Locaweb Serviços de Internet S.A.

(A free translation of the original report in Portuguese containing financial statements prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).)

Financial statements on december 31, 2022

KPDS 1164888

Contents

São Paulo, March 21, 2023: Locaweb Serviços de Internet SA (B3: LWSA3) informs its shareholders and other market participants of the 4Q22 results

//Summary of Indicators

// Consolidated

(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Net Revenue	302.9	245.9	23.2%	1,138.4	800.2	42.3%
Gross Profit	134.4	108.0	24.4%	514.2	364.5	41.1%
Gross Margin (%)	44.4%	43.9%	0.4 p.p.	45.2%	45.6%	-0.4 p.p.
EBITDA	45.2	19.2	134.9%	151.5	95.9	58.0%
EBITDA Margin (%)	14.9%	7.8%	7.1 p.p.	13.3%	12.0%	1.3 p.p.
Adjusted EBITDA [1]	48.7	31.6	54.1%	172.4	143.0	20.6%
Adjusted EBITDA Margin (%)	16.1%	12.9%	3.2 p.p.	15.1%	17.9%	-2.7 p.p.
Net Income	18.9	(7.2)	361.7%	30.3	(15.7)	292.3%
Adjusted Net Income [2]	60.9	27.2	123.9%	162.8	85.5	90.4%
Adjusted Net Income Margin (%)	20.1%	11.1%	9.0 p.p.	14.3%	10.7%	3.6 p.p.
Cash Generation [3]	22.0	12.1	82.5%	71.8	58.6	22.6%
Cash Conversion (%) [3]	45.3%	38.2%	7.1 p.p.	41.7%	41.0%	0.7 p.p.
Net Debt (Cash)	(1,447.8)	(1,565.8)	-7.5%	(1,447.8)	(1,565.8)	-7.5%

[1] Adjusted EBITDA refers to net income (loss) adjusted by the financial result, income tax and social contribution on income, depreciation and amortization costs and expenses, stock option plan expenses; and extraordinary expenses related to the IPO and Follow-on. The EBITDA Margin is calculated by dividing EBITDA by Net Operating Revenue. The Adjusted EBITDA Margin is calculated by dividing EBITDA by Net Operating Revenue.

[2] Adjusted Net Income is calculated based on net income (loss), excluding: (i) stock option plan expenses; (ii) intangible amortization expenses arising from the acquisition of companies; (iii) adjustments related to CPC 06 (refers to the sum of interest financial expenses due to the restatement of the lease liability and the depreciation expense of the right-of-use asset less the lease liability payments made); (iv) mark-to-market of derivative financial instruments; (v) deferred income tax and social contribution; (vi) extraordinary expenses related to the IPO and the Follow-on; and (vii) Adjustment to Present Value related to Earnout from acquisitions.

[3] Cash generation is measured by "Adjusted EBITDA – Capex" and Cash Conversion is formed by dividing "Adjusted EBITDA – Capex" by "Adjusted EBITDA".

Commerce
(R$ million)

Commerce	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Platform GMV [1]	2,962.9	2,589.0	14.4%	10,675.5	9,458.3	12.9%
Invoices GMV on Bling (R$ bi) [2]	28.7	21.4	34.0%	102.1	70.9	44.0%
TPV	1,514.2	926.8	63.4%	4,933.1	2,951.9	67.1%
Platform Subscribers (thousand) [3]	162.0	123.2	31.6%	162.0	123.2	31.6%
Labels issued by Melhor Envio (thousand)	5,765	5,353	7.7%	20,865	17,857	16.8%
Gross revenue, net of rebate	226.2	156.6	44.5%	790.4	442.7	78.6%
Net Revenue	206.4	141.0	46.3%	721.7	396.8	81.9%
Platform Subscription Net Revenue	85.3	61.6	38.6%	300.1	176.6	69.9%
Ecosystem Net Revenue	121.0	79.5	52.2%	421.6	220.2	91.5%
Gross Profit	104.1	70.1	48.4%	375.9	230.3	63.2%
Gross Margin (%)	50.5%	49.7%	0.7 p.p.	52.1%	58.0%	-6.0 p.p.
EBITDA	30.5	9.9	206.8%	90.8	62.9	44.3%
EBITDA Margin (%)	14.8%	7.0%	7.7 p.p.	12.6%	15.8%	-3.3 p.p.
Adjusted EBITDA	30.9	12.5	146.6%	95.7	69.6	37.4%
Adjusted EBITDA Margin (%)	15.0%	8.9%	6.1 p.p.	13.3%	17.6%	-4.3 p.p.

