437	-	101,437	69,227	-	69,227
Mark-to-market of derivatives	148	-	148	148	-	148
Share-based payments	8,705	-	8,705	10,893	-	10,893
Provisions and other adjustments	(142)	-	(142)	401	-	401
Changes in assets and liabilities						
Accounts receivable from customers	(2,730)	-	(2,730)	(105,557)	(1,209)	(106,766)
Taxes recoverable	(9,545)	-	(9,545)	(451)	-	(451)
Other assets	(1,085)	-	(1,085)	(6,295)	-	(6,295)
Court deposits	(12)	-	(12)	(29)	-	(29)
Suppliers	308	-	308	10,464	-	10,464
Salaries, charges, and social benefits	8,150	-	8,150	30,364	-	30,364
Other taxes payable	(11,679)	-	(11,679)	(17,468)	(229)	(17,697)
Services to provide	3,446	-	3,446	10,983	4,055	15,038
Receipts to be passed on	-	-	-	50,748	-	50,748
Other liabilities	(500)	-	(500)	(636)	-	(636)
Income tax and social contribution paid	(13,911)	-	(13,911)	(35,156)	-	(35,156)
Net cash from operating activities	140,729	-	140,729	142,749	-	142,749
Cash flows from investing activities						
Acquisitions of property, plant and equipment	(16,401)	-	(16,401)	(33,001)	-	(33,001)
Obligation with the acquisition of investments	(66,843)	-	(66,843)	(161,303)	-	(161,303)
Capital increase in subsidiary	(165,523)	-	(165,523)	-	-	-
Cash received in incorporation	624	-	624	-	-	-
Restricted financial investment	1,685	-	1,685	1,685	-	1,685
Acquisition of subsidiary, net of cash acquired	-	-	-	(28,062)	-	(28,062)
Financial assets	(13,281)	-	(13,281)	(13,281)	-	(13,281)
Acquisition and development of intangible assets	(16,295)	-	(16,295)	(40,952)	-	(40,952)
Receipt for the sale of assets	-	-	-	-	-	-
Net cash used in investing activities	(276,034)	-	(276,034)	(274,914)	-	(274,914)
Cash flows from financing activities						
Capital payment, net of share issuance expenses	3,961	-	3,961	3,961	-	3,961
Payment of lease liabilities	(8,768)	-	(8,768)	(12,898)	-	(12,898)
Loans and financing paid	(18,956)	-	(18,956)	(19,507)	-	(19,507)
Interest and exchange variation paid	(8,216)	-	(8,216)	(8,573)	-	(8,573)
Derivatives paid and received	7,425	-	7,425	7,425	-	7,425
Dividends and interest on equity paid	-	-	-	-	-	-
Repurchase of own shares	(1,712)	-	(1,712)	(1,712)	-	(1,712)
Net cash (used in) generated by financing activities	(26,266)	-	(26,266)	(31,304)	-	(31,304)
(Reduction) net increase in cash and cash equivalents	(161,571)	-	(161,571)	(163,469)	-	(163,469)
Cash and cash equivalents at the start of the period	1,465,014	-	1,465,014	1,584,399	-	1,584,399
Cash and cash equivalents at the end of the period	1,303,443	-	1,303,443	1,420,930	-	1,420,930
(Reduction) net increase in cash and cash equivalents	(161,571)	-	(161,571)	(163,469)	-	(163,469)

(v) Parent company and consolidated statement of added values:

	Parent company			Consolidated		
	Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)	Balances as at 09/30/2022	Adjustment	Balance 09/30/2022 (Restated)
Revenue	283,856	-	283,856	916,139	(2,846)	913,293
Service revenue	293,246	-	293,246	926,534	(2,846)	923,688
Discounts and rebates	(10,140)	-	(10,140)	(11,424)	-	(11,424)
Other operating revenues	750	-	750	1,029	-	1,029
Inputs purchased from third parties (includes ICMS, PIS and Cofins)	(94,917)	-	(94,917)	(369,896)	-	(369,896)
Cost of services provided	(89,655)	-	(89,655)	(223,593)	-	(223,593)
Materials, energy, third-party services and other services	(5,262)	-	(5,262)	(146,303)	-	(146,303)
Gross added value	188,939	-	188,939	546,243	(2,846)	543,397
Retention	(29,815)	-	(29,815)	(75,474)	-	(75,474)
Depreciation and amortization	(29,815)	-	(29,815)	(75,474)	-	(75,474)
Net added value generated	159,124	-	159,124	470,769	(2,846)	467,923
Added value received in transfers	143,834	(1,316)	142,518	139,663	-	139,663
Equity income	11,519	(1,316)	10,203	-	-	-
Financial revenues	132,315	-	132,315	139,663	-	139,663
Total added value to be distributed	302,958	(1,316)	301,642	610,432	(2,846)	607,586
Added value distribution	302,958	(1,316)	301,642	610,432	(2,846)	607,586
Personnel and charges	107,484	-	107,484	312,306	-	312,306
Direct compensation	90,339	-	90,339	260,897	-	260,897
Benefits	10,648	-	10,648	32,163	-	32,163
Severance Pay Indemnity Fund (FGTS)	6,497	-	6,497	19,246	-	19,246
Taxes, fees and contributions	67,529	-	67,529	161,979	(1,530)	160,449
Federal	58,245	-	58,245	135,053	(1,449)	133,604
State	-	-	-	111	-	111
Municipal	9,284	-	9,284	26,815	(81)	26,734
Interest and rent	116,537	-	116,537	124,739	-	124,739
Equity remuneration	11,408	(1,316)	10,092	11,408	(1,316)	10,092
Dividend distribution	-	-	-	-	-	-
(Loss) retained net profit	11,408	(1,316)	10,092	11,408	(1,316)	10,092

3 Cash and cash equivalents and financial assets

3.1 Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and banks	985	401	5,920	9,048
CDB (a)	5,161	5,786	99,604	84,967
Funds (b)	935,010	1,303,174	1,001,492	1,354,216
	941,156	1,309,361	1,107,016	1,448,231

- (a) On September 30, 2023, the consolidated financial investments, Bank Deposit Certificates (CDB), were remunerated at an average rate of 109.5% of the CDI for the quarter and 102.6% of the CDI for the last 12 months (108.31% of the CDI on December 31, 2022), with daily liquidity redeemable with the issuer, subject to an insignificant risk of change in value.
- (b) Exclusive fund, composed of quotas of an investment fund whose portfolio is formed by fixed income assets with immediate liquidity. The eligible assets in the portfolio composition structure are almost entirely investment grade, which corresponds to the highest rating classification, representing low credit risk and volatility.

Below we present the opening of the exclusive investment fund portfolio:

	09/30/2023	12/31/2022
Post fixed Interest rate	99.96%	100.41%
Cash and CPR	41.49%	34.49%
Private credit	46.70%	47.59%
FIDC	0.20%	0.31%
Public bonds	8.92%	14.42%
Derivatives	2.65%	3.60%
Pre fixed interest	0.04%	-0.41%
Private credit	1.19%	2.78%
Public bonds	1.50%	0.41%
Derivatives	-2.65%	-3.60%
Total	100.00%	100.00%

3.2 Financial assets

On December 10, 2021, the LW Ventures Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("LW Ventures"), a Corporate Venture Capital (CVC), was established, whose objective is to invest in startups with high growth and innovation potential. The Company is the majority shareholder of the Fund, which is managed by an independent manager. The investments are made substantially through loan agreements with an option to convert into equity interest on a certain date. The medium to long term strategy of the assets is to generate synergy with the Company's business, or a planned exit for the moment when the financial returns are favorable, thus they are recognized as a financial instrument (level 2).

Financial assets are measured at fair value through profit or loss, and because they represent privately held startups and do not have quoted prices in an active market, the fair value for these investments is measured by one or multiple valuation techniques practiced in the market, such as discounted cash flow or revenue multiples, considering the reasonableness of the range of values indicated by them, being the fair value measurement the point within that range that best represents the fair value in the circumstances, or through observable market transactions, such as new rounds of investments, being considered the Post Money Valuation as the new fair value reference for that asset. The Company used this reference for active investments at September 30, 2023 and December 31, 2022.

The value of these investments at September 30, 2023 was BRL 17,047 (BRL 13,381 at December 31, 2022).

4 Accounts receivable and services to be provided

4.1 Accounts receivable

The balance of accounts receivable is composed of:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Credit card administrators	6,153	5,951	673,487	614,309
Accounts receivable from customers	14,491	17,657	69,317	61,180
Total accounts receivable	20,644	23,608	742,804	675,489
Expected credit loss	(1,008)	(879)	(2,954)	(2,322)
Total net accounts receivable	19,636	22,729	739,850	673,167

The balance of accounts receivable by maturity is shown below:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Amounts to become due	17,122	17,828	728,235	663,047
Overdue amounts				
Up to 30 days	765	1,984	3,982	4,827
From 31 to 180 days	1,448	2,927	7,046	5,254
Over 180 days	1,309	869	3,541	2,361
Total accounts receivable	20,644	23,608	742,804	675,489

The movement in the Company's and its subsidiaries' expected credit losses for the periods ended September 30, 2023 and December 31, 2022 is shown below:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Opening balance	(879)	(1,142)	(2,322)	(2,242)
Additions	(954)	(306)	(4,926)	(3,698)
Reversals	825	590	4,294	3,618
Incorporation (i)	-	(21)	-	-
Final balance	(1,008)	(879)	(2,954)	(2,322)

(i) The amount refers to a portion of the accounts receivable balance from the merger of Ananke Participações.

Expected losses are calculated based on historical analysis and on amounts considered sufficient by Management to cover possible losses in the realization of trade accounts receivable.

Management believes that the risk related to accounts receivable is minimized by the fact that the composition of the Company's end customers is highly dispersed and the majority have paid in advance. The Company has more than 700 thousand active end customers in the portfolio and no customer represents 5% or more of revenue as of September 30, 2023.

4.2 Services to be provided

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Services to be provided	52,191	46,437	99,451	87,146
Current	47,894	43,850	95,154	84,559
Non-current	4,297	2,587	4,297	2,587

5 Other assets

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Advance to suppliers	1,371	2,230	5,692	5,068
Advances to employees	919	786	4,183	2,000
Software license to be appropriated	10,328	8,860	12,926	10,773
Shared services receivable from related parties (note 6a.)	6,602	5,790	-	-
PHENOM 100 program membership	2,718	2,718	2,718	2,718
Business combination indemnification asset (note 14.1)	-	-	2,258	2,001
Credits receivable carriers	-	-	3,300	9,321
Other assets	1,373	1,092	7,742	3,997
	23,311	21,476	38,819	35,878
Current	18,614	11,856	31,071	29,357
Non-current	4,697	9,620	7,748	6,521

6 Transactions with related parties

Transactions with related parties basically refer to transactions with subsidiaries and companies whose quotaholders are the individuals that make up the controlling group or the Board of Directors of the Company's subsidiaries.

a. Transactions and balances

The Company and its subsidiaries operate and are managed on an integrated basis, thus having common expenses (back office), which are apportioned based on technical criteria periodically reviewed by Management. Transactions are carried out under conditions agreed between the parties.

