

Locaweb Serviços de Internet S.A.

Individual and consolidated interim financial information March 31, 2022

(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 March 31, 2022, comprising the statements financial position as of March 31, 2022, the respective statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period 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 the auditing standards 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 three-month period ended March 31, 2022, 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, 10 de maio de 2022

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

Locaweb Serviços de Internet S.A.

Interim statements of financial position as at March 31, 2022 and December 31, 2021

(In thousands of Reais)

		Parent company		Consolidated	
	Note	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Cash and cash equivalents	3.1	1,470,443	1,465,014	1,544,811	1,584,399
Restricted financial investment	3.2	1,583	1,685	1,583	1,685
Accounts receivable	4.1	17,325	16,129	580,355	503,555
Taxes recoverable		11,908	4,563	13,031	6,225
Income tax and social contribution recoverable		15,485	16,358	23,273	25,303
Derivative financial instruments	23	1,823	8,745	1,823	8,745
Other assets	5	13,663	10,952	26,788	22,003
Total current assets		1,532,230	1,523,446	2,191,664	2,151,915
Court deposits	14	447	435	523	504
Other assets	5	8,883	7,479	4,085	4,285
Deferred income tax and social contributions	21	41,534	38,162	48,873	42,048
Total long-term assets		50,864	46,076	53,481	46,837
Investments	7	1,891,317	1,927,824	-	-
Property, plant and equipment	8	58,816	58,937	92,795	88,734
Intangible assets	9	104,750	72,819	2,218,310	2,218,796
Right-of-use asset	10	57,933	59,724	67,410	69,577
Total non-current assets		2,163,680	2,165,380	2,431,996	2,423,944
Total assets		3,695,910	3,688,826	4,623,660	4,575,859

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 March 31, 2022 and December 31, 2021

(In thousands of Reais)

		Parent company		Consolidated	
	Note	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Liabilities					
Suppliers		10,718	10,548	40,878	42,083
Loans and financing	12,1	9,547	27,952	10,261	28,720
Lease liabilities	12,2	5,552	5,552	9,835	9,274
Salaries, charges, and social benefits	13	31,699	28,323	78,865	71,732
Income tax and social contribution payable		3,450	-	5,264	1,011
Other taxes payable		3,134	2,908	10,414	9,431
Services payable	4.2	37,029	37,801	59,473	58,240
Receipts to be passed on		-	-	444,472	414,818
Interest on equity and dividends payable		5	5	5	5
Taxes in installments	11	-	-	2,906	2,878
Obligation with investment acquisitions	7.1	59,756	36,145	132,898	36,145
Other liabilities		51	53	2,982	2,650
Total current liabilities		160,941	149,287	798,253	676,987
Loans and financing	12,1	-	-	167	321
Lease liabilities	12,2	58,701	60,120	64,869	67,575
Services to provide	4.2	1,907	1,127	1,907	1,127
Taxes in installments	11	-	-	16,864	17,264
Obligation with investments acquisitions	7.1	521,960	534,216	789,930	868,109
Provision for contingencies	14	2,413	1,959	3,146	2,726
Provision for investment losses	7	5,941	4,699	-	-
Deferred income tax and social contribution	21	-	-	1,255	1,446
Other liabilities		2,596	2,352	5,818	5,238
Total non-current liabilities		593,518	604,473	883,956	963,806
Net equity					
Capital stock	15	2,926,775	2,926,775	2,926,775	2,926,775
Treasury shares	15	(45,769)	(45,769)	(45,769)	(45,769)
Capital reserves	15	51,490	49,635	51,490	49,635
Profit reserves		4,425	4,425	4,425	4,425
Retained earnings		4,530	-	4,530	-
Total net equity		2,941,451	2,935,066	2,941,451	2,935,066
Total liabilities and net equity		3,695,910	3,688,826	4,623,660	4,575,859

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

Locaweb Serviços de Internet S.A.

Interim statements of result

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

		Parent company		Consolidated	
	Note	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net operational revenue	18	75,973	69,370	248,777	160,918
Costs of services provided	19	(51,613)	(48,294)	(139,920)	(91,657)
Gross profit		24,360	21,076	108,857	69,261
Sales expenses	19	(13,799)	(11,049)	(56,647)	(25,752)
General and Administrative Expenses	19	(6,635)	(19,529)	(47,555)	(44,266)
Loss due to impairment	19	-	(244)	-	(1,473)
Equity income	7	(15,752)	(3,720)	-	-
Other operating revenue (expenses)	19	43	(95)	339	542
Income before net financial revenues (expenses)		(11,783)	(13,561)	4,994	(1,688)
Financial revenues	20	40,745	8,673	42,464	9,154
Financial expenses	20	(17,098)	(5,738)	(31,206)	(13,277)
Net financial revenues (expenses)		23,647	2,935	11,258	(4,123)
Income before income tax and social contribution		11,864	(10,626)	16,252	(5,811)
Current income tax and social contribution	21	(10,706)	(47)	(18,738)	(5,764)
Deferred income and social contribution taxes	21	3,372	2,296	7,016	3,198
		(7,334)	2,249	(11,722)	(2,566)
Net profit (loss) for the period		4,530	(8,377)	4,530	(8,377)
Earnings per share (expressed in BRL per share)					
Basic earnings (loss) per share	17	-	-	0.01	(0,02)
Diluted earnings (loss) per share	17	-	-	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

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

	<u>Parent company</u>		<u>Consolidated</u>	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net profit (loss) for the period	<u>4,530</u>	<u>(8,377)</u>	<u>4,530</u>	<u>(8,377)</u>
Comprehensive income for the period	<u>4,530</u>	<u>(8,377)</u>	<u>4,530</u>	<u>(8,377)</u>

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

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

	Capital stock			Treasury shares	Capital reserves					Profit reserves			
	Paid up capital stock	Capital stock yet to be paid in	Expenses with the issuance of shares	Treasury shares	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	Accumulated profits (losses)	Total net equity
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	-	-	-	-	-	-	-	-	-	-	-	4,530	4,530
Capital increase (Note 15.a)	2,822	(2,822)	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	1,855	-	-	-	-	1,855
Balances on March 31, 2022	3,002,976	-	(76,201)	(45,769)	-	-	(22,344)	61,939	11,895	2,377	2,048	4,530	2,941,451
Balances as of December 31, 2020	636,177	7,474	-	-	(27,357)	(7)	(22,344)	47,860	11,996	2,377	17,797	-	673,973
Losse for the period	-	-	-	-	-	-	-	-	-	-	-	(8,377)	(8,377)
Capital increase	2,353,934	(7,474)	(73,162)	-	-	-	-	-	-	-	-	-	2,273,298
Share-based payments	-	-	-	-	-	-	-	3,221	-	-	-	-	3,221
Reclassification	-	-	(27,357)	(7)	27,357	7	-	-	-	-	-	-	-
Balances on March 31, 2021	2,990,111	-	(100,519)	(7)	-	-	(22,344)	51,081	11,996	2,377	17,797	(8,377)	2,942,115

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

Locaweb Serviços de Internet S.A.

Interim statements of cash flows

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

		Parent company		Consolidated	
	Note	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from operating activities					
Profit (loss) before income tax and social contribution		11,864	(10,626)	16,252	(5,811)
Adjustments to reconcile profit (loss) before income tax and social contribution with net cash flow from operating activities:					
Depreciation and amortization	8; 9; 10	9,379	10,796	24,479	18,524
Equity income	7	15,752	3,720	-	-
Passive lease interest, derivatives, exchange and monetary variations		13,580	4,174	20,970	9,323
Mark-to-Market of Derivatives	23.g	47	354	47	354
Share-based payments	16	1,855	3,221	1,855	3,221
Provisions and other adjustments		455	(761)	680	(1,256)
Changes in assets and liabilities					
Accounts receivable from customers	4.1	(1,196)	40	(76,911)	(37,894)
Taxes recoverable		(6,076)	(2,664)	(4,276)	(2,080)
Other assets		(4,115)	1,067	(4,585)	1,740
Court deposits		(12)	(1)	(19)	(4)
Transactions with related parties, net		-	(1,450)	-	-
Suppliers		(1,592)	(399)	(3,547)	(2,869)
Salaries, charges, and social benefits		3,376	3,383	7,133	8,688
Other taxes payable		(1,617)	282	(2,532)	(686)
Services to provide		8	2,550	2,013	12,187
Receipts to be passed on		-	-	29,655	32,599
Other liabilities		242	499	941	(11,602)
Income tax and social contributions paid		(5,413)	-	(11,342)	(5,517)
Net cash from operating activities		36,536	14,185	813	18,917
Cash flow from investing activities					
Acquisition of property, plant and equipment		(3,517)	(11,317)	(9,816)	(15,015)
Accounts payable for acquisition of equity interest		(1,067)	(1,069)	(1,067)	(1,069)
Advance for future capital increase	7	(6,730)	(70,437)	-	-
Subsidiary acquisition, net of cash acquired	7	-	(189,190)	-	(238,859)
Acquisition and development of intangible assets	9	(5,393)	(2,757)	(13,318)	(6,906)
Net cash used in investing activities		(16,707)	(274,770)	(24,201)	(261,849)
Cash flow from financing activities					
Capital payment, net of share issuance expenses	15	-	2,273,298	-	2,273,298
Payment of lease liabilities	12,2	(2,660)	(2,507)	(4,128)	(2,926)
Loans and financing paid	23.b	(11,296)	(23,868)	(11,483)	(24,611)
Interest and exchange variation paid		(5,225)	(8,541)	(5,370)	(8,798)
Derivatives paid and received		4,780	7,104	4,781	7,104
Bank guarantees paid		-	(45)	-	(45)
Cash used in (generated) by financing activities		(14,401)	2,245,441	(16,200)	2,244,021
Net increase in cash and cash equivalents		5,429	1,984,856	(39,588)	2,001,089
Cash and cash equivalents at the start of the period		1,465,014	358,700	1,584,399	404,628
Cash and cash equivalents at the end of period		1,470,443	2,343,556	1,544,811	2,405,717
Net increase in cash and cash equivalents		5,429	1,984,856	(39,588)	2,001,089

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

Locaweb Serviços de Internet S.A.