[1] Platform GMV: Sum of the GMVs of Tray and Dooca, our 2 main e-commerce platforms
[2] GMV of Invoices issued by Bling considers both online and offline amounts. Data measurement started in 4Q20, so we do not have 2020 consolidated data
[3] Platform Subscribers: Considers the number of Tray, Bling, Dooca and Bagy subscribers in the two periods of comparison

BeOnline / SaaS
(R$ million)

BeOnline / SaaS	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Clients EoP - BeOnline / SaaS	398.2	398.8	-0.1%	398.2	398.8	-0.1%
Gross revenue, net of rebate	106.6	114.8	-7.1%	457.4	442.0	3.5%
Net Revenue	96.5	104.8	-7.9%	416.7	403.4	3.3%
Gross Profit	30.3	37.9	-20.0%	138.3	134.2	3.1%
Gross Margin (%)	31.4%	36.1%	-4.7 p.p.	33.2%	33.3%	-0.1 p.p.
EBITDA	14.8	9.3	58.4%	60.7	33.0	84.2%
EBITDA Margin (%)	15.3%	8.9%	6.4 p.p.	14.6%	8.2%	6.4 p.p.
Adjusted EBITDA [1]	17.8	19.1	-6.6%	76.7	73.3	4.6%
Adjusted EBITDA Margin (%)	18.5%	18.2%	0.3 p.p.	18.4%	18.2%	0.2 p.p.

[1] The concept of Adjusted EBITDA is described in the table of consolidated results

Net Operating Revenues
(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Commerce	206.4	141.0	46.3%	721.7	396.8	81.9%
Segment share in the consolidated	*68.1%*	*57.4%*	*10.8 p.p.*	*63.4%*	*49.6%*	*13.8 p.p.*
BeOnline / SaaS	96.5	104.8	-7.9%	416.7	403.4	3.3%
Segment share in the consolidated	*31.9%*	*42.6%*	*-10.8 p.p.*	*36.6%*	*50.4%*	*-13.8 p.p.*
Net Revenue - Consolidated	**302.9**	**245.9**	**23.2%**	**1,138.4**	**800.2**	**42.3%**

Locaweb's Net Revenue totaled R$302.9 million in 4Q22, an increase of 23.2% when compared to 4Q21. In 2022, the growth was 42.3%, reaching R$1,138.4 million.

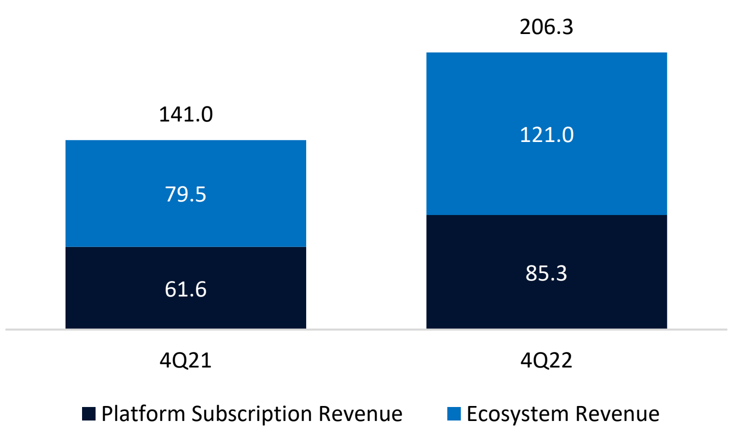
It is important to point out that, as previously mentioned in this report, in the fourth quarter of 2022, we completed the migration to a new billing system at Locaweb Varejo (BeOnline / SaaS). Such a migration created a one-off impact on the result, not related to the Company's performance, **which made us recognize a lower revenue this quarter, also adversely affecting the segment and consolidated EBITDA**.

The share of the Commerce segment, which includes revenues from Tray, Tray Corp, Melhor Envio, Vindi, Ideris, Samurai, Dooca, Credisfera, Bling, Bagy, Octadesk, Squid, and Síntese, went from 57.4% in 4Q21 to 68.1% in 4Q22.

In the Commerce segment, Net Operating Revenue increased by 46.3% in 4Q22, from R$141.0 million in 4Q21 to R$206.4 million in 4Q22. In 2022, growth was 81.9%.

The growth shown is the result of the increase in the two sources of revenue in the Commerce segment: the Platform Subscription Revenue, which grew 38.6% in 4Q22, and the Ecosystem Revenue, which grew 52.2% in the quarter compared to with 4Q21.

The graph below shows the evolution of the two revenue sources in 4Q21 and 4Q22:



Among the acquired companies in the Commerce segment, we highlight the solid growth of **63%** of Bling and of **111%** of Squid in 4Q22 vs 4Q21.

If we consider the five largest companies acquired, which together account for about 90% of total net revenue from the acquisitions (Bling, Melhor Envio, Squid, Vindi, and Octadesk), proforma growth in 4Q22 was **63.8%**.

The pro forma growth pace of the top five acquired companies in 2022 was **52.8%**.

On the other hand, BeOnline / SaaS Net Operating Revenue decreased in the period due to the factors already mentioned in this report.