The Company entered into a private instrument for sharing expenses, reimbursements, transfers, retentions and apportionments within the same economic group. The purpose of this agreement is to objectively adjust the conditions and characteristics of the sharing of these expenses.

The main balances and transactions with related parties are as follows:

	Parent company	
	Current assets	
	09/30/2023	12/31/2022
Cyberweb	422	329
Wake	327	98
Yapay	1,299	1,229
Locaweb Telecom	204	22
Síntese	101	-
IT Capital (Delivery Direto)	184	70
Melhor Envio	709	485
Ideris	89	497
Bling	835	557
Octadesk	245	946
Squid	803	850
Credisfera	487	63
Samurai	2	2
Cplug	1	-
Etus	1	-
Vindi Tecnologia	209	185
Tray Tecnologia	684	457
	6,602	5,790

	Parent company					
	Revenue		Costs		Expenses	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Tray Tecnologia (a)	2,956	2,396	-	-	-	-
Yapay (a) (b)	3,452	1,631	-	(4)	(30)	-
Locaweb Telecom (c)	-	-	(122)	(129)	-	-
MG4 (e)	-	-	(7,105)	(6,776)	(2,066)	(1,991)
Ananke Tecnologia (a) (b)	-	310	-	(815)	-	-
Wake (a)	2,810	249	-	-	-	-
Cyberweb (a)	764	487	-	-	-	-
IT Capital (a)	281	218	-	-	-	-
Connectplug (a)	264	113	-	-	-	-
Etus (a) (d)	577	494	-	-	-	-
Melhor envio (a)	2,725	1,678	-	-	-	-
Bling (a) (b)	8,895	3,829	-	-	-	-
Octadesk (b)	-	-	(17)	-	(16)	(7)
Credisfera (a)	377	106	-	-	-	-
Bagy Sul (a)	1,179	460	-	-	-	-
Pagcerto (a)	275	123	-	-	-	-
Vindi (a)	1,350	553	-	-	(3)	-
Bagy (a)	77	-	-	-	-	-
Ideris (a)	454	-	-	-	-	-
Síntese (a)	196	-	-	-	-	-
Squid (b)	361	-	-	-	-	(26)
Samurai (b)	1	-	-	-	-	-
	26,994	12,647	(7,244)	(7,724)	(2,115)	(2,024)

- (a) Provision of services with hosting, software licensing and technical support.
- (b) Software licensing expense.
- (c) Telephone costs and expenses.
- (d) Expenses with advertising and media placement.
- (e) Costs and expenses with property rentals (cash disbursement).

	Consolidated			
	Costs		Expenses	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
MG4	(7,105)	(6,776)	(2,066)	(1,991)
WW Marques	-	-	(794)	(749)
Tech and Soul	-	-	-	(589)
	<u>(7,105)</u>	<u>(6,776)</u>	<u>(2,860)</u>	<u>(3,329)</u>

MG4 and WW Marques own real estate occupied by the Company and its Subsidiaries and Tech and Soul provides communication and advertising services. In all these companies, the owners are related parties.

The Company has a lease agreement for its head office with MG4, a company whose shareholders are the individuals that make up the Company's controlling group, for a monthly amount of approximately BRL 1,020. The total amount of rent paid in the period ended September 30, 2023 was BRL 9,171 (BRL 8,767 in the same period in 2022). The contract is effective for 120 months and is adjusted by the IGP-M index every 12 months. Due to the expense-sharing agreement, expenses are shared between the Parent Company and the subsidiaries that use the same headquarters. This agreement was recorded as a lease agreement included in note 10 and 12.2.

Subsidiary Tray Tecnologia has a lease agreement for its head office with WW Marques, a company that has one of the Company's shareholders among its quotaholders. In January 2022 a new property contract was signed by the subsidiary Tray Tecnologia with an increase in the occupied area. The updated monthly value of these contracts is approximately BRL 88. The total amount of rent paid for the period ended September 30, 2023 was BRL 794 (BRL 749 in the same period in 2022). The contract is effective for 60 months and is adjusted by the IGP-M index every 12 months. This agreement was recorded as a lease agreement included in note 10 and 12.2.

The Tech and Soul agency, in which one of its shareholders is also a shareholder and manager of the Company, is a provider of institutional communication and advertising services pursuant to an agreement signed on September 6, 2017. In the period ended September 30, 2023 there were no payments (BRL 589 in the same period in 2022).

The Company's management believes that there are no present or future effects on the equity and financial situation of the companies due to the discontinuation of operations carried out with the aforementioned related party, in view of the preemptive rights agreed on both the property and MG4.

b. Management compensation

Management compensation expenses for the periods ended September 30, 2023 and 2022 are shown below:

	09/30/2023	09/30/2022
Remuneration	7,660	8,863
Charges and Benefits	2,669	2,836
Expenses with stock purchase plan (i)	<u>4,707</u>	<u>2,451</u>
Total	<u>15,036</u>	<u>14,150</u>

- (i) Stock option plans, stock grants and performance plan (Note 16).

7 Investments

The investments are made up as follows:

	Parent company	
	09/30/2023	12/31/2022
Investments in subsidiaries	2,294,417	2,111,045
Provision for investment losses	(3,509)	(6,161)
Total investments	2,290,908	2,104,884
Investment reconciliation		
Investments in subsidiaries and affiliates	723,545	537,521
Goodwill on the acquisition of investments	1,567,363	1,567,363
Total net investments	2,290,908	2,104,884

The composition with goodwill on investments made by the Company is shown below:

	Parent company	
Investee	Balance on 12/31/2022	Balance on 09/30/2023
Direct		
LWK Kinghost	38,905	38,905
IT Capital (Delivery Direto)	26,685	26,685
Etus	25,956	25,956
Vindi Tecnologia	181,606	181,606
Connectplug	26,301	26,301
Bling	626,692	626,692
Octadesk	172,260	172,260
Squid	468,958	468,958
Total goodwill on the acquisition of investments	1,567,363	1,567,363

We shall now show the main financial information of the subsidiaries:

Balance on 09/30/2023						
Name	% Interest	Assets	Liabilities	Equity Net	Revenue Net	Income period
Direct interest						
Locaweb Telecom	100%	180	326	(146)	297	(266)
Yapay	100%	660,767	509,347	151,420	165,723	20,601
Tray Tecnologia	100%	352,269	88,923	263,346	79,080	(18,007)
LWK Kinghost	100%	26,986	-	26,986	-	5,558
IT Capital (Delivery Direto)	100%	3,010	2,209	801	11,809	677
Locaweb Commerce	100%	309,579	40,382	269,197	-	(465)
Etus	100%	1,433	1,348	85	3,346	(395)
Vindi Tecnologia	100%	32,432	11,617	20,815	27,239	(7,661)
Connectplug	100%	2,950	3,052	(102)	11,639	(795)
Bling	100%	68,594	30,796	37,798	102,587	9,811
Octadesk	100%	4,608	7,869	(3,261)	29,695	(839)
Squid	100%	48,267	28,982	19,285	84,795	(8,468)
LW Ventures	100%	17,047	-	17,047	-	(833)
Indirect interest						
Wake	100%	29,631	9,638	19,993	14,616	(8,732)
Cyberweb	100%	36,892	36,041	851	41,742	5,558
Melhor Envio	100%	70,834	57,562	13,272	79,307	4,340
Ideris	100%	8,358	6,630	1,728	11,464	(683)
Vindi Pagamentos	100%	816	-	816	4	(321)
Bagy Sul	100%	1,504	1,397	107	5,667	(1,847)
Credisfera	100%	7,129	5,765	1,364	10,707	(3,147)
Samurai Holding	100%	1,309	738	571	-	(198)
Samurai Desenvolvimento	100%	1,558	250	1,308	1,735	(195)
Organisys Payments Holding	100%	16,259	1,585	14,674	-	(1,673)
PagCerto	100%	37,060	34,222	2,838	2,689	(868)
Bagy	100%	4,332	1,143	3,189	7,957	(4,394)
Síntese	100%	7,141	2,781	4,360	13,864	2,457

Balance on 12/31/2022

Name	% Interest	Assets	Liabilities	Equity Net	Revenue Net	Income period
Direct interest						
Locaweb Telecom	100%	56	446	(390)	335	(408)
Yapay	100%	626,515	495,904	130,611	192,948	22,804
Tray Tecnologia	100%	321,748	73,416	248,332	90,806	50,531
Nextios	100%	-	-	-	-	2,940
LWK Kinghost	100%	26,134	4,853	21,281	-	7,457
IT Capital (Delivery Direto)	100%	1,454	1,522	(68)	14,686	(1,931)
Locaweb Commerce	100%	304,713	161,657	143,056	-	(23,219)
Etus	100%	857	852	5	4,658	(2,711)
Vindi Tecnologia	100%	23,306	13,772	9,534	36,517	(10,399)
Connectplug	100%	1,175	1,694	(519)	9,090	(4,007)
Bling	100%	49,502	21,767	27,735	97,730	12,068
Octadesk	100%	3,540	8,724	(5,184)	34,533	(6,753)
Squid	100%	36,643	29,389	7,254	107,706	3,833
LW Ventures	100%	13,381	-	13,381	-	(1,646)
Indirect interest						
Ananke	100%	-	-	-	21,660	2,942
Wake	100%	23,177	5,388	17,789	18,987	2,873
Cyberweb	100%	31,249	36,102	(4,853)	52,441	7,408
Kinghost	100%	-	-	-	-	(130)
Unipago	100%	-	-	-	95	180
IPV6	100%	-	-	-	-	(1)
Melhor Envio	100%	67,357	58,533	8,824	88,194	4,045
Ideris	100%	7,728	7,495	233	15,693	(6,501)
Smart Tecnologia	100%	-	-	-	-	(40)
Vindi Pagamentos	100%	1,436	299	1,137	710	46
Bagy Sul	100%	700	873	(173)	7,574	(3,661)
Credisfera	100%	6,536	3,899	2,637	9,616	(8,222)
Samurai Holding	100%	1,331	737	594	-	(3,107)
Samurai Desenvolvimento	100%	2,094	818	1,276	6,693	(3,104)
V.O Desenvolvimento	100%	-	-	-	-	(1)
Organisys Payments Holding	100%	17,657	1,310	16,347	-	6,157
PagCerto	100%	27,224	23,519	3,705	2,155	(2,060)
Bagy	100%	1,590	1,761	(171)	6,967	(10,936)
Duopana	100%	-	-	-	60	26
Síntese	100%	3,918	2,014	1,904	6,202	1,114

The transactions with investments in subsidiaries are shown below:

Investee	Balance on 12/31/2022	Capital advance/ increase	Equity			Action based compensation plan	Saldo em 09/30/2023
			Equity	Amortization added value	Total		
Locaweb Telecom	(390)	510	(266)	-	(266)	-	(146)
Yapay	130,611	-	20,601	-	20,601	208	151,420
Tray Tecnologia	248,329	31,917	(18,007)	-	(18,007)	1,107	263,346
LWK Kinghost	9,360	-	5,558	(2,438)	3,120	148	12,628
IT Capital (Delivery Direto)	(4,584)	-	677	(1,016)	(339)	193	(4,730)
Locaweb Commerce	143,058	126,567	(465)	-	(465)	37	269,197
Etus	(3,214)	460	(395)	(1,073)	(1,468)	15	(4,207)
Vindi Tecnologia	(707)	18,750	(7,661)	(3,841)	(11,502)	191	6,732
Connectplug	(2,313)	1,170	(795)	(702)	(1,497)	42	(2,598)
Bling	10,353	-	9,811	(8,234)	1,577	252	12,182
Octadesk	(7,217)	2,700	(839)	(1,076)	(1,915)	62	(6,370)
Squid	854	20,401	(8,468)	(3,841)	(12,309)	98	9,044
LW Ventures	13,381	4,499	(833)	-	(833)	-	17,047
	537,521	206,974	(1,082)	(22,221)	(23,303)	2,353	723,545

Investee	Balance on 12/31/2021	Transfer (i)	Capital advance/ increase	Equity			Equity Plan	Others (ii)	Balance on 09/30/2022
				Equity	Amortization of added value	Total			
Locaweb Telecom	(472)	-	360	(237)	-	(237)	-	-	(349)
Yapay	107,516	-	-	15,758	-	15,758	239	-	123,513
Tray Tecnologia	115,688	-	74,103	46,352	-	46,352	1,327	-	237,470
Nextios	(3,252)	1,190	-	2,940	(73)	2,867	-	(805)	-
LWK Kinghost	4,934	-	-	4,762	(2,438)	2,324	225	-	7,483
IT Capital (Delivery Direto)	(2,398)	-	650	(2,229)	(1,016)	(3,245)	206	-	(4,787)
Locaweb Commerce	90,573	-	73,535	(18,488)	-	(18,488)	112	-	145,732
Etus	(1,319)	-	1,570	(2,010)	(1,073)	(3,083)	22	-	(2,810)
Vindi Tecnologia	1,611	-	7,920	(6,250)	(3,841)	(10,091)	276	-	(284)
Connectplug	(1,340)	-	2,685	(3,045)	(702)	(3,747)	46	-	(2,356)
Social Miner	(1,126)	1,126	-	-	-	-	-	-	-
Bling	9,054	-	-	1,293	(8,234)	(6,941)	151	-	2,264
Octadesk	(729)	-	-	(5,907)	(1,076)	(6,983)	-	-	(7,712)
Squid	(2,759)	-	4,700	2,601	(3,841)	(1,240)	-	200	901
	315,981	2,316	165,523	35,540	(22,294)	13,246	2,604	(605)	499,065

- (i) Transfer to intangible assets originating from merger (Explanatory note 9).
(ii) Ananke merger.

7.1 Obligation with investment acquisitions

The balance of obligation with acquisition of investments is composed of:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Nextios	1,029	1,242	1,029	1,242
IT Capital (Delivery Direto)	542	592	542	592
Etus	1,898	1,898	1,898	1,898
Ideris	-	-	-	25,865
Melhor Envio	-	-	42,110	136,024
ConnectPlug	24,579	13,074	24,579	13,074
Social Miner	2,000	1,889	2,000	1,889
Vindi Tecnologia	11,167	30,623	11,167	30,623
Bagy Sul	-	-	12,947	11,313
Credisfera	-	-	13,496	7,595
Samurai	-	-	1,311	1,328
Bling	294,661	323,966	294,661	323,966
Pagcerto	-	-	1,585	1,310
Bagy	-	-	21,620	17,266
Octadesk	67,031	60,006	67,031	60,006
Squid	123,751	203,094	123,751	203,094
Síntese	-	-	15,512	18,317
Total investment obligations	526,658	636,384	635,239	855,402
Current	379,069	178,657	458,780	311,873
Non-current	147,589	457,727	176,459	543,529

The movement of obligations with the acquisition of investments is presented below:

	Parent company	Consolidated
Balance on 12/31/2022	636,384	855,402
Additions	-	25
Payments withheld installments	(6,202)	(15,470)
Contingent consideration paid	(226,824)	(351,354)
Remeasurement fair value of contingent consideration	123,300	146,636
Balance on 09/30/2023	526,658	635,239

7.2 Business arrangements

7.2.1 Acquisitions in 2022

Acquisition of Síntese

The accounting for net assets acquired in the year ended December 31, 2022 has been done based on a preliminary fair value assessment.

In relation to the amounts disclosed in the financial statements for 2022, there was an adjustment of BRL 25 in the value added to intangible related to the issue of a fair value report of the acquired assets.

The assessed balances are shown below:

	Fair value recognized in the acquisition
Assets	14,826
Cash and cash equivalents	1,674
Accounts receivable	907
Advances	56
Intangible assets	12,189
Liabilities	2,646
Suppliers	100
Labor obligations	52
Tax obligations	76
Dividends payable	1,082
Other liabilities	1,336
Total net identifiable assets	12,180
Goodwill generated in the acquisition	35,393
Total consideration	47,573
Cash flow on acquisition	
Cash paid, net of cash acquired	28,062
Purchase cost	1,954
Cash paid on acquisition	30,016

The total consideration can be presented as follows:

Cash payment on closing date	29,736
Obligation with investment acquisition (a)	17,837
Total consideration	47,573

- (a) The Company agreed to pay the selling shareholders an additional amount of BRL 22,375. The Company recorded BRL 17,837 as contingent consideration related to the additional payment, which represents its fair value on the acquisition date. On September 30, 2023, the fair value of the contingent consideration was BRL 15,512.

8 Property, plant, and equipment

The transactions in the parent company are shown below:

	Parent company						
	Computers and Peripherals	Improvements	Furniture and utensils	Machines and equipment	Components for assembly	Other fixed assets	Total fixed assets
Cost							
Balances on December 31, 2022	11,768	34,596	2,935	304,391	213	1,469	355,372
Additions	1,036	405	54	9,354	353	-	11,202
Write-offs	(127)	-	-	(7,238)	-	(63)	(7,428)
Transfers	48	-	(48)	437	(437)	-	-
Balances on September 30, 2023	12,725	35,001	2,941	306,944	129	1,406	359,146
Depreciation							
Balances on December 31, 2022	(7,296)	(18,809)	(1,444)	(265,330)	-	(692)	(293,571)
Depreciation	(1,032)	(1,644)	(155)	(14,164)	-	(191)	(17,186)
Write-offs	124	-	-	7,238	-	62	7,424
Transfers	(1)	-	-	-	-	1	-
Balances on September 30, 2023	(8,205)	(20,453)	(1,599)	(272,256)	-	(820)	(303,333)
Residual value							
Balances on December 31, 2022	4,472	15,787	1,491	39,061	213	777	61,801
Balances on September 30, 2023	4,520	14,548	1,342	34,688	129	586	55,813

	Parent company						
	Computers and peripherals	Improvements	Furniture and utensils	Machines and equipment	Components for assembly	Other fixed assets	Total fixed assets
Cost							
Balances on December 31, 2021	8,530	33,555	2,703	287,279	465	1,596	334,128
Additions by incorporation	1,749	-	95	19	8	10	1,881
Period additions	966	496	91	14,638	512	-	16,703
Write-offs	(18)	-	-	(3,634)	-	(137)	(3,789)
Transfers	40	5	(26)	680	(699)	-	-
Balances on September 30, 2022	11,267	34,056	2,863	298,982	286	1,469	348,923
Depreciation							
Balances on December 31, 2021	(4,982)	(16,720)	(1,140)	(251,846)	-	(503)	(275,191)
Additions by incorporation	(1,705)	-	(90)	(18)	-	(8)	(1,821)
Depreciation for the period	(832)	(1,547)	(163)	(14,045)	-	(219)	(16,806)
Write-offs	3	-	-	3,634	-	108	3,745
Transfers	(1)	-	1	-	-	-	-
Balances on September 30, 2022	(7,517)	(18,267)	(1,392)	(262,275)	-	(622)	(290,073)
Residual value							
Balances on December 31, 2021	3,548	16,835	1,563	35,433	465	1,093	58,937
Balances on September 30, 2022	3,750	15,789	1,471	36,707	286	847	58,850

The transactions in the consolidated report are presented below:

	Consolidated						
	Computers and Peripherals	Improvements	Furniture and utensils	Machines and equipment	Components for assembly	Other fixed assets	Total fixed assets
Cost							
Balances on December 31, 2022	45,220	41,153	6,484	324,999	257	1,982	420,095
Additions	5,338	1,812	232	9,819	353	107	17,661
Write-offs	(284)	(105)	(119)	(7,600)	-	(255)	(8,363)
Transfers	60	(109)	38	448	(437)	-	-
Balances on September 30, 2023	50,334	42,751	6,635	327,666	173	1,834	429,393
Depreciation							
Balances on December 31, 2022	(20,307)	(24,105)	(2,792)	(275,441)	-	(934)	(323,579)
Depreciation	(6,355)	(2,635)	(413)	(17,040)	-	(204)	(26,647)
Write-offs	235	170	87	7,596	-	157	8,245
Transfers	(1)	6	7	(17)	-	5	-
Balances on September 30, 2023	(26,428)	(26,564)	(3,111)	(284,902)	-	(976)	(341,981)
Residual value							
Balances on December 31, 2022	24,913	17,048	3,692	49,558	257	1,048	96,516
Balances on September 30, 2023	23,906	16,187	3,524	42,764	173	858	87,412

	Consolidated						
	Computers and peripherals	Improvements	Furniture and utensils	Machines and equipment	Components for assembly	Other fixed assets	Total fixed assets
Cost							
Balances on December 31, 2021	35,888	37,129	6,117	299,525	2,203	2,396	383,258
Period additions	8,059	3,276	439	19,408	2,029	-	33,211
Write-offs	(331)	(1)	(164)	(3,718)	-	(137)	(4,351)
Transfers	319	(8)	(26)	3,607	(3,892)	-	-
Balances on September 30, 2022	43,935	40,396	6,366	318,822	340	2,259	412,118
Depreciation							
Balances on December 31, 2021	(14,454)	(18,204)	(2,367)	(258,794)	-	(705)	(294,524)
Depreciation for the period	(5,535)	(4,031)	(388)	(16,275)	-	(256)	(26,485)
Write-offs	309	-	86	3,690	-	109	4,194
Transfers	3	4	(2)	(5)	-	-	-
Balances on September 30, 2022	(19,677)	(22,231)	(2,671)	(271,384)	-	(852)	(316,815)
Residual value							
Balances on December 31, 2021	21,434	18,925	3,750	40,731	2,203	1,691	88,734
Balances on September 30, 2022	24,258	18,165	3,695	47,438	340	1,407	95,303

(*) There were no impairment indicators in the period ended September 30, 2023 and 2022.