Interim statements of value add

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais)

		Parent company		Consolidated	
	Notes	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenue		83,013	75,920	275,155	178,608
Service provision revenue	18	86,646	82,257	278,962	184,510
Discounts and rebates	18	(3,680)	(6,350)	(4,040)	(6,547)
Other operating revenues		47	13	233	645
Inputs purchased from third parties (includes ICMS, PIS and Cofins)		(26,008)	(29,479)	(111,752)	(73,569)
Cost of services provided		(22,518)	(19,840)	(68,586)	(44,007)
Materials, energy, third-party services, and other services		(3,490)	(9,639)	(43,166)	(29,562)
Gross added value		57,005	46,441	163,403	105,039
Retention		(9,379)	(10,797)	(24,479)	(18,523)
Depreciation and amortization	8; 9; 10	(9,379)	(10,797)	(24,479)	(18,523)
Net added value generated		47,626	35,644	138,924	86,516
Added value received in transfers		24,993	4,953	42,464	9,154
Equity income	7	(15,752)	(3,720)	-	-
Financial revenues	20	40,745	8,673	42,464	9,154
Total added value to be distributed		72,619	40,597	181,388	95,670
Added value distribution		72,619	40,597	181,388	95,670
Personnel and charges		31,230	33,687	94,563	61,482
Direct compensation		26,205	29,345	78,817	52,459
Benefits		3,259	2,736	10,031	5,649
Severance Pay Indemnity Fund (FGTS)		1,766	1,606	5,715	3,374
Taxes, fees and contributions		19,703	9,550	50,854	28,980
Federal		16,998	6,993	42,517	23,488
State		-	-	40	41
Municipal		2,705	2,557	8,297	5,451
Interest and rent		17,156	5,737	31,441	13,585
Equity remuneration		4,530	(8,377)	4,530	(8,377)
Retained earning (loss)		4,530	(8,377)	4,530	(8,377)

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

Notes to individual consolidated interim financial information

(In thousands of Reais)

1 Operational context

a. Operations

Locaweb Serviços de Internet S.A. (hereinafter referred to as “Company”, also referred to as “Group” or “Locaweb”), headquartered at Rua Itapaiúna, 2.434 - São Paulo/SP, started its operation in 1998 and is one of the pioneers 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 customers' businesses to be born 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, Locaweb Corp, Allin, Cluster2Go, 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, Dooça, Bling, PagCerto, Bagy, Octadesk and Squid. These business segments are extremely complementary, generate great operational synergies for the Company and its customers and together form an ecosystem that allows the strong realization of cross-selling and up-selling within its extensive and diversified customer base of approximately 600 thousand active customers, from the most varied sectors of the economy, with a 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 May 10, 2022.

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 Management deems the maintenance of certain information relevant.

The interim financial information presented herein was prepared based on the accounting policies, assumptions and estimates adopted in the preparation of the annual financial statements for the year ended in December 31, 2021.

There have been no changes of any nature with respect to such policies and methods of calculating estimates. As permitted by CVM Resolution No. 673/11, Management decided not repeat the detailed disclosure 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 in December 31, 2021.

2.1 Basis of consolidation

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

Subsidiaries	Interest	Interest %	
		2022	2021
Locaweb Telecom	Direct	100%	100%
Yapay	Direct	100%	100%
Tray Tecnologia	Direct	100%	100%
Fbits	Indirect	100%	100%
Ananke Participações	Direct	100%	100%
Ananke Tecnologia	Indirect	100%	100%
Kinghost	Direct	100%	100%
Delivery Direto	Direct	100%	100%
Locaweb E-Commerce	Direct	100%	100%
Etus	Direct	100%	100%
Ideris	Indirect	100%	100%
Melhor Envio	Indirect	100%	100%
Vindi Tecnologia	Direct	100%	100%
Smart Tecnologia	Indirect	100%	100%
Vindi Eventos	Indirect	100%	100%
Fast Notas (i)	Indirect	-	100%
Vindi Pagamentos	Indirect	100%	100%
Connectplug	Direct	100%	100%
Dooça	Indirect	100%	100%
Credisfera	Indirect	100%	100%
Samurai Holding	Indirect	100%	100%
Samurai Desenvolvimento	Indirect	100%	100%
V.O Desenvolvimento	Indirect	100%	100%
Bling	Direct	100%	100%
Pagcerto	Indirect	100%	100%
Bagy	Indirect	100%	100%
Octadesk	Direct	100%	100%
Squid	Direct	100%	100%
Duopana	Indirect	100%	100%

- (i) On January 4, 2022, the dissolution of the articles of association of Fast Notas Software de Gestão Ltda., a subsidiary of Vindi Tecnologia e Marketing S.A., was approved.

2.2 Declaration of compliance and basis of preparation

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

3 Cash and cash equivalents and restricted financial investment

3.1 Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and banks	368	876	11,268	28,504
CDB (a)	7,977	26,525	55,131	109,790
Funds (a)	1,462,098	1,437,613	1,478,412	1,446,105
	1,470,443	1,465,014	1,544,811	1,584,399

- (a) On March 31, 2022, the consolidated financial investments, Bank Deposit Certificates (CDB) and Fundo Exclusivo, were remunerated at an average rate of 113.1% of the CDI (106.6% of the CDI as of December 31, 2021), with daily liquidity redeemable from the issuer, subject to an insignificant risk of change in value.

3.2 Restricted financial investment

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
CDB (a)	1,583	1,685	1,583	1,685
	1,583	1,685	1,583	1,685
Current	1,583	1,685	1,583	1,685

- (a) On March 31, 2022, the consolidated financial investments, Bank Deposit Certificates (CDB) and “Fundo”, were remunerated at an average rate of 97.5% of the CDI (101.5% of the CDI as of December 31, 2021), with daily liquidity redeemable from the issuer, subject to an insignificant risk of change in value.

4 Accounts receivable, services to be provided and receivables to be transferred

4.1 Accounts receivables

The balance of accounts receivables is composed by:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Credit card administrators	6,553	5,729	546,575	468,185
Accounts receivable from customers	11,914	11,542	36,133	37,612
Total accounts receivable	18,467	17,271	582,708	505,797
Expected credit losses	(1,142)	(1,142)	(2,353)	(2,242)
Total of net accounts receivable	17,325	16,129	580,355	503,555

The balance of accounts receivable by maturity is shown below:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Amounts to become due	15,364	14,593	570,768	497,534
Overdue amounts				
Up to 30 days	1,065	1,087	6,300	4,169
From 31 to 180 days	1,248	925	3,585	2,411
Over 180 days	790	666	2,055	1,682
Total accounts receivable	18,467	17,271	582,708	505,796

The changes in the expected credit loss of the Company and its subsidiaries for the periods ended March 31, 2022 and December 31, 2021 are as follows:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Opening balance	(1,142)	(1,025)	(2,242)	(2,049)
Additions	-	(1,449)	(825)	(9,973)
Reversals	-	1,332	714	9,780
Final balance	(1,142)	(1,142)	(2,353)	(2,242)

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

Management believes that the risk related to accounts receivable accounts is minimized by the fact that the composition of the Company's final customers is highly dispersed and the majority have paid in advance. The Company has more than 600 thousand active end customers in the portfolio and no customer represents 5% or more of revenue as of March 31, 2022.

4.2 Services to be provided

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Services to be provided	38,936	38,928	61,380	59,367
Current	37,029	37,801	59,473	58,240
Non-current	1,907	1,127	1,907	1,127

5 Other assets

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Advance to suppliers	651	629	8,120	6,780
Advances to employees	544	582	1,181	1,476
Software license to be appropriated	12,236	8,986	15,595	11,846
Shared services receivable from related parties (note 6.a)	5,630	4,181	-	-
PHENOM 100 program membership	2,718	2,709	2,718	2,709
Other assets	767	1,344	3,259	3,477
	22,546	18,431	30,873	26,288
Current	13,663	10,952	26,788	22,003
Non-current	8,883	7,479	4,085	4,285

6 Transaction 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.

The Company entered into a private instrument of expense sharing agreement, reimbursements, transfers, withholdings and apportionments within the same economic group. The purpose of this contract 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	
	Non-current assets	
	03/31/2022	12/31/2021
Cyberweb (a)	323	406
Fbits (a)	101	118
Yapay (a)	835	1,195
Locaweb Telecom (a)	445	467
Ananke Tecnologia (a)	486	463
Delivery Direto (a)	79	-
Melhor Envio (a)	921	-
Ideris (a)	222	-
Bling (a)	521	-

	Parent company	
	Non-current assets	
	03/31/2022	12/31/2021
Octadesk (a)	180	-
Squid (a)	541	-
Credisfera (a)	133	-
Vindi Tecnologia (a)	192	-
Tray Tecnologia (a)	651	1,532
	5,630	4,181

- (a) The balances recorded refer to the apportionment of shared back office services.

The Company and its subsidiaries operate and are managed in an integrated basis, thus having transactions in common, based on technical criteria periodically reviewed by Management. The transactions are carried out under conditions agreed between the parties.