// Operating Costs and Expenses
(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Cost of Services	168.5	137.8	22.2%	624.2	435.7	43.3%
% Net Revenue	*55.6%*	*56.1%*	*-0.4 p.p.*	*54.8%*	*54.4%*	*0.4 p.p.*
Selling Expenses	66.5	55.1	20.6%	251.9	162.6	55.0%
% Net Revenue	*22.0%*	*22.4%*	*-0.5 p.p.*	*22.1%*	*20.3%*	*1.8 p.p.*
General and Administrative Expenses	51.6	60.0	-14.0%	215.9	196.0	10.2%
% Net Revenue	*17.0%*	*24.4%*	*-7.4 p.p.*	*19.0%*	*24.5%*	*-5.5 p.p.*
Other Operating (Revenues) Expenses	(1.4)	(1.4)	-2.8%	(2.2)	(2.5)	-13.7%
% Net Revenue	*-0.5%*	*-0.6%*	*0.1 p.p.*	*-0.2%*	*-0.3%*	*0.1 p.p.*
Total Operating Cost and Expenses	**285.1**	**251.5**	**13.4%**	**1089.9**	**791.7**	**37.7%**
% Net Revenue	*94.1%*	*102.3%*	*-8.2 p.p.*	*95.7%*	*98.9%*	*-3.2 p.p.*

Locaweb's total operating costs and expenses grew by 13.4% in 4Q22 when compared to the same period of the previous year. In 2022, growth was 37.7%.

Cost of Services
The cost of services in 4Q22 was R$168.5 million, an increase of 22.2% in the comparison between the two periods, which represented 55.6% of net revenue in 4Q22 and 56.1% in 4Q21.

Selling Expenses
Selling expenses, which encompass the marketing and sales teams, as well as the contracted services of the same nature, amounted to R$66.5 million in 4Q22, an increase of 20.6% when compared to 4Q21, in line with the company's Net Revenue growth.

The table below shows the share of selling expenses over the segments and consolidated revenue:

LOCAWEB COMPANY	4Q22	3Q22	4Q21	4Q22 vs 3Q22	4Q22 vs 4Q21
Commerce					
Selling Expenses	47.3	45.8	34.9	31.2%	35.6%
% Net Revenue	*22.9%*	*23.2%*	*24.7%*	*-1.6 p.p*	*-1.8 p.p*
BeOnline / SaaS					
Selling Expenses	19.2	19.8	20.2	-2.3%	-5.3%
% Net Revenue	*19.9%*	*18.5%*	*19.3%*	*-0.8 p.p*	*0.6 p.p*
Consolidated					
Selling Expenses	66.5	65.5	55.1	18.9%	20.6%
% Net Revenue	*22.0%*	*21.5%*	*22.4%*	*-0.9 p.p*	*-0.5 p.p*

It is worth pointing out that such expenses also consolidate the expenses of the acquired companies, which have a structure/process of customer acquisition that is still different from those in place by the Company. From the organic viewpoint, selling expenses in 4Q22 in the Commerce segment represented 13% of the segment's organic net revenue.

General and Administrative Expenses

General and administrative expenses, which include the teams in the administrative areas such as finance, HR, accounting and fiscal, expenses and outsourced services related to these areas, as well as depreciation and amortization of IFRS 16 and PPA assets, totaled R$ 51.6 million in 4Q22 and R$60.0 million in the same period of 2021, which represented a drop of 14.0%, which was particularly driven by the 92.5% reduction in the expenses associated with mergers and acquisitions in the period (non-recurring amounts adjusted in the EBITDA).

// Gross Profit

(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Commerce	104.1	70.1	48.4%	375.9	230.3	63.2%
Margin (%)	*50.5%*	*49.7%*	*0.7 p.p.*	*52.1%*	*58.0%*	*-6.0 p.p.*
BeOnline / SaaS	30.3	37.9	-20.0%	138.3	134.2	3.1%
Margin (%)	*31.4%*	*36.1%*	*-4.7 p.p.*	*33.2%*	*33.3%*	*-0.1 p.p.*
Gross Profit	**134.4**	**108.0**	**24.4%**	**514.2**	**364.5**	**41.1%**
Gross Margin (%)	*44.4%*	*43.9%*	*0.4 p.p.*	*45.2%*	*45.6%*	*-0.4 p.p.*

Consolidated Gross Profit increased by 24.4% in 4Q22 when compared to 4Q21, reaching R$134.4 million. In 4Q22, there was a slight increase of 0.4 p.p. in the Gross Margin when compared to 4Q21.

The drop observed in the BeOnline / SaaS segment is directly related to the factors discussed in this report.