9 Intangible assets

The changes in the parent company are shown below:

	Parent company						
	Software	Brands and patents	Internal development (a)	Others	Goodwill	Client portfolio	Total intangible assets
Cost							
Balances on December 31, 2022	15,761	5,007	68,919	872	75,983	3,775	170,317
Additions	2,674	-	15,351	-	-	-	18,025
Balances on September 30, 2023	18,435	5,007	84,270	872	75,983	3,775	188,342
Amortization							
Balances on December 31, 2022	(7,305)	(1,044)	(20,439)	(632)	-	(3,775)	(33,195)
Amortization	(1,372)	(300)	(10,165)	(65)	-	-	(11,902)
Balances on September 30, 2023	(8,677)	(1,344)	(30,604)	(697)	-	(3,775)	(45,097)
Residual value							
Balances on December 31, 2022	8,456	3,963	48,480	240	75,983	-	137,122
Balances on September 30, 2023	9,758	3,663	53,666	175	75,983	-	143,245

- (a) Refers to expenses with internal development linked to technological innovations of existing products, which were recorded as intangible assets as they meet the criteria specified in CPC 04 (R1)/IAS 38, with an average amortization period of 5 years.

Parent company							
	Software	Brands and patents	Internal development (a)	Others	Goodwill	Client portfolio	Total intangible assets
Cost							
Balances on December 31, 2021	<u>6,773</u>	<u>2,132</u>	<u>50,752</u>	<u>872</u>	<u>33,087</u>	<u>2,586</u>	<u>96,202</u>
Additions by incorporation (ii)	981	5	-	-	-	-	986
Period additions	2,260	-	14,035	-	-	-	16,295
Transfers (i)	4,333	2,870	-	-	42,896	1,189	51,288
Balances on September 30, 2022	<u>14,347</u>	<u>5,007</u>	<u>64,787</u>	<u>872</u>	<u>75,983</u>	<u>3,775</u>	<u>164,771</u>
Amortization							
Balances on December 31, 2021	<u>(4,070)</u>	<u>(312)</u>	<u>(15,871)</u>	<u>(544)</u>	<u>-</u>	<u>(2,586)</u>	<u>(23,383)</u>
Additions by incorporation (ii)	(736)	-	-	-	-	-	(736)
Amortization for the period	(1,414)	(298)	(5,269)	(66)	-	-	(7,047)
Transfers (i)	(794)	(333)	-	-	-	(1,189)	(2,316)
Balances on September 30, 2022	<u>(7,014)</u>	<u>(943)</u>	<u>(21,140)</u>	<u>(610)</u>	<u>-</u>	<u>(3,775)</u>	<u>(33,482)</u>
Residual value							
Balances on December 31, 2021	2,703	1,820	34,881	328	33,087	-	72,819
Balances on September 30, 2022	7,333	4,064	43,647	262	75,983	-	131,289

- (i) Transfer of investment to intangible originated from the incorporation of the subsidiary Social Miner Internet Ltda.
- (ii) Merger of Ananke.
- (a) Refers to expenses with internal development linked to technological innovations of existing products, which were recorded as intangible assets as they meet the criteria specified in CPC 04 (R1)/IAS 38, with an average amortization period of 5 years.

The changes in the consolidated are presented below:

	Consolidated						
	Software	Brands and patents	Internal development (a)	Others	Goodwill	Client portfolio	Total intangible assets
Cost							
Balances on December 31, 2022	153,597	160,184	145,345	872	1,897,089	55,305	2,412,392
Additions	3,028	2,625	48,980	-	25	-	54,658
Write-offs	(72)	-	-	-	-	-	(72)
Balances on September 30, 2023	156,553	162,809	194,325	872	1,897,114	55,305	2,466,978
Amortization							
Balances on December 31, 2022	(63,246)	(15,833)	(32,617)	(632)	-	(17,607)	(129,935)
Amortization	(20,821)	(6,492)	(19,366)	(65)	-	(4,938)	(51,682)
Write-offs	72	-	-	-	-	-	72
Balances on September 30, 2023	(83,995)	(22,325)	(51,983)	(697)	-	(22,545)	(181,545)
Residual value							
Balances on December 31, 2022	90,351	144,351	112,728	240	1,897,089	37,698	2,282,457
Balances on September 30, 2023	72,558	140,484	142,342	175	1,897,114	32,760	2,285,433

- (a) Refers to expenses with internal development linked to technological innovations of existing products, which were recorded as intangible assets as they meet the criteria specified in CPC 04 (R1)/IAS 38.

Consolidated							
	Software	Brands and patents	Internal development (a)	Others	Goodwill	Client portfolio	Total intangible assets
Cost							
Balances on December 31, 2021	145,343	157,090	95,891	877	1,861,721	50,011	2,310,933
Additions by company acquisition (i)	3,977	2,919	-	-	35,368	5,293	47,557
Period additions	2,302	175	38,474	-	-	1	40,952
Write-offs	(29)	-	-	-	-	-	(29)
Transfers in the period	453	-	(448)	(5)	-	-	-
Balances on September 30, 2022	152,046	160,184	133,917	872	1,897,089	55,305	2,399,413
Amortization							
Balances on December 31, 2021	(36,093)	(7,444)	(24,822)	(544)	-	(11,429)	(80,332)
Amortization for the period	(20,409)	(6,225)	(8,421)	(66)	-	(4,532)	(39,653)
Write-offs	6	-	-	-	-	-	6
Balances on September 30, 2022	(56,496)	(13,669)	(33,243)	(610)	-	(15,961)	(119,979)
Residual value							
Balances on December 31, 2021	109,250	149,646	71,069	333	1,861,721	38,582	2,230,601
Balances on September 30, 2022	95,550	146,515	100,674	262	1,897,089	39,344	2,279,434

(i) Refers to the acquisition of Sintese.

(a) Refers to expenses with internal development linked to technological innovations of existing products, which were recorded as intangible assets as they meet the criteria specified in CPC 04 (R1)/IAS 38.

There were no impairment indicators in the periods ended September 30, 2023 and 2022.

10 Right-of-use asset

The changes are shown below:

	Parent company	Consolidated
Right-of-use asset on 12/31/2021	59,724	69,577
Addition	9,489	12,535
Write-offs	-	(1,436)
Amortization	(5,962)	(9,336)
Right-of-use asset on 09/30/2022	63,251	71,340
Right-of-use asset on 12/31/2022	61,166	68,830
Additions	115	2,828
Write-offs	-	(611)
Amortization	(6,264)	(9,952)
Right-of-use asset on 09/30/2023	55,017	61,095

11 Taxes in installments

Refers to taxes paid in installments upon adhesion to the special tax regularization program (PERT):

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Social Integration Program - PIS and Contribution to Social Security Financing - COFINS	224	241	1,867	1,987
Social Security Contribution on Gross Revenue - CPRB	3	3	952	1,005
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	599	634	13,415	14,136
National Institute of Social Security contribution - INSS	103	146	509	584
Others	555	579	1,115	1,183
Total tax installments	1,484	1,603	17,858	18,895
Current	251	282	3,013	2,882
Non-current	1,233	1,321	14,845	16,013

12 Loans, financing and lease liabilities

12.1 Loans and financing

Composition of Loans and Financing

		Parent company		Consolidated		
	Charges	Due date	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Others			-	-	101	421
			-	-	101	421
Current			-	-	95	380
Non-current			-	-	6	41
Total loans and financing			-	-	101	421

The amounts recorded in non-current liabilities as of September 30, 2023 have the following maturity schedule:

	Parent company	Consolidated
2024	-	6
	-	6

12.2 Lease liabilities

	Parent company	Consolidated
Liabilities for the right to use on 12/31/2021	65,672	76,849
Addition	9,489	12,535
Write-offs	-	(1,806)
Interest incurred	3,995	4,592
Payments	(8,768)	(12,898)
Liabilities for the right to use on 09/30/2022	70,388	79,272
Current	7,105	11,416
Non-current	63,283	67,856
Liabilities for the right to use on 12/31/2022	68,663	76,870
Addition	115	2,828
Write-offs	-	(661)
Interest incurred	3,784	4,376
Payments	(9,170)	(13,462)
Liabilities for the right to use on 09/30/2023	63,392	69,951
Current	7,687	11,613
Non-current	55,705	58,338

The non-current installments due have the following lease maturity schedule:

	Parent company	Consolidated
From 13 to 24 months	8,302	10,236
From 25 to 36 months	8,966	9,585
From 37 to 42 months	9,683	9,753
From 43 to 60 months	10,458	10,468
Over 61 months	18,296	18,296
	55,705	58,338

13 Salaries, charges, and social benefits

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Salaries and charges	9,922	10,965	25,840	31,830
Provision of vacations, 13 th salary and charges	21,960	14,072	69,315	41,614
Profit Sharing Plan (PPR)	9,132	6,088	23,564	16,886
	41,014	31,125	118,719	90,330

14 Provision for contingencies

The composition and changes of the provision for lawsuits, constituted for cases classified as “Probable” risk, is shown below:

	Parent company		
	Civil claims	Labor claims	Total
Balances on December 31, 2021	439	1,520	1,959
Reversals / Additions	(85)	531	446
Balances on September 30, 2022	354	2,051	2,405
Balances on December 31, 2022	370	77	447
Reversals / Additions	(73)	1,403	1,330
Balances on September 30, 2023	297	1,480	1,777
	Consolidated		
	Civil claims	Labor claims	Total
Balances on December 31, 2021	1,206	1,520	2,726
Reversals / Additions	2,332	744	3,076
Balances on September 30, 2022	3,538	2,264	5,802
Balances on December 31, 2022	3,555	173	3,728
Reversals / Additions	(485)	1,324	839
Balances on September 30, 2023	3,070	1,497	4,567

Civil lawsuits are mainly represented by requests for damages for possible problems caused in the provision of services, while labor claims refer to requests of different characteristics and in different stages of the proceedings, with no relevant case that deserves to be highlighted.

Possible losses

The Company and its subsidiaries are party to civil and tax lawsuits, involving risks of loss classified by Management as possible, based on the assessment of its legal advisors, for which there is no provision constituted, according to the composition and estimate below:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Civil	3,144	2,350	4,815	3,122
Labor	83	8,995	172	8,997
Tax	16,794	16,134	17,482	16,923
	20,021	27,479	22,469	29,042

Civil lawsuits are mainly represented by requests for damages for possible problems caused in the provision of services, with no relevant case that deserves to be highlighted.

The tax proceedings refer substantially to discussions about information on ancillary obligations and the basis for calculating payroll taxes for specific activities.

Our main tax proceeding refers to the tax assessment notice issued by the Finance Department of the State of São Paulo on December 31, 2015 to Locaweb, in order to claim alleged ICMS debt on operations with software and electronic files and accusation that Locaweb failed to make its ICMS taxpayer registration in the condition of communication service provider. The updated amount of the lawsuit consists of BRL 11,314 with the possibility of loss classified as “Possible”. In addition, in terms of procedural progress, the final judgment of the case is awaited by at São Paulo Tax and Fees Court.