	Parent company					
	Revenues		Costs		Expenses	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Tray Tecnologia (a)	491	424	-	-	-	-
Yapay (a) (b)	3	4	(4)	-	-	(11)
Locaweb Telecom (c)	-	-	(37)	(19)	-	(35)
MG4 (e)	-	-	(2,047)	(1,930)	(613)	(578)
Ananke Tecnologia (a) (b)	232	232	(521)	-	-	(19)
Fbits (a)	1	1	-	-	-	-
Cyberweb (a)	106	44	-	-	-	-
Delivery Direto (a)	16	10	-	-	-	-
Etus (a) (d)	21	11	-	-	-	-
Tech and Soul	-	-	-	-	(207)	-
Bling	5	-	-	-	-	-
	875	726	(2,609)	(1,949)	820	(643)

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

	Consolidated			
	Costs		Expenses	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
MG4	(2,047)	(1,930)	(613)	(578)
WW Marques	-	-	(252)	(159)
Tech and Soul	-	-	(207)	(153)
	(2,047)	(1,930)	(1,072)	(890)

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

The Company maintains a lease agreement for its headquarters property with MG4, a company whose shareholders are the individuals that make up the Company's controlling group, for a monthly amount of approximately 887 BRL. The total amount of rent paid in the period ended in March 31, 2022 was of 2,660 BRL (2,508 BRL in the same period in 2021). The contract is valid for 120 months and is adjusted by IGP-M every 12 months. Exceptionally in this period, the index used for the adjustment was IPCA. Due to the expense sharing agreement, expenses are apportioned between the Parent Company and the subsidiaries that use the same headquarters property. This agreement was recorded as a lease agreement included in note 12.

Subsidiaries Tray Tecnologia and Yapay maintain lease agreements for their headquarters with WW Marques, a company that has among its shareholders a manager of the Company. In January 2022, a new real estate contract was signed by the subsidiary Tray Tecnologia. The monthly value of these contracts is of approximately 97 BRL. The total amount of rent paid in the period ended in March 31, 2022 was of 252 BRL (159 BRL in the same period in 2021). The contracts are valid for 60 months and are adjusted by IGP-M every 12 months. These contracts were recorded as leases included in note 12.

The Tech and Soul agency, where one of its shareholders is also a shareholder and manager of the Company, is a provider of communication and institutional advertising services according to the contract signed on September 6, 2017. The total amount paid in the period ended in March 31, 2022 was of 207 BRL (153 BRL in the same period in 2021).

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 discontinuity of the operations carried out with the aforementioned related party, in view of the preemptive rights agreed on both the property and MG4.

b. Management remuneration

Management remuneration expense for the periods ended in March 31, 2022 and 2021 are shown below:

	03/31/2022	03/31/2021
Remuneration	2,333	6,089
Charges and Benefits	833	1,468
Expenses with stock purchase plan	834	1,578
Total	4,000	9,135

7 Investments

The investments are composed as follows:

	Parent company	
	03/31/2022	12/31/2021
Investments in subsidiaries	1,891,317	1,927,824
Provision for investment losses	(5,941)	(4,699)
Total of permanent investments	1,885,376	1,923,125
Reconciliation of investment		
Investments in controlled and associated companies	308,085	315,981
Goodwill	1,577,291	1,607,144
Total of net investments	1,885,376	1,923,125

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

	Parent company		
Investee	Balance on 12/31/2021	Transfer	Balance on 03/31/2022
Direct			
Cluster2Go	21,435	-	21,435
Kinghost	38,905	-	38,905
Delivery Direto	26,685	-	26,685
Etus	25,956	-	25,956
Vindi Tecnologia	181,606	-	181,606
Connectplug	26,301	-	26,301
Social Miner (i)	29,853	(29,853)	-
Bling	626,692	-	626,692
Octadesk	162,996	-	162,996
Squid	466,715	-	466,715
Total goodwill on the acquisition of investments	1,607,144	(29,853)	1,577,291

- (i) Transfer to intangible assets originating from the merger (Explanatory Note 9).

These are the main financial information of the subsidiaries:

Balance on 03/31/2022						
Name	% Interest	Assets	Liabilities	Equity net	Revenue net	Income period
Direct interest						
Locaweb Telecom	100%	148	533	(385)	103	(53)
Yapay	100%	523,070	408,811	114,259	37,069	6,743
Tray Tecnologia	100%	254,080	142,432	111,648	21,127	(4,040)
Cluster2Go	100%	12	667	(655)	-	1,481
Kinghost	100%	27,341	12,249	15,092	-	1,488
Delivery Direto	100%	1,764	2,131	(367)	3,493	(1,128)
Locaweb E-Commerce	100%	296,196	209,585	86,611	-	(6,462)
Etus	100%	1,517	1,196	321	1,175	(1,019)
Vindi Tecnologia	100%	16,813	9,499	7,314	7,943	(1,588)
Connectplug	100%	915	1,460	(545)	1,674	(1,112)
Bling	100%	37,847	22,591	15,256	20,273	(202)
Octadesk	100%	6,168	7,780	(1,612)	7,521	(1,482)
Squid	100%	14,707	17,084	(2,377)	17,147	(898)

Locaweb Serviços de Internet S.A.
Individual and consolidated interim
financial information March 31, 2022

Balance on 03/31/2022						
Name	% Interest	Assets	Liabilities	Equity net	Revenue net	Income period
Indirect interest						
Ananke	100%	7,549	8,003	(454)	15,607	1,483
Fbits	100%	19,882	4,384	15,498	4,237	1,003
Cyberweb	100%	25,826	38,043	(12,217)	11,951	1,495
Kingghost	100%	1,231	303	928	-	(22)
Unipago	100%	946	667	279	36	15
IPV6	100%	-	33	(33)	-	-
Melhor Envio	100%	49,238	44,531	4,707	17,223	(72)
Ideris	100%	7,282	8,392	(1,110)	3,473	(2,755)
Smart Tecnologia	100%	23	332	(309)	-	(21)
Vindi Pagamentos	100%	2,023	896	1,127	382	34
Dooca	100%	256	1,103	(847)	1,805	(916)
Credisfera	100%	6,546	2,717	3,829	2,214	(1,809)
Samurai Holding	100%	590	736	(146)	-	(956)
Samurai Desenvolvimento	100%	2,386	2,605	(219)	2,136	(955)
V.O Desenvolvimento	100%	833	91	742	-	-
PagCerto	100%	12,851	13,677	(826)	360	(592)
Bagy	100%	1,422	2,001	(579)	2,043	(2,649)
Duopana	100%	593	9	584	32	15

Balance on 12/31/2021						
Name	% Interest	Assets	Liabilities	Equity net	Revenue et	Income period
Direct interest						
Locaweb Telecom	100%	72	544	(472)	476	(302)
Yapay	100%	496,287	388,771	107,516	115,589	22,926
Tray Tecnologia	100%	252,338	136,650	115,688	83,204	(2,927)
Cluster2Go	100%	12	2,148	(2,136)	741	(2,169)
Kingghost	100%	27,348	13,744	13,604	6,367	6,021
Delivery Direto	100%	2,408	1,646	762	14,666	53
Locaweb E-Commerce	100%	295,379	204,806	90,573	5,572	(26,546)
Etus	100%	1,860	1,390	470	8,877	(2,751)
Vindi Tecnologia	100%	16,900	10,167	6,733	31,102	564
Connectplug	100%	803	1,285	(482)	4,183	(3,504)
Social Miner	100%	-	-	-	5,599	(2,066)
Bling	100%	35,322	19,864	15,458	40,123	89
Octadesk	100%	5,500	5,631	(131)	11,156	(2,019)
Squid	100%	17,648	19,127	(1,479)	16,442	(5,775)
Indirect interest						
Fbits	100%	18,286	3,790	14,496	14,876	3,948
Cyberweb	100%	22,454	36,165	(13,711)	44,796	6,013
Kingghost	100%	1,256	307	949	-	(94)
Unipago	100%	888	623	264	192	104
IPV6	100%	-	33	(33)	-	(1)
Melhor Envio	100%	41,771	36,992	4,779	53,364	796
Ideris	100%	8,368	9,222	(854)	15,969	(4,667)
Smart Tecnologia	100%	24	312	(288)	-	(62)
Fast Notas	100%	5	119	(114)	-	(35)
Vindi Pagamentos	100%	4,172	3,080	1,092	2,979	683
Dooca	100%	631	1,083	(452)	5,618	(1,703)
Credisfera	100%	7,706	2,067	5,639	5,418	(4,860)
Samurai Holding	100%	595	736	(141)	-	(1,441)
Samurai Desenvolvimento	100%	2,177	2,391	(214)	7,306	(1,501)
V.O Desenvolvimento	100%	833	90	743	93	62
PagCerto	100%	8,758	8,992	(234)	451	(1,528)
Bagy	100%	653	1,258	(605)	3,611	(3,911)
Duopana	100%	590	486	104	93	53

The transactions with investments in subsidiaries are presented below:

Investee	Balance on 12/31/2021	Transfer	Capital advance/ increase	Equity			Balance on 03/31/2022
				Equity	Amortization of added value	Total	
Locaweb Telecom	(472)	-	140	(53)	-	(53)	(385)
Yapay	107,516	-	-	6,743	-	6,743	114,259
Tray Tecnologia	115,688	-	-	(4,040)	-	(4,040)	111,648
Cluster2Go	(3,252)	-	-	1,481	(73)	1,408	(1,844)
Kinghost	4,934	-	-	1,488	(813)	675	5,609
Delivery Direto	(2,398)	-	-	(1,128)	(339)	(1,467)	(3,865)
Locaweb E-Commerce	90,573	-	2,500	(6,462)	-	(6,462)	86,611
Etus	(1,319)	-	870	(1,019)	(358)	(1,377)	(1,826)
Vindi Tecnologia	1,611	-	2,170	(1,588)	(1,280)	2,868	913
Connectplug	(1,340)	-	1,050	(1,112)	(233)	(1,345)	(1,635)
Social Miner (i)	(1,126)	1,126	-	-	-	-	-
Bling	9,054	-	-	(202)	(2,745)	(2,947)	6,107
Octadesk	(729)	-	-	(1,482)	(359)	(1,841)	(2,570)
Squid	(2,759)	-	-	(898)	(1,280)	(2,178)	(4,937)
	315,981	1,126	6,730	(8,272)	(7,480)	(15,752)	308,085

(i) Transfer to intangible assets originating from the merger (Explanatory Note 9).