EBITDA and Adjusted EBITDA
(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Net Income (Loss)	**18.9**	**(7.2)**	**361.7%**	**30.3**	**(15.7)**	**292.3%**
(+) Net Financial Income	0.9	(4.8)	-118.3%	(14.6)	(4.0)	261.1%
(+) Current Income Tax and Social Contribution	(2.0)	6.4	-131.6%	32.8	28.3	16.0%
(+) Depreciation and Amortization	27.5	24.9	10.4%	102.9	87.3	17.9%
EBITDA	**45.2**	**19.2**	**134.9%**	**151.5**	**95.9**	**58.0%**
(+) Stock Options Plan and Restricted Shares Plan	2.8	3.8	-27.5%	13.6	13.2	3.5%
(+) M&A Expenses	0.6	8.5	-92.5%	6.8	26.3	-74.2%
(+) IPO and Follow-on Extraordinary Expenses	0.0	0.0	-100.0%	0.0	7.7	-100.0%
(+) Earnouts adjustment	0.0	0.0	n/a	0.0	0.0	n/a
(+) Others	0.1	0.0	n/a	0.5	0.0	n/a
Adjusted EBITDA	**48.7**	**31.6**	**54.1%**	**172.4**	**143.0**	**20.6%**
Adjusted EBITDA Margin (%)	*16.1%*	*12.9%*	*3.2 p.p.*	*15.1%*	*17.9%*	*-2.7 p.p.*

As a result of the figures presented above, Locaweb's Adjusted EBITDA in 4Q22 was R$48.7 million, 54.1% higher than in 4Q21, with Adjusted EBITDA Margin expanding by 3.2 p.p. in the same period.

It is worth recalling that the group's Adjusted EBITDA was impacted by one-off item related to the systems migration to BeOnline / SaaS, as already discussed in this report.

EBITDA and Adjusted EBITDA by segment
(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Commerce						
Adjusted EBITDA	30.9	12.5	146.6%	95.7	69.6	37.4%
Adjusted EBITDA Margin (%)	*15.0%*	*8.9%*	*6.1 p.p.*	*13.3%*	*17.6%*	*-4.3 p.p.*
BeOnline / SaaS						
Adjusted EBITDA	17.8	19.1	-6.6%	76.7	73.3	4.6%
Adjusted EBITDA Margin (%)	*18.5%*	*18.2%*	*0.3 p.p.*	*18.4%*	*18.2%*	*0.2 p.p.*
Consolidated						
Adjusted EBITDA	**48.7**	**31.6**	**54.1%**	**172.4**	**143.0**	**20.6%**
Adjusted EBITDA Margin (%)	*16.1%*	*12.9%*	*3.2 p.p.*	*15.1%*	*17.9%*	*-2.7 p.p.*

The Commerce Adjusted EBITDA Margin increased by 6.1 p.p. in 4Q22, mainly driven by the improvement in the margins of the acquired companies, as already discussed in the line graph in the beginning of the report.

Financial Result
(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Financial revenues	50.2	32.9	52.4%	189.8	82.7	129.6%
Financial expenses	(51.0)	(28.1)	81.7%	(175.3)	(78.7)	122.8%
Net financial income (expenses)	**(0.9)**	**4.8**	**-118.3%**	**14.6**	**4.0**	**261.1%**

The net financial result in 4Q22 was R$0.9 million.

The growth in financial income refers to the investment made using the proceeds from the Follow-on offering of mid-February 2021, which, with the increase in the interest rate, is generating greater financial income.

In terms of financial expenses, we would like to highlight the following points:

(i) Effect of the Adjustment to Present Value of Earnouts from acquisitions, which amounted to R$ 31.9 million in the quarter compared to R$ 15.9 million in 4Q21. In addition, we made adjustments to the amounts of earnouts payable of companies that had not reached materiality in 3Q22, in accordance with the Earnouts Policy (R$ 4.0 million);

(ii) The expense of R$ 14,4 million resulting from the advance of receivables at Vindi, the modality chosen by the Company to finance the working capital necessary for the payment operations. As a percentage of TPV, financial expenses increased from 1.22% in 3Q22 to 0.95% in 4Q22.

Income Tax and Social Contribution
(R$ million)

LOCAWEB COMPANY	2022	2021	2020	2019
Income (loss) before income taxes	**63.1**	**12.6**	**29.7**	**24.3**
Combined statutory rate of 34%	34%	34%	34%	34%
Income taxes at a combined statutory rate of 34%	**(21.5)**	**(4.3)**	**(10.1)**	**(8.3)**
Adjustments to the effective rate				
Interest on shareholders' equity	0.0	0.0	5.4	1.2
Effect of presumed profit method	(0.2)	(10.4)	(1.4)	(0.4)
Effect of stock options plan expenses	(2.9)	(4.0)	(5.3)	(0.7)
Tax losses carryforward not recognized (tax loss)	(15.9)	(12.1)	(1.1)	(1.0)
Tax benefit from Lei do Bem	11.1	2.7	2.5	2.6
Goodwill	0.0	0.8	0.0	0.0
Others	(3.5)	(0.9)	(0.1)	0.4
Income taxes in the statements of operations	**(32.8)**	**(28.3)**	**(10.0)**	**(6.2)**
Effective rate	**52.0%**	**225.4%**	**33.6%**	**25.5%**

The effective tax rate for 2022 was mainly impacted by the effect of calculating presumptive profit and deferred tax not recorded in tax losses. Such impacts are directly related to the acquired companies, which, as explained in this report, are at different maturity levels when compared to the other mature operations.

The Company benefits from tax incentives granted to technology research and technological innovation development activities, provided for in law 11,196 of 2005, known as Lei do Bem and in 2022, given all the technological developments made, we managed to increase the volume of projects that fall under this law.