For the provisioned lawsuits, there is a balance of judicial deposits as of September 30, 2023 in the amount of BRL 402 in the Parent Company (BRL 447 as of December 31, 2022) and of BRL 548 Consolidated (BRL 1,063 as of December 31, 2022).

The tax and contribution statements of the Company and its subsidiaries submitted to the federal, state and municipal levels are subject to review and final acceptance by the tax authorities for a period of five years.

14.1 Business Combination Indemnity Assets

In the business combination process of the direct and indirect subsidiaries, respectively, Vindi Tecnologia, Samurai, Etus and Ideris, it was agreed that each shareholder would be responsible for any claims arising from acts, facts or omissions occurring before the transaction. Therefore, part of the lawsuits presented in the consolidated financial statements, corresponding to the amount of BRL 2,258, are the responsibility of the former shareholders and will be reimbursed to the Company in case of loss (see note 5).

15 Net equity

a. Share capital

Locaweb’s authorized share capital is five billion reais BRL 5,000,000. As of September 30, 2023, the subscribed and paid-in capital of Locaweb is BRL 3,013,866 (BRL 2,937,665 net of the cost of issuing shares), represented by 595,764,158 common shares (592,510,448 as of December 31, 2022), all registered, in book-entry form and without par value

On September 30, 2023, the balance of treasury shares corresponds to 6,228,472 common shares, in the amount of BRL 63,218 (3,048,472 common shares, in the amount of BRL 47,481 on December 31, 2022).

Changes in share capital in the period ended September 30, 2023 refer to: (a) issue of 1,579,650 common shares with no par value, paid up in the period, in the amount of BRL 3,495 arising from the exercise of stock option plans, as approved on January 11, 2023; (b) issue of 1,674,060 common shares with no par value, paid up in the period, in the amount of BRL 3,434 arising from the exercise of stock option plans, as approved on July 03, 2023.

The distribution of shares as of September 30, 2023 is shown below:

	09/30/2023		12/31/2022	
	Interest %	Quantity of shares	Interest %	Quantity of shares
Claudio Gora	6.08%	36,227,821	6.11%	36,227,821
Gilberto Mautner	6.13%	36,541,221	6.17%	36,541,221
Michel Gora	5.93%	35,344,424	5.97%	35,344,421
Ricardo Gora	6.06%	36,083,221	6.09%	36,083,224
Andrea Gora Cohen	2.70%	16,086,065	2.71%	16,086,065
Treasury Share	1.05%	6,228,472	0.52%	3,048,472
General Atlantic	15.06%	89,695,100	10.75%	63,667,800
William Blair	5.15%	30,699,936	5.18%	30,699,936
Other shareholders	51.84%	308,857,898	56.50%	334,811,488
	100.00%	595,764,158	100.00%	592,510,448

The Company may, by resolution of the Board of Directors, acquire its own shares to be held in treasury and subsequently sold or canceled, up to the amount of the balance of profit and reserves, except for the legal reserve, without decreasing the capital stock, in compliance with the provisions of applicable laws and regulations.

The Company may, by resolution of the Board of Directors and in accordance with the plan approved by the General Meeting, grant stock purchase or subscription options, without preemptive rights for shareholders, in favor of its managers, employees or individuals who provide services to the Company, and this option may be extended to managers and employees of the Company's subsidiaries, directly or indirectly (Note 16).

Transaction costs incurred in raising own funds are recorded in a specific account reducing shareholders' equity, deducting any tax effects.

b. Legal reserve

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

c. Capital reserves

Capital reserves are made up of amounts referring to goodwill on the issuance of shares, goodwill on capital transitions and amounts arising from stock option plans that are recorded directly in shareholders' equity.

d. Profit reserves

The profit retention reserve refers to the retention of the remaining balance of retained earnings, in order to meet the business growth project established in its investment plan, according to the capital budget approved and proposed by the Company's managers, to be deliberated at the Shareholders' General Meeting, in compliance with article 196 of the Brazilian Corporation Law.

The Board of Directors meeting held on May 4, 2023 approved the distribution of dividends in the amount of BRL 30,815, of which BRL 7,192 were mandatory minimum dividends and BRL 23,623 related to the Company's profit retention reserve for 2022, both paid on May 19, 2023.

e. Other comprehensive income

The Company recognizes in this caption the effect of cash flow hedge transactions, net of tax. Cash flow hedge transactions will be transferred to the income statement if an ineffective portion is identified and/or upon termination of the hedge contract.

16 Stock option plans, stock granting, and performance plan.

a. Stock option plans

As of the base date defined in each Option Agreement ("Base date"), the following years will be calculated to decide on the options granted under the Ninth Plan: (i) up to 25% of the shares that can be acquired with the exercise of the option may be acquired on the Vesting Dates, after 1 year elapsed from the Base Date; (ii) up to 25% of the shares that can be acquired with the exercise of the option, plus any remaining shares not exercised on the preceding Vesting Dates, may be acquired on the Vesting Dates, after 2 years have elapsed from the Base Date; (iii) up to 25% of the shares that can be acquired with the exercise of the option, plus any remaining shares not exercised on the preceding Vesting Dates, may be acquired on the Vesting Dates, after 3 years have elapsed from the Base Date; and (iv) up to 25% of the shares that may be acquired with the exercise of the option, plus any remaining non-vested shares on the preceding Vesting Dates, may be acquired on the Vesting Dates, 4 years after the Base Date ("Vesting Exercises"). In any case, the amount of shares that may be acquired after each Vesting Exercise will remain in force until the Maximum Vesting Period (that is, until July 1, 2024), and the portion of shares not vested within this period and under the stipulated conditions shall be automatically terminated, without the right to compensation.

Information regarding the Company's stock option plans is summarized below:

September 30, 2023							Number of shares			
Series	Grant date	Base date	1st vesting date	Expiration date	Vesting price	Fair value	Granted	Vested	Expired	Total in force
A series	7/15/2009	1/1/2008	1/1/2010	1/1/2017	1.08	1.95	9,681,164	(7,344,117)	(2,337,047)	-
B series	7/15/2009	7/1/2009	7/1/2010	7/1/2018	1.08	1.82	667,728	(667,728)	-	-
C series	9/3/2010	1/1/2010	1/1/2011	1/1/2019	1.08	2.03	3,980,000	(332,560)	(3,647,440)	-
D series	7/1/2011	7/1/2011	1/1/2012	7/1/2019	1.31	1.64	1,720,000	(1,130,000)	(590,000)	-
E series	1/1/2012	1/1/2012	1/1/2013	1/1/2020	1.31	2.07	3,720,000	(1,990,000)	(1,730,000)	-
F series	7/1/2012	7/1/2012	1/1/2013	7/1/2020	2.74	4.06	512,000	(166,000)	(346,000)	-
G series	1/1/2013	1/1/2013	1/1/2014	1/1/2021	2.32	4.44	5,568,000	-	(5,568,000)	-
H series	4/1/2013	4/1/2013	1/1/2014	4/1/2021	2.74	4.61	1,320,000	(35,000)	(1,285,000)	-
I series	1/1/2014	1/1/2014	1/1/2015	1/1/2022	2.74	4.24	2,740,000	(110,000)	(2,630,000)	-
J series	7/1/2015	7/1/2015	7/1/2016	7/1/2022	2.26	4.07	1,540,000	(580,000)	(960,000)	-
K series	3/1/2016	3/1/2016	3/1/2017	4/1/2022	2.50	3.51	2,800,000	(1,400,000)	(1,400,000)	-
L series	4/1/2016	4/1/2016	4/1/2017	4/1/2022	2.50	3.51	3,120,000	(2,220,000)	(900,000)	-
M series	4/1/2017	4/1/2017	4/1/2018	7/1/2023	2.50	3.19	1,880,000	(1,245,000)	(635,000)	-
N series	7/1/2018	7/1/2018	7/1/2019	7/1/2024	1.75	2.26	4,360,000	(3,495,000)	(640,000)	225,000
O series	5/14/2019	5/14/2019	5/13/2020	5/14/2025	1.75	3.89	1,800,000	(1,800,000)	-	-
P series	5/14/2019	5/14/2019	5/13/2020	5/14/2025	1.75	3.89	1,320,000	(1,005,000)	(60,000)	255,000
Q series	12/4/2019	12/4/2019	8/1/2020	1/1/2026	1.75	2.12	10,175,880	(2,211,368)	(601,160)	7,363,352
R series	12/4/2019	12/4/2019	8/1/2020	1/1/2026	4.31	1.09	1,200,000	(800,000)	(200,000)	200,000
S series	8/11/2020	8/11/2020	8/11/2021	8/11/2026	4.31	1.67	900,000	(372,500)	(30,000)	497,500
T series	8/11/2020	8/11/2020	8/11/2021	8/11/2026	6.37	9.85	1,982,132	(236,346)	(358,532)	1,387,254
U series	5/2/2023	5/2/2023	5/2/2024	11/2/2026	5.16	2.40	4,100,000	-	-	4,100,000
V series	8/14/2023	8/14/2023	8/14/2024	2/14/2027	5.16	3.75	600,000	-	-	600,000
							65,686,904	(27,140,619)	(23,918,179)	14,628,106

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

	Options	Average vesting price
Pending balance on December 31, 2022	11,696,166	2.52
Granted during period	4,700,000	5.16
Expired during period	(74,000)	5.53
Vested during period	(1,694,060)	2.05
Pending balance on September 30, 2023	14,628,106	3.41

As of September 30, 2023, the number of stock options that could be vested was 6,839,216 (5,476,784 as of December 31, 2022). The table below shows the assumptions used to determine the fair value of the option on the grant date for the options granted in the period ended September 30, 2023:

	Plan 13 P series	Plan 14 Q series	Plan 15 R series	Plan 16 S series	Plan 17 T series	Plan 18 U series	Plan 19 V series
Dividend earnings	1.00%	1.00%	1.00%	1.00%	1.00%	0.40%	0.40%
Expected volatility	43.2%	43.2%	43.2%	43.2%	43.2%	70.96%	70.38%
Risk-free rate of return (per year)	4.50%	4.50%	4.50%	2.00%	2.00%	12.01%	10.29%
Expected life of options	4 years	4 years	4 years	4 years	4 years	3.5 years	3.5 years
Weighted average share price (BRL)	1.75	1.75	4.31	4.31	6.37	5.16	5.16
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes

Technical pronouncement CPC 10/IFRS 2 - Share-Based Payment determines that the effects of share-based payment transactions are reflected in the Company's income. The expense recorded in the Parent Company's results and in the Consolidated on September 30, 2023 was BRL 4,841 (BRL 7,195 on September 30, 2022).

b. Restricted shares granting plan

On April 30, 2021, 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 one million, seven hundred thousand (1,700,000) common shares, with no par value, issued by the Company, to its beneficiaries, who will be nominated annually among the Company's employees and/or other companies of the Company's economic group. The first grant of the plan took place in July 2021 and on September 30, 2023, the expense recorded in income was BRL 2,247 in the Parent Company and BRL 4,337 in the Consolidated (BRL 752 in Parent Company's and BRL 2,203 in the Consolidated on September 30, 2022).