Invested company	Balance as of 12/31/2020	Acquisition of equity interest	Advance payment/ increase of capital	Equity			Balance as of 03/31/2021
				Equity	Amortization of surplus value	Total	
Locaweb Telecom	(542)	-	60	(64)	-	(64)	(546)
Yapay	84,590	-	-	5,222	-	5,222	89,812
Tray Tecnologia	33,515	-	64,500	799	-	799	98,814
Cluster2Go	(2,481)	-	404	(1,370)	(73)	(1,443)	(3,520)
Kinghost	2,164	-	-	1,362	(813)	549	2,713
Delivery Direto	(1,096)	-	-	612	(339)	273	(823)
Locaweb E-Commerce	88,511	-	1,462	(5,430)	-	(5,430)	84,543
Etus	1,118	-	-	(203)	(358)	(561)	557
Vindi Tecnologia	-	273	2,411	(615)	(1,280)	(1,895)	789
Connectplug	-	(1,423)	1,600	(285)	(156)	(441)	(264)
Social Miner	-	387	-	(528)	(201)	(729)	(342)
	205,779	(763)	70,437	(500)	(3,220)	(3,720)	271,733

On January 4, 2022, was approved the dissolution of the articles of association of Fast Notas Software de Gestão Ltda., a subsidiary of Vindi Tecnologia e Marketing S.A.

7.1 Obligation with investments acquisition

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

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cluster2Go	1,305	2,372	1,305	2,372
Kinghost	20,721	20,433	20,721	20,433
Delivery Direto	2,751	2,511	2,751	2,511
Etus	12,186	11,938	12,186	11,938
Ideris	-	-	60,580	58,608
Melhor Envio	-	-	147,894	145,344
ConnectPlug	8,986	8,834	8,986	8,834
Social Miner	10,238	10,087	10,238	10,087
Vindi Tecnologia	31,184	30,438	31,184	30,438
Dooca	-	-	16,853	16,571
Credisfera	-	-	60,803	59,736

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Samurai	-	-	11,914	11,809
Bling	124,676	120,516	124,676	120,516
Pagcerto	-	-	8,185	7,829
Bagy	-	-	34,883	33,997
Octadesk	68,961	66,303	68,961	66,303
Squid	300,708	296,929	300,708	296,928
Total of investments liabilities	581,716	570,361	922,828	904,254
Current	59,756	36,145	132,898	36,145
Non-current	521,960	534,216	789,930	868,109

The changes in obligations with acquisition of investments in March 2022 refer substantially to the remeasurement of the contingent consideration.

8 Property, plant and equipment

The transactions in the parent company are shown below:

	Parent company						
	Computers and peripherals	Improvements	Furniture and fixtures	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
Period additions	44	81	21	5,072	61	-	5,279
Write-offs	-	-	-	(3,621)	-	-	(3,621)
Balances on March 31, 2022	8,574	33,636	2,724	288,730	526	1,596	335,786
Depreciation							
Balances on December 31, 2021	(4,982)	(16,720)	(1,140)	(251,845)	-	(503)	(275,191)
Depreciation for the period	(254)	(504)	(55)	(4,512)	-	(75)	(5,400)
Write-offs	-	-	-	3,621	-	-	3,621
Transfers	-	-	-	(1)	-	1	-
Balances on March 31, 2022	(5,236)	(17,224)	(1,195)	(252,737)	-	(577)	(276,970)
Residual value							
Balances on December 31, 2021	3,548	16,835	1,563	35,434	465	1,903	58,937
Balances on March 31, 2022	3,338	16,412	1,529	35,993	526	1,019	58,816

	Parent company						
	Computers and peripherals	Improvements	Furniture and fixtures	Machines and equipment	Components for assembly	Other fixed assets	Total fixed assets
Cost							
Balances on December 31, 2020	5,561	32,178	2,402	282,534	497	970	324,142
Period additions	249	1,159	875	6,634	43	490	9,450
Write-offs	-	-	(597)	-	-	-	(597)
Balances on March 31, 2021	5,810	33,337	2,680	289,168	540	1,460	332,995
Depreciation							
Balances on December 31, 2020	(4,219)	(14,704)	(1,878)	(242,717)	-	(561)	(264,079)
Depreciation for the period	(135)	(486)	(41)	(6,646)	-	(49)	(7,357)
Write-offs	-	-	580	(1)	-	-	579
Transfers	(1)	1	-	-	-	-	-
Balances on March 31, 2021	(4,355)	(15,189)	(1,339)	(249,364)	-	(610)	(270,857)
Residual value							
Balances on December 31, 2020	1,342	17,474	524	39,817	497	409	60,063
Balances on March 31, 2021	1,455	18,148	1,341	39,804	540	850	62,138

The transactions in the consolidated are presented below:

	Consolidated						
	Computers and peripherals	Improvements	Furniture and fixtures	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	4,005	1,399	105	5,112	1,537	-	12,158
Write-offs	(369)	(1)	(168)	(3,700)	-	-	(4,238)
Balances on March 31, 2022	39,524	38,527	6,054	300,937	3,740	2,396	391,178
Depreciation							
Balances on December 31, 2021	(14,454)	(18,204)	(2,367)	(258,794)	-	(705)	(294,524)
Depreciation for the period	(1,707)	(924)	(131)	(5,068)	-	(88)	(7,918)
Write-offs	298	-	85	3,677	-	(1)	4,059
Transfers	3	-	(2)	(1)	-	-	-
Balances on March 31s, 2022	(15,860)	(19,128)	(2,415)	(260,186)	-	(794)	(298,383)
Residual value							
Balances on December 31, 2021	21,434	18,925	3,750	40,731	2,203	1,691	88,734
Balances on March 31, 2022	23,664	19,399	3,639	40,751	3,740	1,602	92,795

	Consolidated						
	Computers and peripherals	Improvements	Furniture and fixtures	Machines and equipment	Components for assembly	Other fixed assets	Total fixed assets
Cost							
Balances on December 31, 2020	19,521	33,692	4,609	291,144	914	1,487	351,367
Additions by company acquisitions	1,212	565	481	195	-	26	2,479
Period additions	4,289	1,159	879	6,218	46	561	13,152
Write-offs	-	-	(597)	3			(594)
Balances on March 31, 2021	25,022	35,416	5,372	297,560	960	2,074	366,404
Depreciation							
Balances on December 31, 2020	(9,013)	(15,082)	(3,026)	(247,373)	-	(610)	(275,104)
Additions by company acquisitions	(536)	(135)	(119)	(69)	-	(4)	(863)
Depreciation for the period	(979)	(584)	(89)	(7,035)	-	(64)	(8,751)
Write-offs	26	8	584	2	-	-	620
Transfers	(70)	-	(6)	76	-	-	-
Balances on March 31, 2021	(10,572)	(15,793)	(2,656)	(254,399)	-	(678)	(284,098)
Residual value							
Balances on December 31, 2020	10,508	18,610	1,583	43,771	914	877	76,263
Balances on March 31, 2021	14,450	19,623	2,716	43,161	960	1,396	82,306

(*) There were no impairment indicators in the periods ended in March 31, 2022 and 2021.

9 Intangible assets

The changes in the parent company are shown below:

	Parent company						
	Software	Brands and patents	Internal development	Other	Goodwill	Client portfolio	Total intangible asset
Cost							
Balances on December 31s, 2021	6,773	2,132	50,752	872	33,087	2,586	96,202
Period additions	733	-	4,659	-	-	-	5,392
Transfers (i)	4,330	2,872	-	-	22,651	-	29,853
Balances on March 31, 2022	11,836	5,004	55,411	872	55,738	2,586	131,447
Amortization							
Balances on December 31, 2021	(4,070)	(312)	(15,871)	(544)	-	(2,586)	(23,383)
Amortization for the period	(429)	(99)	(1,638)	(22)	-	-	(2,188)
Transfers (i)	(793)	(333)	-	-	-	-	(1,126)
Balances on March 31, 2022	(5,292)	(744)	(17,509)	(566)	-	(2,586)	(26,697)
Residual value							
Balances on December 31, 2021	2,703	1,820	34,881	328	33,087	-	72,819
Balances on March 31, 2022	6,544	4,260	37,902	306	55,738	-	104,750

- (i) Transfer from investment to intangible assets originating from the merger of the subsidiary Social Miner Internet Ltda. (Explanatory note 7).