Among the benefits that the Company gained is the accelerated amortization, through deductions as a cost or operating expense in the period for the calculation in which they are incurred, of the expenditures linked exclusively to technological research activities and development of technological innovation, which explains a large part of of the expenses with depreciation and amortization at the Company. In addition, the Company benefits from the deduction, for purposes of calculating Net Income, of an amount corresponding to the sum of expenditures incurred in the calculation period with technological research and development of technological innovation classifiable as operating expenses under the Income Tax legislation of corporate entities.

// Net Income and Adjusted Net Income

(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Net income	**18.9**	**(7.2)**	**361.7%**	**30.3**	**(15.7)**	**292.3%**
(+) Stock Options Plan and Restricted Shares Plan	2.8	3.8	-27.5%	13.6	13.2	3.5%
(+) Intangible amortization	10.0	10.1	-1.2%	38.8	29.4	31.9%
(+) Adjustment of Acquisition Earnout	31.9	15.9	100.2%	101.1	48.2	109.9%
(+) Deferred income tax and social contribution	(4.8)	3.9	-222.9%	(22.7)	5.3	-529.7%
(+) CPC 06 adjustment	2.2	0.6	291.3%	1.1	1.7	-31.6%
(+) MtM	0.0	0.1	99.7%	0.1	(1.5)	-110.2%
(+) IPO and Follow-on Expenses	0.0	0.0	-152.9%	0.4	5.1	-91.4%
Adjusted net income	**60.9**	**27.2**	**123.9%**	**162.8**	**85.5**	**90.4%**
Adjusted net income margin (%)	*20.1%*	*11.1%*	*9.0 p.p.*	*14.3%*	*10.7%*	*3.6 p.p.*

Based on the figures presented above, Locaweb's Adjusted Net Income in 4Q22 was R$60.9 million, a growth of 153,6% compared to 4Q21.

Indebtedness / Cash Position
(R$ million)

LOCAWEB COMPANY	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21
(+) Loan and financing	0.4	0.5	11.2	10.4	29.0	33.1
(-) Derivatives Result (FX swap) [1]	0.0	0.0	(2.7)	(1.8)	(8.7)	(9.7)
Bank Gross Debt	**0.4**	**0.5**	**8.5**	**8.6**	**20.3**	**23.3**
(-) Cash and cash equivalents [2]	(1,448.2)	(1,420.9)	(1,438.3)	(1,546.4)	(1,586.1)	(1,803.6)
Net debt (cash) (ex lease liability)	**(1,447.8)**	**(1,420.4)**	**(1,429.8)**	**(1,537.8)**	**(1,565.8)**	**(1,780.3)**
(+) Lease liability [3]	76.9	79.3	81.9	74.7	76.8	74.7
Net debt (cash)	**(1,370.9)**	**(1,341.2)**	**(1,347.9)**	**(1,463.1)**	**(1,488.9)**	**(1,705.6)**
(-) Earnouts	855.4	841.8	811.8	922.8	904.3	596.8
Dívida (Caixa) Líquida de Earnouts	**(515.5)**	**(499.4)**	**(536.0)**	**(540.3)**	**(584.7)**	**(1,108.8)**

[1] Balance of Derivative Financial Instruments in the Balance Sheet
[2] Considers short and long-term restricted cash arising from guarantees offered in financial funding
[3] Lease liability refers to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019

With the funds raised in February 2021 in the subsequent offering of shares (Follow-on), and the outflows resulting from the payment of part of the price of the acquisitions of companies over 2021 and 2022, the Company presented a net cash balance of R$ 1,447.8 million in 4Q22. Excluding the effects of the adoption of IFRS 16, the net cash balance is R$1,370.9 million.

Also noteworthy are the potential earnouts payable arising from the acquisitions, which total R$855.4 million.

Cash Flow
(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Income (loss) before income taxes	**16.9**	**(0.8)**	**-2140.4%**	**63.1**	**12.6**	**402.5%**
Items that do not affect cash	58.1	47.8	21.6%	217.6	156.0	39.5%
Variations in working capital	(4.8)	(7.9)	39.6%	(67.8)	(16.8)	-303.3%
Net cash provided by operating activities (A)	**70.2**	**39.0**	**79.7%**	**212.9**	**151.8**	**40.3%**
Capex for permanent assets	(9.4)	(5.9)	57.7%	(42.4)	(42.3)	0.2%
Capex for development	(17.3)	(13.6)	27.3%	(58.2)	(42.1)	38.2%
Free Cash Flow - After Capex	**43.5**	**19.5**	**122.9%**	**112.3**	**67.4**	**66.7%**
Acquisition	(15.1)	(191.3)	-92.1%	(204.4)	(1,062.4)	-80.8%
Other Investments	(0.1)	1.7	-106.0%	(11.7)	5.3	-319.9%
Net cash provided by investment activities (B)	**(41.8)**	**(209.2)**	**-80.0%**	**(316.7)**	**(1,141.5)**	**-72.3%**
Subscription of capital stock	3.5	2.6	32.4%	7.5	2,285.2	-99.7%
Loan and financing	(0.1)	(5.0)	-98.3%	(20.7)	(55.4)	-62.6%
Commercial lease	(4.5)	(4.4)	1.9%	(17.4)	(14.5)	19.7%
Dividends and interest on equity	0.0	0.0	n/a	0.0	0.0	n/a
Others	0.0	(39.0)	-100.0%	(1.7)	(45.8)	-96.3%
Net cash provided by financing activities (C)	**(1.1)**	**(45.8)**	**-97.7%**	**(32.4)**	**2,169.5**	**-101.5%**
Net increase (decrease) in cash and cash equivalents (A + B + C)	**27.3**	**(215.9)**	**-112.6%**	**(136.2)**	**1,179.8**	**-111.5%**