The table below shows the assumptions used for determining the fair value of the option on the grant date for the options granted in the period ended September 30, 2023:

	07/16/2021	10/04/2021	10/01/2022	04/03/2023	04/24/2023	05/02/2023	03/07/2023
Expected life of the options	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Share price on the grant date (BRL)	26.00	23.36	12.51	4.72	5.39	7.20	7.50

The table below shows the movement of the company's options:

	Options
Balances on December 31, 2022	356,395
Granted during period	1,901,405
Expired during the period	(54,520)
Balances on September 30, 2023	2,203,280

c. Performance plan

On April 30, 2021, the Share Grant Plan Subject to the Company's Performance ("Performance Plan") was approved at a meeting, establishing the respective general conditions for granting acquisition rights over up to one million and three hundred thousand (1,300,000) common shares, without par value, issued by the Company, to its beneficiaries, who will be nominated annually among the statutory directors and statutory directors/managers of the Company and other companies of the Company's economic group (not including members of the Board of Directors of the Company and its subsidiaries, as applicable). The first grant of the plan was on July, 2021 and on September 30, 2023, the expense recorded in the result was BRL 1,844 in the Parent Company and BRL 2,784 in Consolidated (BRL 758 in Parent Company's and BRL 1,495 in the Consolidated on September 30, 2022).

The company's Performance Share Program (PSU) is a program in which the beneficiary will be entitled to receive the shares granted after 3 (three) years from the date the plan is granted. The amount of shares may vary between 70% (seventy percent) and 130% (one hundred and thirty percent) of the number of shares granted in accordance with the indicator established in the plan, which is the "Relative TSR". The calculation of this indicator is done by comparing Locaweb's shares against the "IBRX-100", as a way of reducing exogenous factors in the evaluation of these Performance Targets. The variation of this indicator will determine the number of Shares that the Beneficiary will effectively receive.

The table below shows the assumptions used for determining the fair value of the option on the grant date for the options granted in the period ended September 30, 2023:

	07/16/2021	01/07/2022	05/18/2022	05/02/2023
Dividend income	0.00%	0.00%	0.00%	0.00%
Expected volatility	63.75%	70.06%	69.48%	65.78%
Risk-free rate of return (per year)	8.02%	11.43%	12.37%	13.03%
Expected life of the options	3 years	3 years	3 years	3 years
Weighted average share price (BRL)	26.00	9.91	6.70	5.17
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo

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

	Options
Balances on December 31, 2022	1,010,945
Granted during period	342,123
Expired during period	(37,640)
Balances on September 30, 2023	1,315,428

17 Earnings per share

a. (Loss) basic earnings per share

(Loss) basic earnings per share are calculated by dividing the loss attributable to the Company's shareholders by the weighted average number of common shares outstanding during the period:

	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
(Loss) earnings attributable to the Company's shareholders	(28,643)	10,092	3,870	(7,263)
Weighted average number of common shares outstanding – in thousands	589,489	770,869	589,481	589,290
(Loss) basic earnings per share – BRL	(0.05)	0.01	0.01	(0.01)

b. (Loss) diluted earnings per share

(Loss) diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding, to assume the conversion of all potential diluted common shares, referring to stock options, and the dilutive potential of these options is represented for 5,737 thousand shares on September 30, 2023 (9,407 thousand shares in 2022).

	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	07/01/2023 to 09/30/2023	07/01/2022 to 09/30/2022
(Loss) earnings attributable to the Company shareholders	(28,643)	10,092	3,870	(7,263)
Weighted average number of shares including potential dilution – in thousands	589,489	780,276	594,787	589,290
(Loss) diluted profit per share – BRL	(0.05)	0.01	0.01	(0.01)

18 Net operating revenue

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Gross operating revenue	301,694	293,246	1,040,685	923,688
BeOnline & SaaS	301,694	293,246	346,975	361,076
Commerce	-	-	693,710	562,612
Discounts and rebates	(4,674)	(10,140)	(6,965)	(11,424)
BeOnline & SaaS	(4,674)	(10,140)	(4,761)	(10,256)
Commerce	-	-	(2,204)	(1,168)
Income taxes	(24,141)	(24,953)	(88,268)	(79,329)
BeOnline & SaaS	(24,141)	(24,953)	(28,545)	(30,644)
Commerce	-	-	(59,723)	(48,685)
Net operating revenue	272,879	258,153	945,452	832,935
BeOnline & SaaS	272,879	258,153	313,669	320,176
Commerce	-	-	631,783	512,759

19 Costs and expenses by nature

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Salaries, charges, and benefits	(83,289)	(84,537)	(383,417)	(350,241)
Advisory and consultancy services	(18,051)	(17,041)	(31,068)	(35,829)
Depreciation and amortization	(35,352)	(29,815)	(88,281)	(75,474)
Installations	(8,649)	(8,006)	(11,562)	(10,863)
Communication and telecommunications	(2,096)	(1,882)	(3,000)	(2,788)
Collection services	-	-	(46,436)	(38,752)
Domains and website hosting	(39,581)	(37,748)	(51,923)	(69,289)
Maintenance of servers and equipment	(2,097)	(1,996)	(2,312)	(2,542)
Software license rental	(33,355)	(33,963)	(57,769)	(51,532)
Other operating costs	(4,403)	(3,748)	(62,220)	(36,760)
Provision for loss due to impairment	(1,531)	(163)	(4,930)	(2,552)
Marketing	(16,162)	(15,721)	(104,005)	(96,547)
Stock option plan	(8,932)	(8,705)	(11,962)	(10,893)
Tax expenses	(9,698)	(310)	(22,269)	(9,543)
Other general and administrative expenses	(6,727)	(5,340)	(19,169)	(11,929)
Total	(269,923)	(248,975)	(900,323)	(805,534)
Cost of services provided	(199,589)	(184,341)	(513,317)	(455,746)
Sales expenses	(37,627)	(44,360)	(197,478)	(182,892)
Loss due to impairment	(1,531)	(163)	(4,930)	(2,552)
General and administrative expenses	(31,176)	(20,111)	(184,598)	(164,344)
Total	(269,923)	(248,975)	(900,323)	(805,534)

Below, we show the balances related to other operating income (expenses) incurred in the period:

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Fixed asset disposals	78	30	199	102
Gain (Losses) from investment	-	203	-	200
Other income (expense), net of tax	6,218	117	8,755	506
Total	6,296	350	8,954	808

20 Net financial revenues (expenses)

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Financial revenues				
Income from financial investments	106,106	129,844	118,911	135,867
Interest	1,124	720	1,370	907
Other financial revenues	1,859	1,751	4,416	2,889
	<u>109,089</u>	<u>132,315</u>	<u>124,697</u>	<u>139,663</u>
Financial expenses				
Debt cost	-	(534)	(38)	(721)
Banking service fees (i)	(2,083)	(2,092)	(8,823)	(7,746)
Exchange variation	(93)	(170)	(527)	(501)
Lease interest	(3,784)	(3,995)	(4,376)	(4,592)
IOF	(5,247)	(6,467)	(6,570)	(7,532)
Receivables management fees	(1)	(2)	(39,054)	(30,624)
Remeasurement of contingent consideration	(123,300)	(101,437)	(146,636)	(69,227)
Other financial expenses	(754)	(1,841)	(3,188)	(3,287)
	<u>(135,262)</u>	<u>(116,538)</u>	<u>(209,212)</u>	<u>(124,230)</u>
Net financial income	<u>(26,173)</u>	<u>15,777</u>	<u>(84,515)</u>	<u>15,433</u>

(i) Banking service fees include fees, services and issuance of payment slips.

21 Income tax and social contribution

The breakdown of deferred taxes is shown below:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Assets				
Provision for profit sharing	3,106	2,093	8,013	5,646
Lease (CPC 06)	21,553	23,345	23,791	26,134
Provision for lawsuits	604	152	773	639
Other provisions	3,280	1,765	6,468	4,964
Cash flow hedge	299	-	299	-
Remeasurement fair value of contingent consideration	70,430	28,545	91,684	41,869
Intangible assets identified in a business arrangement	27,107	19,552	33,284	23,481
Tax loss	-	9,113	14,322	9,530
Liabilities				
Asset law	(4,174)	(4,911)	(10,599)	(12,964)
Goodwill	(13,145)	(12,576)	(13,145)	(12,576)
Right of use (CPC 06)	(18,706)	(20,796)	(20,772)	(23,402)
Total deferred income tax and social contribution	<u>90,354</u>	<u>46,282</u>	<u>134,118</u>	<u>63,321</u>

The segregation of deferred income tax and social contribution between assets and liabilities by company is presented below:

	Consolidated			
	09/30/2023			
	Assets	Liabilities	Net assets	Net liabilities
Locaweb Serviços de Internet S.A.	90,354	-	90,354	-
Yapay Pagamentos OnLine Ltda.	151	1,699	-	1,548
Tray Tecnologia em Ecommerce Ltda.	15,732	-	15,732	-
Wake Commerce Ltda	3,876	-	3,876	-
IT Capital Serviços de Tecnologia Ltda. (Delivery Direto)	237	-	237	-
Cyberweb Networks Ltda.	456	-	456	-
Melhor Envio Ltda.	733	-	733	-
Ideris Tecnologia da Informação Ltda.	18	-	18	-
Locaweb Commerce Holding Ltda.	9,488	-	9,488	-
Etus Social Network Brasil Ltda	111	-	111	-
Organisys Software Ltda.	2,531	-	2,531	-
Credisfera Serviços Financeiros Ltda.	-	794	-	794
Octadesk Desenvolvimento de Software Ltda.	313	-	313	-
Pagcerto Instituição de Pagamento Ltda.	10	-	10	-
Samurai Experts Desenvolvimento de Software Ltda.	22	-	22	-
Squid Digital Media Channel Ltda.	6,785	-	6,785	-
Vindi Tecnologia e Marketing Ltda.	4,404	-	4,404	-
Connectplug Desenvolvimento de Software Ltda.	121	-	121	-
Bagy Sul Soluções de Comércio Digital Ltda.	83	-	83	-
Bagy Soluções de Comércio Digital Ltda.	22	-	22	-
Organisys Payments Holding Financeira Ltda.	863	-	863	-
Síntese Soluções Produtizadas Ltda.	301	-	301	-
Total	136,611	2,493	136,460	2,342

The Company has tax credits arising from tax losses and negative basis of social contribution on net income, whose balances do not expire, but are limited to offsetting 30% of taxable income for the year.

According to the estimates of the Company and its subsidiaries, future taxable income allows the realization of the deferred tax asset existing on September 30, 2023.