	Parent company						
	Software	Brands and patents	Internal development	Other	Goodwill	Client portfolio	Total intangible asset
Cost							
Balances on December 31, 2020	4,840	2,132	41,190	872	33,087	2,586	84,707
Period additions	-	-	2,757	-	-	-	2,757
Balances on March 31, 2021	4,840	2,132	43,947	872	33,087	2,586	87,464
Amortization							
Balances on December 31, 2020	(4,283)	(275)	(16,757)	(458)	-	(2,586)	(24,359)
Amortization of the period	(82)	(9)	(1,645)	(22)	-	-	(1,758)
Balances on March 31, 2021	(4,365)	(284)	(18,402)	(480)	-	(2,586)	(26,117)
Residual value							
Balances as of December 31st, 2020	557	1,857	24,433	414	33,087	-	60,348
Balances as of March 31st, 2021	475	1,848	25,545	392	33,087	-	61,347

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

The changes in the consolidated are presented below:

	Consolidated						
	Software	Brands and patents	Internal development	Other	Goodwill	Client portfolio	Total intangible asset
Cost							
Balances on December 31, 2021	145,343	157,090	95,891	877	1,849,916	50,011	2,299,128
Period additions	778	175	12,365	-	-	-	13,318
Transfers	454	-	(454)	-	-	-	-
Balances on March 31, 2022	146,575	157,265	107,802	877	1,849,916	50,011	2,312,446
Amortization							
Balances on December 31, 2021	(36,093)	(7,444)	(24,822)	(544)	-	(11,429)	(80,332)
Amortization of the period	(6,740)	(2,050)	(2,996)	(22)	-	(1,996)	(13,804)
Balances on March 31, 2022	(42,833)	(9,494)	(27,818)	(566)	-	(13,425)	(94,136)
Residual value							
Balances on December 31, 2021	109,250	149,646	71,069	333	1,849,916	38,582	2,218,796
Balances on March 31, 2022	103,742	147,771	79,984	311	1,849,916	36,586	2,218,310

	Consolidated						
	Software	Brands and patents	Internal development	Other	Goodwill	Client portfolio	Total intangible asset
Cost							
Balances on December 31, 2020	44,123	17,312	63,347	872	384,038	12,840	522,532
Additions by company acquisitions	39,559	25,794	1,319	4	312,457	-	379,133
Additions for the period	-	-	6,906	-	-	-	6,906
Transfers in the period	(363)	-	363	-	-	-	-
Balances on March 31, 2021	83,319	43,106	71,935	876	696,495	12,840	908,571
Amortization							
Balances on December 31, 2020	(16,023)	(1,617)	(20,923)	(457)	-	(5,623)	(44,643)
Additions by company acquisitions	(1,142)	-	-	-	-	-	(1,142)
Amortization of the period	(2,896)	(1,085)	(2,724)	(22)	-	(748)	(7,475)
Transfers in the period	(91)	-	91	-	-	-	-
Balances on March 31, 2021	(20,152)	(2,702)	(23,556)	(479)	-	(6,371)	(53,260)
Residual value							
Balances on December 31, 2020	28,100	15,695	42,424	415	384,038	7,217	477,889
Balances on March 31, 2021	63,167	40,404	48,379	397	696,495	6,469	855,311

- (a) Refers to expenses with internal development linked to technological innovations of existing products, which were recorded as intangible assets for meeting the criteria specified in CPC 04 (R1)/IAS 38.
- (b) There were no impairment indicators in the periods ended in March 31, 2022 and 2021.

10 Right-of-use asset

The transactions are shown below:

	Parent company	Consolidated
Right-of-use asset on 12/31/2021	59,724	69,577
Addition	-	1,969
Write-offs	-	(1,379)
Depreciation	(1,791)	(2,757)
Right-of-use asset on 03/31/2022	57,933	67,410
Right-of-use asset on 12/31/2020	62,770	65,104
Addition	-	5,218
Depreciation	(1,681)	(2,296)
Right-of-use asset on 03/31/2021	61,089	68,026

11 Tax in installments

Refer to taxes paid in installments through adhesion to the special tax regularization program (PERT):

	Consolidated	
	03/31/2022	12/31/2021
Social Integration Program - PIS and Contribution to Social Security Financing – COFINS	2,093	2,146
Social Security Contribution on Gross Revenue - CPRB	1,038	1,064
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	14,651	14,930
National Institute of Social Security contribution - INSS	709	754
Others	1,279	1,248
Total tax installments	19,770	20,142
Current	2,906	2,878
Non-current	16,864	17,264

12 Loans, financing and lease liabilities

12.1 Loans and financing

Composition of loans and financing

	Charges	Due date	Parent company		Consolidated	
			03/31/2022	12/31/2021	03/31/2022	12/31/2021
Bradesco (8,091 USD)	USD + 5.44% p.a.	feb/22	-	4,140	-	4,140
Bradesco (2,697 USD)	USD + 4.77% p.a.	feb/22	-	1,381	-	1,381
Citibank (10,000 USD)	USD + (3M Libor + 1.56%)*1.71 p.a.	july/22	9,547	22,431	9,547	22,431
Others			-	-	881	1,089
			9,547	27,952	10,428	29,041

	Charges	Due date	Parent company		Consolidated	
			03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current			9,547	27,952	10,261	28,720
Non-current			-	-	167	321
Financial instruments – active fair value hedge			(1,823)	(8,745)	(1,823)	(8,745)
Total loans and financing net of active swap			7,724	19,207	8,605	20,296

The amounts recorded in non current liabilities on March 31, 2022 have the following maturity schedule:

	Consolidated
2023	167
	167

On March 31, 2022, all covenants related to the Company's loans and financing were fulfilled.

12.2 Lease liabilities

	Parent company	Consolidated
Liabilities for the right-of-use on 12/31/2021	65,672	76,849
Addition	-	1,969
Write-offs	-	(1,586)
Interest incurred	1,241	1,493
Payments	(2,660)	(4,021)
Liabilities for the right-of-use on 03/31/2022	64,253	74,704
Current	5,552	9,835
Non-current	58,701	64,869
Liabilities for the right-of-use on 12/31/2020	66,996	69,545
Addition	-	6,571
Interest incurred	1,269	1,309
Payments	(2,507)	(2,926)
Liabilities for the right-of-use on 03/31/2021	65,758	74,499
Current	9,685	11,986
Non-current	56,073	62,513

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

	Parent company	Consolidated
2024	6,840	10,074
2025	6,949	8,826
2026	7,505	8,355
2027	8,105	8,310
After 2028	29,302	29,304
	58,701	64,869

13 Salaries, charges, and social benefits

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Salaries and charges	8,279	9,466	23,217	28,050
Provision of vacation, 13th salary and charges	14,000	11,497	40,802	31,763
Profit Sharing plan (PPR)	9,420	7,360	14,846	11,919
	31,699	28,323	78,865	71,732

14 Provision for contingencies

The composition and changes of 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	37	417	454
Balances on March 31, 2022	476	1,937	2,413

	Parent company		
	Civil claims	Labor claims	Total
Balances on December 31, 2020	435	157	592
Reversals / Additions	(1)	(22)	(23)
Balances on March 31, 2021	434	135	569

	Consolidated		
	Civil claims	Labor claims	Total
Balances on December 31, 2021	1,206	1,520	2,726
Reversals / Additions	(13)	433	420
Balances as of March 31st, 2022	1,193	1,953	3,146

	Consolidated		
	Civil claims	Labor claims	Total
Balances on December 31, 2020	913	203	1,116
Reversals / Additions	92	(68)	24
Balances on March 31, 2021	1,005	135	1,140

Civil lawsuits are mainly represented by requests for compensation for damages for possible problems caused in the provision of services while labor claims refer to requests for various characteristics and in various stages of the procedural process, and there is no relevant process that deserves to be highlighted.

Possible losses

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

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Civil	2,140	2,167	2,460	4,955
Employment	5,565	9,291	5,565	9,824
Tax	13,599	12,773	14,240	12,773
	21,304	24,231	22,265	27,552

Civil lawsuits are mainly represented by claims for damages for possible problems caused in the provision of services, and there is no relevant lawsuit that deserves to be highlighted.

Tax lawsuits refer substantially to discussions about information on ancillary obligations and the basis for calculating taxes on payroll for specific activities.

Main tax proceeding: on December 31, 2015, a Tax Assessment Notice was issued by the São Paulo State Treasury Department against Locaweb, in order to demand an alleged ICMS debit on operations with software and electronic files and an accusation that Locaweb failed to register ICMS taxpayers as a communication service provider. The updated amount of the claim consists of BRL 10,335 with the possibility of loss classified as "Possible". In addition, in matters of procedural progress, the final judgment of the case is awaited before the São Paulo Tax and Fees Court.

For accrued lawsuits, there is a balance of judicial deposits on March 31, 2022 in the amount of BRL 447 at the Parent Company (BRL 435 on December 31, 2021) and BRL 523 at the Consolidated (BRL 504 on December 31, 2021).

Taxes and contributions statements of the Company and its subsidiaries delivered to the federal, state and municipal levels are subject to review and final acceptance by the tax authorities for a five-year statute of limitations.

15 Net equity

a. Capital stock

The authorized share capital of Locaweb is R\$ 5,000,000,000 (five billion reais). As of March 31, 2022, the subscribed and paid-in capital of Locaweb is R\$ 3,002,976 (R\$ 2,926,775 net of the cost of issuing shares), represented by 590,247,368 common shares (589,581,572 as of December 31, 2021), all registered, in book-entry form and without par value.

On March 31, 2022 and December 31, 2021, the balance of treasury shares corresponds to 2,748,472 common shares, in the amount of R\$ 45,769.

The capital movements in the period ended in March 31, 2022 refers to: (a) the issuance of 665,796 common shares with no par value, paid in the period, in the amount of R\$ 2,822 resulting from the exercise of stock option plans, as approved on January 5, 2022.

The distribution of the shares on March 31, 2022 is shown below:

	03/31/2022		12/31/2021	
	Interest %	Quantity of shares	Interest %	Quantity of shares
Claudio Gora	6.14%	36,227,821	6.10%	36,227,821
Gilberto Mautner	6.14%	36,239,821	6.10%	36,239,821
Michel Gora	6.16%	36,372,824	6.20%	36,372,824
Ricardo Gora	6.11%	36,083,221	6.10%	36,083,221
Andrea Gora Cohen	2.73%	16,086,065	2.70%	16,086,065
Treasury Share	0.47%	2,748,472	0.50%	2,748,472
GIC Private Limited	-	-	6.46%	38,086,970
BlackRock	10.09%	59,547,739	10.10%	59,547,739
William Blair	5.19%	30,658,242	5.20%	30,658,242
Other shareholders	56.97%	336,283,163	50.54%	297,530,397
	100.00%	590,247,368	100.00%	589,581,572

The Company may, by resolution of the Board of Directors, acquire its own shares to remain in treasury and subsequent disposal or cancellation, up to the amount of the balance of profit and reserves, except for the legal reserve, without reduction of the capital stock, subject to the applicable legal and regulatory provisions.

The Company may, by resolution of the Board of Directors and in accordance with the plan approved by the General Meeting, grant an option to purchase or subscribe shares, 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 the managers and employees of the Company's subsidiaries, either directly or indirectly (Note 16).