Net cash from operations totaled R$70.2 million in 4Q22 compared to R$39.0 million in 4Q21. The increase is directly related to the better management of the Company's working capital, especially at Vindi.

The “Acquisition” cash outflow of R$15.1 million in 4Q22 refers to the payment of acquisition earnouts realized before the IPO.

Cash Generation (Adjusted EBITDA - Capex)

(R$ million)

LOCAWEB COMPANY	4Q22	4Q21	vs 4Q21	2022	2021	vs 2021
Adjusted EBITDA	48.7	31.6	54.1%	172.4	143.0	20.6%
Capex	26.6	19.5	36.5%	100.6	84.4	19.2%
Cash Generation (R$ M)	**22.0**	**12.1**	**82.5%**	**71.8**	**58.6**	**22.6%**
Cash conversion (%)	45.3%	38.2%	7 p.p.	41.7%	41.0%	1 p.p.
Capex as a % of Net Revenue	8.8%	7.9%	1 p.p.	8.8%	10.5%	-2 p.p.

The Company's cash generation, measured by Adjusted EBITDA minus Capex, grew by 82.5% in 4Q22.

Total Capex grew by 36.5% vs 4Q21 and represents, as mentioned in the previous three quarters, around 25% of the total capital budget approved at the Annual General Meeting. Capex for intangibles was in line with that presented in the previous quarters.

Also noteworthy is the Capex dilution, which has grown at a slower pace than the growth in Net Revenue.

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Independent auditors' report on the individual and consolidated financial statements

To the Shareholders and Administrators of
Locaweb Serviços de Internet S.A.
São Paulo – SP

Opinion

We have examined the individual and consolidated financial statements of Locaweb Serviços de Internet S.A. ("Company"), respectively to as Company and Consolidated, which comprise the statement of financial position as at December 31, 2022 and the statements of result and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Individual financial statements opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual financial position of Locaweb Serviços de Internet S.A. as at December 31, 2022 and the individual performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Consolidated financial statements opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Locaweb Serviços de Internet S.A. as at December 31, 2022 the consolidated performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and international auditing standards. Our responsibilities, under those standards, are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles provided for in the Accountant's Code of Professional Ethics and in professional standards issued by the Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements . We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Business combination

See Note 10.2 to the individual and consolidated financial statements

Key audit matters	How our audit addressed this matter
During 2022 the Locaweb Serviços de Internet S.A. acquired the control of the Company Síntese Soluções Produtizadas Ltda. Due to the complexity, judgment and relevance of the amounts involved in the acquisition accounting process, we considered this matter as significant for our audit, which considered the requirements of CPC 15 (R1) – Combinação de negócios (IFRS 3 – Business combination) such as determining the fair value of the consideration transferred, in exchange for control of the acquired companies, including contingent consideration, which involves significant assumptions, the harmonization of the accounting practices of the acquired companies and the determination of fair values of identifiable assets acquired, which involve.	Nossos procedimentos de auditoria incluíram, entre outros: (i) Obtaining an understanding of the process and related relevant controls to support the recording of transactions; (ii) Obtaining and analyzing the signed contracts and inspection of the financial settlement of the installments related to the acquisitions; (iii) With the assistance of our corporate finance specialists, we evaluated the criteria and assumptions adopted in determining the fair values of assets acquired, comparing them with data obtained from external sources when available or with historical datas; (iv) With the assistance of our financial instruments specialists, we evaluated the significant assumptions associated with the measurement of the fair value of the contingent consideration transferred, comparing them with data obtained from external sources, when available, and with historical data; (v) Assessment of whether the accounting practices of the acquired companies were harmonized with the Company's accounting practices; and (vi) Assessment of whether the disclosures in the individual and consolidated financial statements include all relevant information.

	Based on the audit procedures performed to test (i) the measurement of the consideration transferred in exchange for the control of the acquired companies, (ii) the harmonization of accounting practices, (iii) the determination of the fair value of the identifiable assets acquired in the business combinations carried out in 2022 and (iv) the related disclosures, and the results obtained, we consider them to be acceptable, in the context of the individual and consolidated financial statements as a whole ended December 31, 2022.