The breakdown of deferred taxes is shown below:

Parent company	Balance	Net Equity/	Income	Balance
Nature	12/31/2022	Cash flow hedge	Gains/(losses)	09/30/2023
Tax benefit on tax loss and negative basis	9,113	-	(9,113)	-
Tax benefit on goodwill	(12,576)	-	(569)	(13,145)
Temporary differences	49,745	299	53,455	103,499
Total	46,282	299	43,773	90,354
Consolidated	Balance	Net Equity/	Income	Balance
Nature	12/31/2022	Cash flow hedge	Gains/(losses)	09/30/2023
Tax benefit on tax loss and negative basis	9,530	-	4,792	14,322
Tax benefit on goodwill	(12,576)	-	(569)	(13,145)
Temporary differences	66,367	299	66,275	132,941
Total	63,321	299	70,498	134,118

The reconciliation of the expense calculated by applying the combined nominal tax rates and the income tax and social contribution expense recorded in income is shown below:

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Income before income tax and social contribution	(40,224)	35,508	(30,432)	43,642
Income tax and social contribution at the combined rate of 34%	13,676	(12,073)	10,347	(14,838)
Adjustments for effective rate demonstration				
Effects of taxation by presumed profit	-	-	-	(90)
Equity income method effect	(85)	11,049	-	-
Stock option plan calculation effect	(1,646)	(2,446)	(1,646)	(2,446)
Effect of depreciation of officers' vehicles and other expenses with officers	(184)	(109)	(192)	(127)
Unrecorded deferred tax on tax loss	-	-	(4,385)	(13,962)
Deferred tax from previous years	-	(754)	(2)	151
Gifts	(130)	(104)	(468)	(456)
Earning (loss) on investments	-	(20,602)	-	(1,634)
Others	(50)	(377)	(1,865)	(148)
Income tax and social contribution recorded in income for the period	11,581	(25,416)	1,789	(33,550)
	28.79%	71.58%	5.88%	76.88%

22 Segments

a. Income statement by segments

	01/01/2023 to 09/30/2023			01/01/2022 to 09/30/2022		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Gross operating revenue, net of rebates	342,214	691,506	1,033,720	350,820	561,444	912,264
Levied taxes	(28,545)	(59,723)	(88,268)	(30,644)	(48,685)	(79,329)
Net operating revenue	313,669	631,783	945,452	320,176	512,759	832,935
Cost of services provided	(206,293)	(307,024)	(513,317)	(212,182)	(243,564)	(455,746)
Gross profit	107,376	324,759	432,135	107,994	269,195	377,189
Sales expenses	(50,185)	(147,293)	(197,478)	(57,448)	(125,444)	(182,892)
General and administrative expenses	(68,350)	(116,248)	(184,598)	(60,452)	(103,892)	(164,344)
Gain/Loss due to impairment	(1,580)	(3,350)	(4,930)	(206)	(2,346)	(2,552)
Other operating revenues	6,564	2,390	8,954	712	96	808
Income before financial expenses and income	(6,175)	60,258	54,083	(9,400)	37,609	28,209
Operating expenses included in Costs and Expenses:						
Depreciation and amortization expenses	61,117	27,164	88,281	55,384	20,090	75,474
Stock option plan	9,428	2,535	11,963	9,133	1,760	10,893

	07/01/2023 to 09/30/2023			07/01/2022 to 09/30/2022		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Gross operating income, net of rebates	115,715	245,303	361,018	117,581	214,618	332,199
Levied taxes	(9,690)	(21,238)	(30,928)	(10,893)	(18,226)	(29,119)
Net operating revenues	106,025	224,065	330,090	106,688	196,392	303,080
Cost of services provided	(71,664)	(113,418)	(185,082)	(70,620)	(94,088)	(164,708)
Gross profit	34,361	110,647	145,008	36,068	102,304	138,372
Sales expenses	(17,887)	(49,144)	(67,031)	(19,575)	(44,902)	(64,477)
General and administrative expenses	(26,052)	(35,943)	(61,995)	(19,832)	(40,726)	(60,558)
Gain/Loss due to impairment	(273)	(1,284)	(1,557)	(192)	(874)	(1,066)
Other operating revenues	408	(76)	332	(8,824)	69	(8,755)
Income before financial expenses and revenues	(9,443)	24,200	14,757	(12,355)	15,871	3,516
Operating expenses included in Costs and Expenses:						
Depreciation and amortization expenses	20,456	9,708	30,164	18,719	7,651	26,370
Stock option purchase plan	4,837	893	5,730	5,821	1,760	7,581

b. Main assets and liabilities of the segments

	09/30/2023			12/31/2022		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Accounts receivable	23,300	716,550	739,850	25,497	647,670	673,167
Property, plant, and equipment	65,169	22,243	87,412	71,519	24,997	96,516
Intangible assets	263,492	2,021,941	2,285,433	261,802	2,020,655	2,282,457
Total main assets	351,961	2,760,734	3,112,695	358,818	2,693,322	3,052,140
Loans and financing	-	101	101	-	421	421
Services payable	63,341	36,110	99,451	57,274	29,872	87,146
Receivables transferable	89	557,524	557,613	105	536,992	537,097
Total main liabilities	63,430	593,735	657,165	57,379	567,285	624,664

23 Financial instruments

a. Classification of financial instruments

CPC 46 (IFRS 13) defines fair value as the exchange price that would be received for an asset or the price paid to transfer a liability (exit price) in the main market, or the most advantageous market for the asset or liability, in a normal transaction between market players on the measurement date, as well as establishing a three-level hierarchy to be used for fair value measurement, namely:

Level 1 - Quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2 - Other techniques for which all data that have a significant effect on the fair value recorded are observable, directly or indirectly; and

Level 3 - Information that is not available due to little or no market activity and that is significant for defining the fair value of assets and liabilities (unobservable).

The table below presents the valuation technique used in measuring the fair value of Level 3 for financial instruments on the balance sheet:

Type	Evaluation technique	Unobservable significant inputs	Relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Operating multiples: the valuation model considers the present value of an earn-out estimate, based on operating projections and discounted at a rate adjusted to the cost of capital.	<ul style="list-style-type: none"> Operating projections of the acquired companies (September 30, 2023: BRL 681,988). Discount rate adjusted to cost of capital (September 30, 2023: 14.05%). 	<p>The estimated fair value could increase (decrease) if:</p> <ul style="list-style-type: none"> Operating results were better (worse); or The discount rate adjusted to the cost of capital were lower (higher).

The classification of financial instruments is shown in the table below, and there are no instruments classified in categories other than those reported.

Parent company			
09/30/2023			
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	19,636	19,636	-
Fair value through profit or loss			
Cash and cash equivalents	940,171	940,171	Level 2
Total	959,807	959,807	
Financial liabilities			
Other financial liabilities			
Suppliers	16,928	16,928	
Lease liabilities	63,392	63,392	Level 2
Fair value through profit or loss			
Derivative financial instruments	879	879	Level 2
Obligation with investment acquisitions	526,658	526,658	Level 3
Total	607,857	607,857	
Consolidated			
09/30/2023			
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	739,850	739,850	
Fair value through profit or loss			
Cash and cash equivalents	1,101,096	1,101,096	Level 2
Restricted financial investment	17,047	17,047	Level 2
Total	1,857,993	1,857,993	
Financial liabilities			
Other financial liabilities			
Loans and financing	101	101	Level 2
Suppliers	30,778	30,778	
Lease liabilities	69,951	69,951	Level 2
Receivables transferable	557,613	557,613	Level 2
Fair value through profit or loss			
Derivative financial instruments	879	879	Level 2
Obligation with investment acquisitions	635,239	635,239	Level 3
Total	1,294,561	1,294,561	

Parent company			
12/31/2022			
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	22,729	-	
Fair value through profit or loss			
Cash and cash equivalents	1,309,361	1,309,361	Level 2
Total	1,332,090	1,309,361	
Financial liabilities			
Other financial liabilities			
Suppliers	18,815	-	
Lease liabilities	68,663	68,663	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	636,384	636,384	Level 3
Total	723,862	705,047	
Consolidated			
12/31/2022			
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	673,167	-	
Fair value through profit or loss			
Cash and cash equivalents	1,448,231	1,448,231	Level 2
Restricted financial investment	13,381	13,381	Level 2
Total	2,134,779	1,461,612	
Financial liabilities			
Other financial liabilities			
Loans and financing	421	421	Level 2
Suppliers	51,304	-	
Lease liabilities	76,870	76,870	Level 2
Receivables transferable	537,097	537,097	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	855,402	855,402	Level 3
Total	1,521,094	1,469,790	

Considering the term and characteristics of these instruments, which are systematically renegotiated, the book values approximate fair values.

b. Purpose of using a derivative financial instrument

Derivative financial instruments contracted by the Company are intended to hedge against the exchange rate risk associated with suppliers that have exposure to foreign currency. The Company does not have derivative financial instruments for speculation purposes.

On July 2, 2019, the Company entered into an exchange rate swap contract with a notional value of BRL 38,300, equivalent to USD 10,000 on the inception date, when the exchange rate was 3.8300 reais per US dollar. This operation, as a result of funding backed by foreign currency based on federal law No. 4131/62 ("4131 funding"), enabled the Company to replace its exposure to the variation of the US dollar (USD) plus 4.57% year, at a pre-fixed rate. On July 3, 2022, this operation was settled.

On September 30, 2023, the Company has forward currency contracts in the amount of USD 2,550, in order to protect its future cash flow against exchange rate fluctuations (Note 23.g).

The Company maintains internal controls in relation to its derivative financial instruments which, in Management's opinion, are adequate to control the risks associated with each strategy for operating in the market. The results obtained by the Company in relation to its derivative financial instruments demonstrate that the management of risks has been carried out properly.

The Company's activities expose it to various financial risks: market risk (including interest rate risk, exchange rate risk and price risk), credit risk and liquidity risk.

Risk management is carried out by the Company's Treasury, in accordance with the policies approved by the Board of Directors. The Treasury identifies, evaluates and protects the Company against possible financial risks in cooperation with the Company's operating units.

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

(i) Credit risk

Credit risk refers to the risk that the counterpart will not honor its obligations related to a financial instrument or contract with a customer, generating a loss. The Company is mainly exposed to credit risk related to cash and cash equivalents and trade accounts receivable. Credit risk is minimized through the following policies:

- **Cash and cash equivalents:** the Company adopts methods that restrict the amounts that can be allocated to a single financial institution, and takes into account monetary limits and credit ratings of the financial institutions with which it operates, which are periodically updated. The Group only carries out operations with top-tier institutions, whose risk classification is of low credit risk assigned by reference rating agencies, using exclusively financial instruments and fixed income investment funds, classified as low risk.
- **Accounts receivable from customers:** The Company's credit risk is minimized as the assets represented by receivables and services are brokered by credit card companies. In this case, the credit risk with customers is fully transferred to them, leaving for the Company only the risk of non-recognition of purchases by customers for which expected credit losses are measured and recorded. The Company now holds the credit risk vis-à-vis the credit card management companies.