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

b. Legal reserves

The Company allocates 5% of the 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. Interest on equity and dividends

In accordance with the option provided for in Law No. 9.249/95 and based on the resolutions of the Board of Directors, the Company calculates interest on shareholders' equity on shareholders' equity, limited to the pro rata day variation of the Long-Term Interest Rate - TJLP, which suffer withholding income tax withholding of 15%, except for this withholding, the corporate shareholders proven to be immune or exempt. Interest on equity is part of the basis for calculating dividends, which, for purposes of Brazilian tax legislation, are deductible.

The Company's Management did not propose any allocation in 2021 due to the loss for the year.

d. Capital reserves

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

e. Profit retention reserves

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

16 Stock option plans, stock grant and performance plan.

a. Stock option plans

As of the base date defined in each Option Contract ("Base Date"), the following exercises 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 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 previous 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 previous 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 previous Vesting Dates, may be acquired on the Vesting Dates, 4 years after the Base Date ("Vesting Exercises").

In any case, the number 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 will be automatically terminated, without the right to compensation.

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

March 31, 2022							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	07/15/2009	01/01/2008	01/01/2010	01/01/2017	1.08	1.95	9,681,164	(7,343,460)	(2,337,704)	-
B Series	07/15/2009	07/01/2009	07/01/2010	07/01/2018	1.08	1.82	667,728	(667,728)	-	-
C Series	09/03/2010	01/01/2010	01/01/2011	01/01/2019	1.08	2.03	3,980,000	(332,560)	(3,647,440)	-
D Series	07/01/2011	07/01/2011	01/01/2012	07/01/2019	1.31	1.64	1,720,000	(1,130,000)	(590,000)	-
E Series	01/01/2012	01/01/2012	01/01/2013	01/01/2020	1.31	2.07	3,720,000	(1,990,000)	(1,730,000)	-
Series F	07/01/2012	07/01/2012	01/01/2013	07/01/2020	2.74	4.06	512,000	(166,000)	(346,000)	-
Series G	01/01/2013	01/01/2013	01/01/2014	01/01/2021	2.32	4.44	5,568,000	-	(5,568,000)	-
Series H	04/01/2013	04/01/2013	01/01/2014	04/01/2021	2.74	4.61	1,320,000	(35,000)	(1,285,000)	-
Series I	01/01/2014	01/01/2014	01/01/2015	01/01/2022	2.74	4.24	2,740,000	(110,000)	(2,630,000)	-
Series J	07/01/2015	07/01/2015	07/01/2016	07/01/2022	2.26	4.07	1,540,000	(580,000)	(960,000)	-
Series K	03/01/2016	03/01/2016	03/01/2017	04/01/2022	2.50	3.51	2,800,000	(1,400,000)	(1,400,000)	-
Series L	04/01/2016	04/01/2016	04/01/2017	04/01/2022	2.50	3.51	3,120,000	(2,220,000)	(900,000)	-
Series M	04/01/2017	04/01/2017	04/01/2018	07/01/2023	2.50	3.19	1,880,000	(1,015,000)	(635,000)	230,000
Series N	07/01/2018	07/01/2018	07/01/2019	07/01/2024	1.75	2.26	4,360,000	(1,395,000)	(590,000)	2,375,000
Series O	05/14/2019	05/14/2019	05/13/2020	05/14/2025	1.75	3.89	1,800,000	(200,000)	-	1,600,000
Series P	05/14/2019	05/14/2019	05/13/2020	05/14/2025	1.75	3.89	1,320,000	(596,000)	(60,000)	664,000
Series Q	12/04/2019	12/04/2019	08/01/2020	01/01/2026	1.75	2.12	10,175,880	(1,404,628)	-	8,771,252
Series R	12/04/2019	12/04/2019	08/01/2020	01/01/2026	4.31	1.09	1,200,000	(600,000)	-	600,000
Series S	08/11/2020	08/11/2020	08/11/2021	08/11/2026	4.31	1.67	900,000	(225,000)	-	675,000
Series T	08/11/2020	08/11/2020	08/11/2021	08/11/2026	6.37	9.85	1,922,132	(190,796)	(280,400)	1,450,936
							60,926,904	(21,601,172)	(22,959,544)	16,366,188

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

	Options	Average vesting price
Pending balance on December 31, 2021	16,430,588	2.39
Expired during the period	(64,400)	6.37
Pending balance on March 31, 2022	16,366,188	2.37

As of March 31, 2022, the number of exercisable stock options was of 9,975,873 (11,523,008 as of December 31s, 2021). 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 in March 31, 2022:

	Plan 13 P series	Plan 14 Q series	Plan 15 R series	Plan 16 S series	Plan 17 T series
Dividend earning	1.00%	1.00%	1.00%	1.00%	1.00%
Expected volatility	43.2%	43.2%	43.2%	43.2%	43.2%
Risk-free rate of return (per year)	4.50%	4.50%	4.50%	2.00%	2.00%
Expected life of options	4 years	4 years	4 years	4 years	4 years
Weighted average share price (BRL)	1.75	4.31	4.31	6.37	6.37
Model used	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 and Consolidated's income as of March 31, 2022 was R\$ 1,658 (R\$ 3,221 as of March 31, 2021).

b. Restricted shares granting plan

As of April 30, 2021, the Company's Restricted Shares Granting Plan was approved at the meeting, which establishes the respective general conditions for granting rights to acquire up to 1,700,000 (one million, seven hundred thousand) common shares, with no par value, issued by the Company, to its beneficiaries, which will be indicated annually among the Company's employees and/or other companies of the Company's economic group. The first grant of the plan occurred in July 2021 and on March 31, 2022, the number of granted shares was of 322,770 and the expense recorded in the result was R\$ 220 in the Parent Company and R\$ 689 in the Consolidated.

c. Performance plan

On April 30s, 2021, the Company's Performance Stock Granting Plan ("Performance Plan") was approved in a meeting, which establishes the respective general conditions for granting rights to acquire up to 1,300,000 (one million and three hundred thousand) common shares, with no par value, issued by the Company, to its beneficiaries, which will be indicated annually among the statutory officers and statutory officers/administrators 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 is expected to occur during the year of 2022.

17 Earnings per share

a. Basic earnings (loss) per share

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

	03/31/2022	03/31/2021
Earnings (loss) attributable to the company's shareholders	4,530	(8,377)
Weighted average number of common shares outstanding - thousands	<u>587,462</u>	<u>550,485</u>
Basic earnings (loss) per share - BRL	<u>0.01</u>	<u>(0.02)</u>

b. Diluted profit (loss) per share

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding, to assume the conversion of all diluted potential common shares, referring to stock options and the dilutive potential of these options is represented by 12,351 thousand shares on March 31, 2022 (25,196 thousand shares in 2021).

	03/31/2022	03/31/2021
Earnings (loss) attributable to the company's shareholders	4,530	(8,377)
Weighted average number of shares including potential dilution - thousands	<u>599,813</u>	<u>573,842</u>
Diluted earnings (loss) per share - BRL	<u>0.01</u>	<u>(0.01)</u>

18 Net operational revenue

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross operating revenues	86,646	82,257	278,962	184,511
BeOnline & SaaS	86,646	82,257	118,663	111,159
Commerce	-	-	160,299	73,352
Discounts and rebates	(3,680)	(6,350)	(4,040)	(6,547)
BeOnline & SaaS	(3,680)	(6,350)	(3,738)	(6,431)
Commerce	-	-	(302)	(116)
Income tax	(6,993)	(6,537)	(26,145)	(17,046)
BeOnline & SaaS	(6,993)	(6,537)	(10,338)	(9,164)
Commerce	-	-	(15,807)	(7,882)
Net operational revenue	75,973	69,370	248,777	160,918
BeOnline & SaaS	75,973	69,370	104,587	95,564
Commerce	-	-	144,190	65,354

19 Costs and expenses by nature

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Salaries, charges and benefits	(26,004)	(32,534)	(108,189)	(67,695)
Advisory and consultancy services	(5,191)	(8,643)	(10,635)	(16,156)
Depreciation and amortization	(9,379)	(10,797)	(24,479)	(18,523)
Installations	(2,882)	(2,290)	(3,765)	(3,100)
Communication and telecommunications	(643)	(702)	(923)	(1,133)
Collection services	-	-	(10,868)	(6,777)
Domains and website hosting	(6,058)	(4,106)	(20,478)	(12,166)
Maintenance of servers and equipment	(650)	(688)	(1,048)	(1,112)
Software License Rental	(11,258)	(10,934)	(18,454)	(14,135)
Other operating costs	(1,053)	(251)	(10,359)	(3,209)
Provision for loss due to impairment	-	(244)	-	(1,473)
Marketing	(5,450)	(3,933)	(29,521)	(11,768)
Stock option plans	(1,658)	(3,221)	(1,658)	(3,221)
Other general and administrative expenses	(1,821)	(773)	(3,745)	(2,680)
Total	(72,047)	(79,116)	(244,122)	(163,148)
Costs of services provided	(51,613)	(48,294)	(139,920)	(91,657)
Sales expenses	(13,799)	(11,049)	(56,647)	(25,752)
Loss due to impairment	-	(244)	-	(1,473)
General and administrative expenses	(6,635)	(19,529)	(47,555)	(44,266)
Total	(72,047)	(79,116)	(244,122)	(163,148)

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

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Sales of fixed assets	-	10	51	10
Other revenues	43	66	288	703
Investment losses	-	(171)	-	(171)
Total	43	(95)	339	542

20 Net financial income

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Financial revenues				
Income from financial investments	40,074	7,829	41,599	8,059
Interest	208	188	273	444
Exchange rate variation	-	539	-	506
Other financial revenue	463	117	592	145
	40,745	8,673	42,464	9,154
Financial expenses				
Debt cost	(258)	(1,365)	(385)	(1,586)
Banking service fees (*)	(569)	(713)	(2,310)	(2,224)
Exchange rate variation	(64)	-	(298)	-
Lease interest	(1,241)	(1,269)	(1,392)	(1,309)
IOF	(75)	(69)	(365)	(185)
Receivables management fees	(1)	-	(3,689)	(534)
Remeasurement of contingent consideration	(12,422)	(1,867)	(19,641)	(6,748)
Other financial expenses	(2,468)	(455)	(3,126)	(691)
	(17,098)	(5,738)	(31,206)	(13,277)
Net financial income	23,647	2,935	11,258	(4,123)

(*) Banking service fees include services and issuing of payment slips.