Other matters - Statements of added value

Individual and consolidated statements of added value (DVA) for the year ended December 31, 2022, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures carried out together with the audit of Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying individual and consolidated financial statements and the auditors' report

Management is responsible for the other information comprising the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

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

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

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

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with with Brazilian and international auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assess the risks of material misstatement in the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, March 21, 2023.

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6
Original report in Portuguese signed by
João Paulo A. Pacheco Neves
Accountant CRC 1SP222303/O-4

Locaweb Serviços de Internet S.A.

Statements of financial position in December 31, 2022 and 2021

(In thousands of reais)

		Parent company		Consolidated	
	Note:	2022	2021	2022	2021
Assets					
Cash and cash equivalents	6.1	1,309,361	1,465,014	1,448,231	1,584,399
Restricted financial investment	6.2	-	1,685	-	1,685
Accounts receivable	7.1	22,729	16,129	671,482	503,555
Taxes recoverable		7,011	4,563	8,353	6,225
Income tax and social contribution recoverable		22,239	16,358	32,034	25,303
Derivative financial instruments	26	-	8,745	-	8,745
Other assets	8	11,856	10,952	29,357	22,003
Total current assets		**1,373,196**	**1,523,446**	**2,189,457**	**2,151,915**
Court deposits	17	447	435	1,063	504
Financial Assets		-	-	13,381	-
Other assets	8	9,620	7,479	6,521	4,285
Deferred income tax and social contribution	24	46,282	38,162	66,377	42,048
Total long-term assets		**56,349**	**46,076**	**87,342**	**46,837**
Investments	10	2,112,480	1,939,331	-	-
Property, plant, and equipment	11	61,801	58,937	96,516	88,734
Intangible assets	12	137,122	72,819	2,282,457	2,230,601
Right-of-use asset	13	61,166	59,724	68,830	69,577
Total non-current assets		**2,428,918**	**2,176,887**	**2,535,145**	**2,435,749**
Total assets		**3,802,114**	**3,700,333**	**4,724,602**	**4,587,664**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of financial position in December 31, 2022 and 2021

(In thousands of reais)

		Parent company		Consolidated	
	Note	2022	2021	2022	2021
Liabilities					
Suppliers		18,815	10,548	51,304	42,083
Loans and financing	15.1	-	27,952	380	28,720
Lease liabilities	15.2	7,243	5,552	11,535	9,274
Salaries, charges, and social benefits	16	31,125	28,323	90,330	71,732
Income tax and social contribution payable		-	-	-	1,011
Other taxes payable		3,367	2,908	11,348	9,431
Services payable	7.2	43,850	37,801	79,549	58,240
Receipts to be passed on	7.3	-	-	537,097	414,818
Interest on equity and dividends payable		7,197	5	7,197	5
Taxes in installments	14	282	-	2,882	2,878
Obligation with investment acquisitions	10.1	178,657	47,652	311,873	47,950
Other liabilities		2,852	53	5,115	2,650
Total current liabilities		**293,388**	**160,794**	**1,108,610**	**688,792**
Loans and financing	15.1	-	-	41	321
Lease liabilities	15.2	61,420	60,120	65,335	67,575
Services to provide	7.2	2,587	1,127	2,587	1,127
Taxes in installments	14	1,321	-	16,013	17,264
Obligation with investment acquisitions	10.1	457,727	534,216	543,529	868,109
Provision for contingencies	17	447	1,959	3,728	2,726
Provision for investment losses		6,161	4,699	-	-
Deferred income tax and social contribution	24	-	-	3,056	1,446
Other liabilities		1,476	2,352	4,116	5,238
Total non-current liabilities		**531,139**	**604,473**	**638,405**	**963,806**
Net equity					
Capital stock	18	2,934,231	2,926,775	2,934,231	2,926,775
Treasury shares	18	(47,481)	(45,769)	(47,481)	(45,769)
Capital reserves	18	63,322	49,635	63,322	49,635
Profit reserves		27,515	4,425	27,515	4,425
Total net equity		**2,977,587**	**2,935,066**	**2,977,587**	**2,935,066**
Total liabilities and net equity		**3,802,114**	**3,700,333**	**4,724,602**	**4,587,664**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of result

Years ended December 31, 2022 and 2021

(In thousands of reais)