Receivables from individual customers through bank slips are restricted and represented approximately 9% of accounts receivable as of September 30, 2023 (9% as of December 31, 2022). The maximum exposure to credit risk as of September 30, 2023 is the amount shown on the balance sheet.

The Company's exposure is shown below:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and cash equivalents (Note 3)	941,156	1,309,361	1,107,016	1,448,231
Accounts receivable from customers (Note 4)	19,636	22,729	739,850	673,167
	<u>960,792</u>	<u>1,332,090</u>	<u>1,846,866</u>	<u>2,121,398</u>

(ii) Liquidity risk

Liquidity risk consists of the eventuality that the Company and its subsidiaries do not have sufficient funds to meet their commitments due to the realization/settlement of their rights and obligations.

The Company and its subsidiaries structure the maturities of non-derivative financial contracts, as shown in Note 12, so as not to affect their liquidity.

The Company and its subsidiaries manage the liquidity and cash flow on a daily basis in order to ensure that operating cash generation and prior fundraising, when necessary, are sufficient to maintain its schedule of commitments, not generating liquidity risks.

The following table shows the maturity of the Company's consolidated financial liabilities:

	Book Value	Financial flow	Less than 3 months	3 to 12 months	Over 1 year	Total
September 30, 2023						
Other accounts payable	23,602	23,602	23,366	-	236	23,602
Suppliers	30,778	30,778	30,778	-	-	30,778
Loans and financing	101	107	52	49	6	107
Lease liabilities	69,951	87,755	4,270	12,365	71,120	87,755
Receivables transferable	557,613	557,613	557,613	-	-	557,613
Obligation with investment acquisitions	635,239	635,239	384	458,396	176,459	635,239
	1,317,284	1,335,094	616,463	470,810	247,821	1,335,094
	Book Value	Financial flow	Less than 3 months	3 to 12 months	Over 1 year	Total
December 31, 2022						
Other accounts payable	9,231	9,231	5,115	-	4,116	9,231
Suppliers	51,304	51,304	51,304	-	-	51,304
Loans and financing	421	421	203	177	41	421
Lease liabilities	76,870	97,382	4,309	12,686	80,387	97,382
Receivables transferable	537,097	537,097	537,097	-	-	537,097
Obligation with investment acquisitions	855,402	855,402	3,539	308,334	543,529	855,402
	1,530,325	1,550,837	601,567	321,197	628,073	1,550,837

(iii) Exchange risk

Exchange risk refers to the risk of future cash flows from borrowings in foreign currency and financial instruments due to changes in exchange rates. Exchange risk can impact the Company's financial results and to manage this risk, the Company uses derivative financial instruments for hedging (NDF) with a first-rate financial institution. In this context, the Company is protected against the exchange rate variation of its suppliers with foreign currency exposure.

It is the Company's policy to use derivative financial instruments only for the purpose of hedging risks arising from foreign currency exposure, represented by foreign currency loans or international suppliers, and therefore not for speculative purposes.

(iv) Interest rate risk

The associated risk arises from the possibility of the Company incurring losses due to fluctuations in interest rates that increase the financial expenses related to loans and financing obtained in the market. On September 30, 2023, the Company had a maximum exposure of BRL 69,644, in a scenario of a 50% reduction in the DI rate, due to the reduction in financial income from the funds invested.

c. Sensitivity analysis

On September 30, 2023, the Company was exposed in the Interbank Deposit Certificate (CDI), which indexes the yield on financial investments, and the exchange rate variation in dollars. In order to verify the sensitivity of these indices, three different scenarios were defined for exposure in CDI and for exposure in foreign currency.

For the probable scenario, according to an assessment prepared by Management, an increase of 5% was considered in the case of the CDI variation. Additionally, two other scenarios (A and B) are demonstrated. The Company assumed an decrease of 25% (scenario A) and 50% (scenario B - extreme situation scenario) in the projections. In order to verify the sensitivity to the exchange rate variation of forward contracts, the probable scenario considers the ptax rate, assuming a fall in the exchange rate of 25% (scenario A) and 50% (Scenario B) in relation to the base rate. The ptax rate used was 5.01, published by the central bank on September 30, 2023. The sensitivity analysis for each type of risk considered relevant by Management is presented in the table below:

Transaction	Risk	Balance on September 30, 2023	Losses - Consolidated		
			Probable	Scenario A	Scenario B
Financial investments indexed to CDI	CDI drop	1,101,096	(6,964)	(34,822)	(69,644)
CDI (fall scenario)		12.65%	12.02%	9.49%	6.33%
Derivative financial instrument - NDF	Dollar drop	(879)	-	(3,192)	(6,385)
Dollar (fall scenario)			5.01	3.76	2.50

d. Capital management

The Company's objectives, when managing its capital, are to safeguard the Company's ability to continue as a going concern to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost or costs associated with this generation of income and benefits.

To maintain or adjust the capital structure, the Company may review the policy of prepayment of receivables, payment of non-mandatory dividends, return capital to shareholders or even issue new shares to reduce the level of indebtedness, for instance.

Capital management is managed at a consolidated level, as shown below:

	09/30/2023	12/31/2022
Loans and financing	101	421
Obligation with investment acquisitions	635,239	855,402
Derivative financial instruments	879	-
(+) Lease liabilities	69,951	76,870
(-) Cash and cash equivalents	(1,107,016)	(1,448,231)
(=) Net debt	(400,846)	(515,538)
(+) Net equity	2,921,506	2,976,152
(=) Net equity and net debt	2,520,660	2,460,614

e. Fair values of financial instruments

The valuation method used to calculate the fair value of financial liabilities (when applicable) and derivative financial instruments (swap) was the discounted cash flow considering expectations of settlement or realization of liabilities and assets at market rates in effect on the balance date.

Fair values are calculated by projecting the future flows of operations, using B3 curves and bringing them to present value using market exchange rates for swaps, disclosed by B3. In fiscal year 2022, all the swap contracts that the Company had open were terminated, thus zeroing out its accounting balances. As of September 30, 2023, the company had no amounts outstanding.

f. Change in liabilities from financing activities

Parent company					
09/30/2023			09/30/2022		
Changes with cash effect	Transactions without cash effect	Total	Cash effect transactions	Transactions without cash effect	Total
Loans and financing - beginning of the period	-	-	-	-	27,952
Derivative financial instruments - beginning of the year	-	-	-	-	(8,745)
(=) Debt to market, net of derivative instruments	-	-	-	-	19,207
(+) Interest, exchange variation, and accrued derivatives	-	-	-	392	392
(-) Principal amortized in the period	-	-	(18,956)	-	(18,956)
(-) Interest, exchange variation, and derivatives paid	-	-	(791)	-	(791)
(+-) Mark-to-Market of Derivatives	879	879	-	148	148
(=) Debt to market, net of derivative instruments	879	879	(19,747)	540	-
Loans and financing - end of period	-	-	-	-	-
Derivative financial instruments - end of period	-	879	-	-	-
Consolidated					
09/30/2023			09/30/2022		
Cash effect transactions	Transactions without cash effect	Total	Cash effect transactions	Changes without cash effect	Total
Loans and financing - beginning of the year	-	421	-	-	29,041
Derivative financial instruments - beginning of the year	-	-	-	-	(8,745)
(=) Debt to market, net of derivative instruments	-	421	-	-	20,296
(+) Interest, exchange variation, and accrued derivatives	38	38	-	712	712
(-) Principal amortized in the period	(321)	(321)	(19,507)	-	(19,507)
(-) Interest, exchange variation, and derivatives paid	(37)	(37)	(1,148)	-	(1,148)
(+-) Mark-to-Market of Derivatives	879	879	-	148	148
(=) Debt to market, net of derivative instruments	917	980	(20,655)	860	501
Loans and financing - end of period	-	101	-	-	501
Derivative financial instruments - end of period	-	879	-	-	-

g. Hedge Accounting

The purpose of the Company's hedge operation is to protect its cash flow against exchange rate fluctuations. Exposure is determined by the best estimate of its dollar commitments, arising from operational demands and especially related to software and hosting contracting in US dollars.

On September 30, 2023, the Company has currency forward contracts in the amount of USD 2,550, with an average term of 313 days between the contracting date and its maturity and has an average contracted rate of 5.4116, with the following counterparties:

	Hedge instrument	Hedge object (projection)
Banco Santander	USD 2.550	USD 2.507

Thus, the transaction falls within the classification of cash flow hedge accounting, applying the accounting according to CPC 48 - Financial Instruments

In accordance with applicable accounting practices, the fair value adjustment for the financial instruments was BRL 879 (BRL 580, net of tax effects), and is recorded in other comprehensive income in shareholders' equity.

24 Transactions that did not affect cash

In the period ended September 30, 2023 and 2022, the Company recorded transactions related to the acquisition of machinery and equipment for fixed assets and right-of-use asset additions that did not affect cash, as shown below:

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Acquisition of machinery and equipment (i)	1,850	302	2,244	210
Acquisition right-of-use asset	115	9,489	2,828	12,535
	1,965	9,791	5,072	12,745

(i) Refers substantially to machines and equipment

25 Insurance coverage

The Company and its subsidiaries maintain insurance coverage to guarantee any damage to their property and assets, including insurance for their establishments and vehicle fleet, whose premiums, in the period, totaled:

	Consolidated	
	09/30/2023	12/31/2022
Vehicles	12,514	11,631
Business (real estate and assets)	414,548	414,548
Civil liability of management	80,000	60,000
Civil liability	3,000	3,300
	510,062	489,479

Property insurance aimed at guaranteeing the Company's business units has coverage for events resulting from fire, lightning, explosion, robbery and qualified theft of goods and electrical damage.

The Company does not take out insurance to cover losses resulting from the interruption of its activities, not even to guarantee any indemnities that it is compelled to pay to customers and/or third parties due to errors and failures in its operations and non-compliance with obligations under its responsibility.

Management believes that its policies, contracted with renowned insurance companies, reflect the usual market conditions for the types of insurance it takes out and cover coverage in scope and amounts considered sufficiently adequate by Management and by insurance consultants.

Declaration of Officers on the interim financial information

In compliance with the provisions of CVM Instruction No. 480/09, the Board of Executive Officers declares that it discussed, reviewed and agreed with the interim financial information for the period ended September 30, 2023

São Paulo, November 6, 2023.

Fernando Biancardi Cirne
Chief Executive Officer

Rafael Chamas Alves
Chief Financial Officer and DRI

Officers' Statement on the Independent Auditor's Report

In compliance with the provisions of CVM Instruction No. 480/09, the Executive Board declares that it discussed, reviewed and agreed with the opinion expressed in the report of the independent auditor, KPMG Auditores Independentes Ltda., on the individual and consolidated interim financial informations for the period ended in September 30, 2023.

São Paulo, November 6, 2023.

Fernando Biancardi Cirne
Chief Executive Officer

Rafael Chamas Alves
Chief Financial Officer and DRI