21 Income tax and social contributions

The breakdown of deferred taxes is presented below:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Provision for profit sharing	3,203	2,502	4,901	3,920
Lease (CPC 06)	2,149	2,022	2,232	2,094
Provision for lawsuits	820	666	1,115	982
Other provisions	1,574	1,360	2,457	1,988
Lei do bem (Law No. 11.196/05)	(3)	(11)	(4,576)	(4,908)
Remeasurement of the contingent consideration	13,390	9,166	18,590	12,033
Intangible assets identified in business combination	12,402	9,859	14,585	11,426

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Derivatives/Exchange Rate Variation	26	33	107	94
Goodwill	(11,059)	(11,059)	(11,059)	(11,059)
Tax losses	19,032	23,624	19,264	24,032
Total of deferred income tax and social contributions	41,534	38,162	47,616	40,602

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

	Consolidated			
	03/31/2022			
	Assets	Liabilities	Net assets	Net liabilities
Locaweb Serviços de Internet S.A.	41,534	-	41,534	-
Yapay Pagamentos OnLine Ltda.	152	(1,151)	-	(998)
Tray Tecnologia em Ecommerce Ltda.	4,545	-	4,545	-
Fbits Desenvolvimento de Software S.A.	97	(354)	-	(257)
Ananke Tecnologia Ltda.	144	-	144	-
IT Capital Serviços de Tecnologia Ltda	94	-	94	-
Cyberweb Networks Ltda.	437	-	437	-
Melhor Envio Ltda.	163	-	163	-
Locaweb Commerce S.A.	1,872	-	1,873	-
Etus Social Network Brasil Ltda.	21	-	21	-
Ideris Tecnologia da Informação Ltda.	62	-	62	-
Total	49,121	(1,505)	48,873	(1,255)

The breakdown of deferred taxes is shown below:

Parent company	Balance 12/31/2021	Income gains/ (losses)	Balance 03/31/2022
Nature			
Tax benefit on tax loss and negative basis	23,623	(4,592)	19,031
Tax benefit on goodwill	(11,059)	-	(11,059)
Temporary differences	25,598	7,964	33,562
Total	38,162	3,372	41,534
Consolidated	Balance 12/31/2021	Income gains/ (losses)	Balance 03/31/2022
Nature			
Tax benefit on tax loss and negative basis	24,033	(4,766)	19,267
Tax benefit on goodwill	(11,059)	-	(11,059)
Temporary differences	27,628	11,782	39,410
Total	40,602	7,016	47,618

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

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Income before income tax and social security contribution tax	11,864	(10,626)	16,252	(5,811)
Income tax and social contribution at the combined rate of 34%	(4,034)	3,613	(5,526)	1,976
Adjustments for effective rate demonstration				
Effect of the taxation by the presumed profit	-	-	(7)	(2,153)
Effect of equity method	(2,813)	(170)	-	-
Effect of accounting for the stock option plan	(564)	(1,095)	(564)	(1,095)
Effect of depreciation of officers' vehicles and other expenses with officers	(32)	(27)	(38)	(31)
Amortization of intangibles	-	(3)	-	(3)
Unrecorded deferred tax on tax loss	-	-	(5,596)	(1,265)
Goodwill	192	-	192	-
Others	(83)	(69)	(183)	(6)
Income tax and social contribution recorded in the income for the period	(7,334)	2,249	(11,722)	(2,565)
	61.82%	21.16%	72.13%	-44.14%

22 Segments

a. Income statement by segments

	03/31/2022			03/31/2021		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Gross operating revenue, net of rebates	114,925	159,997	274,922	104,728	73,236	177,964
Levied taxes	(10,338)	(15,807)	(26,145)	(9,164)	(7,882)	(17,046)
Net operational revenue	104,587	144,190	248,777	95,564	65,354	160,918
Costs of services provided	(68,709)	(71,211)	(139,920)	(67,103)	(24,554)	(91,657)
Gross profit	35,878	72,979	108,857	28,461	40,800	69,261
Sales expenses	(18,503)	(38,144)	(56,647)	(14,328)	(11,424)	(25,752)
General and administrative expenses	(20,011)	(27,544)	(47,555)	(26,113)	(18,153)	(44,266)
Loss due to impairment	-	-	-	(267)	(1,206)	(1,473)
Other operating revenue	141	198	339	(31)	573	542
Income before financial expenses and income	(2,495)	7,489	4,994	(12,278)	10,590	(1,688)
Operating expenses included in Costs and Expenses:						
Depreciation and amortization expenses	17,991	6,488	24,479	14,783	3,740	18,523
Stock option plan	1,658	-	1,658	3,221	-	3,221

b. Main assets and liabilities of the segments

	03/31/2022			12/31/2021		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Accounts receivable	23,628	556,727	580,355	22,668	480,887	503,555
Property, plant and equipment	69,859	22,936	92,795	68,830	19,904	88,734
Intangible assets	254,135	1,964,175	2,218,310	238,707	1,980,089	2,218,796
Total main assets	347,622	2,543,838	2,891,460	330,205	2,480,880	2,811,085
Loans and financing	9,547	881	10,428	27,951	1,090	29,041
Services to be provided	48,872	12,508	61,380	48,587	10,780	59,367
Receivables transferable	531	443,941	444,472	488	414,330	414,818
Total main liabilities	58,950	457,330	516,280	77,026	426,200	503,226

23 Financial instruments

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		
	03/31/2022		
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	17,325	17,325	Level 2
Fair value through profit or loss			
Cash and cash equivalents	1,470,443	1,470,443	Level 2
Derivative financial instruments	1,823	1,823	Level 2
Restricted financial investment	1,583	1,583	Level 2
Total	1,473,849	1,473,849	
Financial liabilities			
Amortized cost			
Loans and financing	9,547	9,547	Level 2
Suppliers	10,718	10,718	Level 2
Lease liabilities	64,253	64,253	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	581,716	581,716	Level 3
Total	666,234	666,234	

Consolidated			
03/31/2022			
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	580,355	580,355	Level 2
Fair value through profit or loss			
Cash and cash equivalents	1,544,811	1,544,811	Level 2
Derivative financial instruments	1,823	1,823	Level 2
Restricted financial investment	1,583	1,583	Level 2
Total	1,548,217	1,548,217	
Financial liabilities			
Amortized cost			
Loans and financing	10,428	10,428	Level 2
Suppliers	40,878	40,878	Level 2
Lease liabilities	74,704	74,704	Level 2
Receipts to be transferred	444,472	444,472	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	922,828	922,828	Level 3
Total	1,493,310	1,493,310	
Parent company			
12/31/2021			
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Accounts receivable	16,129	16,129	Level 2
Fair value through profit or loss			
Cash and cash equivalents	1,465,014	1,465,014	Level 2
Derivative financial instruments	8,745	8,745	Level 2
Restricted financial investment	1,685	1,685	Level 2
Total	1,491,573	1,491,573	
Financial liabilities			
Amortized cost			
Loans and financing	27,952	27,952	Level 2
Suppliers	10,548	10,548	Level 2
Lease liabilities	65,672	65,672	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	570,361	570,361	Level 3
Total	674,533	674,533	

	Consolidated		
	12/31/2021		
	Book value	Fair value	Fair value hierarchy
Financial assets			
Amortized cost			
Receivable accounts	503,555	503,555	Level 2
Fair value through profit or loss			
Cash and cash equivalents	1,584,399	1,584,399	Level 2
Derivative financial instruments	8,745	8,745	Level 2
Restricted financial investment	1,685	1,685	Level 2
Total	2,098,384	2,098,384	
Financial liabilities			
Amortized cost			
Loans and financing	29,041	29,041	Level 2
Suppliers	42,083	42,083	Level 2
Lease liabilities	76,849	76,849	Level 2
Receipts to be transferred	414,818	414,818	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	904,254	904,254	Level 3
Total	1,467,045	1,467,045	

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

a. Purpose of using derivative financial instrument

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

On July 2, 2019, the Company entered into an exchange rate swap agreement with a notional value of R\$ 38,300, equivalent to USD 10,000 on the inception date, when the exchange rate was of R\$ 3.8300 per US dollar. As of March 31, 2022, the amount of USD 2,000 was outstanding in this contract.

This operation, a consequence of a foreign currency-backed funding based on federal law No.4131/62 (“funding 4131”), allowed the Company to replace its exposure to the variation of the US dollar (USD) plus 4.57% per year, with a fixed rate.

In January and February 2022, the Company entered into forward currency contracts (NDF) with 3 monthly maturities between February 2022 and December 2022. As of March 31, 2022, contracts were outstanding in the amount of USD 8,295.

The Company maintains internal controls with respect to its derivative financial instruments that, in the opinion of Management, are adequate to control the risks associated with each strategy of operation in the market. The results obtained by the Company in relation to its derivative financial instruments show that the management of risks by Management has been carried out in an appropriate manner.

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

Risk management is carried out by the Company's Treasury, according to 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 cash surpluses.

(i) Interest rate risk

Risk associated with the possibility that the Company may incur losses due to fluctuations in interest rates that increase financial expenses related to loans and financing raised in the market.

(ii) Credit risk

Credit risk refers to the risk that the counterparty will not meet its obligations regarding a financial instrument or contract with the customer, generating a loss. The Company is mainly exposed to credit risk related to cash and cash equivalents and accounts receivable from customers. 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 in first-rate institutions, which risk rating is low credit risk assigned by reference rating agencies, using exclusively financial instruments and fixed income investment funds, classified as low risk.
- **Receivable accounts from customers:** The Company's credit risk is minimized as the assets represented by receivables and services are intermediated by credit card companies. In this case, the credit risk with customers is fully transferred to them, leaving to the Company only the risk of non-recognition of purchase by customers for which expected credit losses are measured and recorded. The Company now holds credit risk with credit card companies.

The amounts receivable from individual customers through slips are restricted and represented approximately 6% of the accounts receivable on March 31st, 2022 (7% on December 31st, 2021). The maximum exposure to credit risk as of March 31st, 2022 is the amount presented in the balance sheet.

The Company's exposure is shown below:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents (note 3)	1,470,443	1,465,014	1,544,811	1,584,399
Accounts receivable from customers (note 4)	17,325	16,129	580,355	503,555
	1,487,768	1,481,143	2,125,166	2,087,954

(iii) Liquidity risk

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

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

Management of liquidity and cash flow of the company and subsidiaries is carried out daily by the Company in order to ensure that the operating generation of cash and the prior raising of funds, 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:

	Less than 3 months	From 3 to 12 months	Over 1 year	Total
March 31, 2022				
Other accounts payables	2,982	-	5,818	8,800
Suppliers	40,878	-	-	40,878
Loans and financing	315	11,694	182	12,191
Lease liabilities	2,459	7,376	64,869	74,704
Receivables transferable	444,472	-	-	444,472
Obligation with investments acquisition	132,538	360	789,930	922,828
	623,644	19,430	860,799	1,503,873
December 31, 2021				
Other payables	2,650	-	5,238	7,888
Suppliers	42,083	-	-	42,083
Loans and financing	16,385	12,585	351	29,321
Lease liabilities	2,318	6,956	67,575	76,849
Receivables transferable	414,818	-	-	414,818
Obligation with investments acquisition	1,150	34,995	868,109	904,254
	479,404	54,536	941,273	1,475,213

(iv) Exchange risk

Foreign exchange risk refers to the risk of change in future cash flows from borrowing in foreign currency and financial instruments due to a change in exchange rates. Foreign exchange risk can significantly impact the Company's financial result and to manage this risk, the Company uses derivative financial protection instruments (swap) with a financial institution considered first line. In this context, the Company is fully protected against the exchange variation of its loans.

It is the Company's policy to use derivative financial instruments only to minimize the risks arising from exposure to foreign currency, represented by a loan in foreign currency, that is, without speculative character.

b. Sensitivity analysis

On March 31, 2022, the Company was exposed to the variation of the US Dollar (USD), due to a loan in foreign currency, as well as to the variation in the Interbank Deposit Certificate (CDI), an index of income from financial investments (CDB). In order to verify the sensitivity of these indexes, three different scenarios were defined.

For the probable scenario, according to the evaluation prepared by Management, an increase of 5% was considered. In addition, two other scenarios (A and B) are shown. The Company assumed an increase of 25% (scenario A) and 50% (scenario B - extreme situation scenario) in the projections. The sensitivity analysis for each type of risk considered relevant by Management is presented in the following table:

Transaction	Risk	Balance on March 31 2022	Losses - Consolidated		
			Probable	Scenario A	Scenario B
Financial investments indexed to CDI	CDI drop	1,546,394	(9,008)	(45,039)	(90,077)
CDI (fall scenario)		11.65%	11.07%	8.74%	5.83%

c. Capital management

The objectives of the Company when managing its capital are to safeguard the ability of continuity of the Company to provide a return to shareholders and benefits to other stakeholders, in addition to maintaining an optimal capital structure to reduce costs or costs associated to this generation of results and benefits.

In order to maintain or adjust the capital structure, the Company may review the receivable advancement policy, the non-obligatory dividend payment policy, return capital to shareholders, or even issue new shares to reduce, for example, the level of indebtedness.

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

	03/31/2022	12/31/2021
Loans and financing	10,428	29,041
(+) Lease liabilities	74,704	76,849
(+) Balance of derivatives	(1,823)	(8,745)
(-) Cash and cash equivalents	(1,544,811)	(1,584,399)
(-) Restricted financial investments	(1,583)	(1,685)
(=) Net debt	<u>(1,463,085)</u>	<u>(1,488,939)</u>
(+) Net equity	2,941,451	2,935,066
(=) Net equity and net debt	<u>1,478,366</u>	<u>1,446,127</u>

d. Fair values of financial instruments

The valuation method used to calculate the market 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 prevailing on the balance sheet date.

Fair values are calculated by projecting the future flows of operations, using the B3 curves and bringing to present value using the foreign exchange market rates for *swaps*, disclosed by B3.

Market values of the derivatives below were obtained using the market rates prevailing on the balance sheet date and the rates projected by the market. In order to calculate the coupon for positions indexed in foreign currency, the 360-day linear convention was adopted. The following table illustrates the changes in the fair values of derivative instruments and the respective amounts receivable (payable) at the end of the period.

March 31, 2022			
Parent company and consolidated			
Description	Reference value (notional)	Fair value	Amount receivable / (payable)
Fundraising 4131			
Active index edge	9,547	9,601	9,601
Passive index edge	(7,826)	(7,778)	(7,778)
	<u>1,721</u>	<u>1,823</u>	<u>1,823</u>
Total of derivative financial instruments	<u>1,721</u>	<u>1,823</u>	<u>1,823</u>
Mark-to-Market - MTM (Balance as of 03/31/22)	-	-	101
Mark-to-Market - MTM (Balance as of 12/31/21)	-	-	148
Mark-to-Market - MTM for the period	-	-	(47)

e. Change in liabilities from financing activities

Parent company					
03/31/2022			03/31/2021		
Changes with cash effect	Transactions without cash effect	Total	Cash effect transactions	Transactions without cash effect	Total
Loans and financing - beginning of the period	-	-	-	-	83,175
Derivative financial instruments - beginning of the period	-	(8,745)	-	-	(19,367)
(=) Debt to market, net of derivative instruments	-	19,207	-	-	63,808
(+) Interest, exchange variation and accrued derivatives	-	209	-	991	991
(-) Principal amortized in the period	(11,296)	-	(23,868)	-	(23,868)
(-) Interest, exchange variation and derivatives paid	(443)	-	(1,418)	-	(1,418)
(+/-) Mark-to-market of derivatives	-	47	-	354	354
(=) Debt to market, net of derivative instruments	(11,739)	256	(25,286)	1,345	39,867
Loans and financing - end of period	-	-	-	-	57,544
Derivative financial instruments - end of period	-	(1,823)	-	-	(17,677)

	Consolidated					
	03/31/2022			03/31/2021		
	Changes with cash effect	Transactions without cash effect	Total	Cash effect transactions	Transactions without cash effect	Total
Loans and financing - beginning of the period	-	-	29,041	-	-	84,558
Derivative financial instruments - beginning of the period	-	-	(8,745)	-	-	(19,367)
(=) Debt to market, net of derivative instruments	-	-	20,296	-	-	65,191
(+) Debt from acquired companies	-	-	-	-	5,937	5,589
(+) Interest, exchange variation and accrued derivatives	-	334	334	-	1,232	1,349
(-) Principal amortized in the period	(11,483)	-	(11,483)	(24,611)	-	(24,299)
(-) Interest, exchange variation and derivatives paid	(590)	-	(590)	(1,695)	-	(1,766)
(+-) Mark-to-market of derivatives	-	47	47	-	354	354
(=) Debt to market, net of derivative instruments	(12,073)	382	8,605	(26,305)	7,292	46,405
Loans and financing - end of period	-	-	10,428	-	-	64,085
Derivative financial instruments - end of period	-	-	(1,823)	-	-	(17,677)

24 Non-cash transactions

In the period ended in March 31, 2022 and 2021, the Company recorded transactions related to the acquisition of machinery and equipment for fixed assets and additions of right-of-use assets that did not affect cash, as shown below:

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Acquisition of machinery and equipment	1,762	1,862	2,342	1,876
Additions of right-of-use asset	-	-	1,969	5,218
	<u>1,762</u>	<u>1,862</u>	<u>4,311</u>	<u>7,094</u>

25 Insurance coverage

The Company and its subsidiaries maintain insurance coverage to guarantee possible damages to its net worth and assets, including insurance of its establishments and its fleet of vehicles, which premiums, in the periods, added up to:

	Consolidated	
	03/31/2022	12/31/2021
Vehicles	16,081	16,081
Business (real estate and assets)	362,575	362,575
Civil liability of management	50,000	50,000
Civil liability	3,300	3,300
	<u>431,956</u>	<u>431,956</u>

Property insurance aimed at ensuring the Company's business units have coverage for events arising from fire, lightning, explosion, theft and aggravated theft of goods and electrical damage.

The Company does not contract insurance to cover losses arising 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 of its responsibility.

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

26 Subsequent events

a. Incorporation

At the Extraordinary General Meeting held on April 29, 2022, the merger of Ananke Tecnologia Ltda. by Ananke Participações S.A. was approved and subsequently the merger of Ananke Participações S.A. by Locaweb Serviços de Internet S.A. was also approved.

Declaration of officers on the interim financial information

In compliance with the provisions of CVM Instruction No. 480/09, the Executive Board declares that it has discussed, reviewed and agreed with the interim accounting information for the period ended in March 31, 2022.

* * *

São Paulo - May 10, 2022.

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 has 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 information for the period ended in March 31, 2022.

* * *

São Paulo - May 10, 2022.

Fernando Biancardi Cirne
Chief Executive Officer

Rafael Chamas Alves
Chief Financial Officer and DRI