		Parent company		Consolidated	
	Note:	2022	2021	2022	2021
Net operating revenue	21	**342,005**	**291,115**	**1,138,433**	**800,208**
Cost of services provided	22	(248,190)	(193,992)	(624,201)	(435,676)
Gross profit		**93,815**	**97,123**	**514,232**	**364,532**
Sales expenses	22	(59,424)	(50,362)	(248,230)	(152,457)
General and Administrative Expenses	22	(23,440)	(57,116)	(215,934)	(195,974)
Loss due to impairment	22	(297)	(1,568)	(3,704)	(10,118)
Equity income	10	20,294	(40,120)	-	-
Other operating revenues (expenses)	22	494	632	2,197	2,546
Income before net financial revenues (expenses)		**(62,373)**	**(148,534)**	**(465,671)**	**(356,003)**
Financial revenues	23	178,961	79,149	189,826	82,694
Financial expenses	23	(155,075)	(36,253)	(175,274)	(78,664)
Net financial revenues (expenses)		**23,886**	**42,896**	**14,552**	**4,030**
Income before income tax and social contribution		**55,328**	**(8,515)**	**63,113**	**12,559**
Current income tax and social contribution	24	(33,167)	-	(55,551)	(23,021)
Deferred income tax and social contribution	24	8,120	(7,234)	22,719	(5,287)
		(25,047)	**(7,234)**	**(32,832)**	**(28,308)**
Net profit (loss) for the year		**30,281**	**(15,749)**	**30,281**	**(15,749)**
Earnings per share (expressed in BRL per share)					
Basic earnings (loss) per share	20			0.05	(0.03)
Diluted earnings (loss) per share	20			0.05	(0.03)

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Othe comprehensive income

Years ended December 31, 2022 and 2021

(*In thousands of reais*)

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Net profit (loss) for the year	30,281	(15,749)	30,281	(15,749)
Comprehensive income for the year	**30,281**	**(15,749)**	**30,281**	**(15,749)**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of changes in shareholders' equity

Years ended December 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	Total net equity
Balances on December 31, 2020	**636,177**	**7,474**	**-**	**-**	**(27,357)**	**(7)**	**(22,344)**	**47,860**	**11,996**	**2,377**	**17,797**	**-**	**673,973**
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	(15,749)	(15,749)
Capital increase (Note 18.a)	2,363,977	(7,474)	(48,844)	-	-	-	-	-	-	-	-	-	2,307,659
Share-based payments	-	-	-	-	-	-	-	12,224	-	-	-	-	12,224
Repurchase of own shares	-	-	-	(45,921)	-	-	-	-	-	-	-	-	(45,921)
Exercised stock options	-	2,822	-	152	-	-	-	-	(101)	-	-	-	2,873
Reclassification	-	-	(27,357)	(7)	27,357	7	-	-	-	-	-	-	-
Loss absorption	-	-	-	-	-	-	-	-	-	-	(15,749)	15,749	-
Profit destination:													
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity distributed	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit retention reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
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**
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	30,281	30,281
Capital increase (Note 18.a)	6,783	(6,783)	-	-	-	-	-	-	-	-	-	-	-
Repurchase of own shares	-	-	-	(1,712)	-	-	-	-	-	-	-	-	(1,712)
Exercised stock options	-	7,456	-	-	-	-	-	-	-	-	-	-	7,456
Share-based payments	-	-	-	-	-	-	-	13,687	-	-	-	-	13,687
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit destination:													
Legal reserve (Note 18.b)	-	-	-	-	-	-	-	-	-	1,515	-	(1,515)	-
Dividends (Note 18.c)	-	-	-	-	-	-	-	-	-	-	-	(7,191)	(7,191)
Profit retention reserve	-	-	-	-	-	-	-	-	-	-	21,575	(21,575)	-
					-	-							
Balances on December 31, 2022	**3,006,937**	**3,495**	**(76,201)**	**(47,481)**	**-**	**-**	**(22,344)**	**73,771**	**11,895**	**3,892**	**23,623**	**-**	**2,977,587**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of cash flow

Years ended December 31, 2022 and 2021

(*In thousands of reais*)

	Note	Parent company		Consolidated	
		2022	**2021**	**2022**	**2021**
Cash flows from operating activities					
Profit (loss) before income tax and social contribution		**55,328**	**(8,515)**	**63,113**	**12,559**
Adjustments to reconcile profit (loss) before income tax and social contribution with net cash flow from operating activities:					
Depreciation and amortization	11;12;13	40,718	40,803	102,950	87,336
Equity income	10	(20,294)	40,120	-	-
Passive lease interest, derivatives, exchange and monetary variations		3,995	7,710	4,247	9,368
Remeasurement fair value of contingent consideration	23	136,814	21,908	97,890	48,156
Mark-to-Market of Derivatives	26.h	148	(1,458)	148	(1,458)
Share-based payments	22	10,915	12,224	13,596	12,224
Provisions and other adjustments		(1,996)	707	(1,218)	397
Changes in assets and liabilities					
Accounts receivable from customers	7.1	(1,300)	2,984	(167,115)	(124,325)
Taxes recoverable		(6,556)	(14,836)	(6,462)	(18,923)
Other assets		(477)	(6,005)	(7,523)	(418)
Court deposits		(12)	(1)	(559)	34
Suppliers		1,539	(1,309)	7,232	4,038
Salaries, charges, and social benefits		2,852	5,068	17,420	25,255
Other taxes payable		(15,020)	584	(8,561)	5,519
Services to provide		7,693	4,897	18,173	11,388
Receipts to be passed on		-	-	127,657	143,167
Other liabilities		247	714	(535)	(33,540)
Income tax and social contribution paid		(18,639)	(400)	(47,535)	(29,008)
Net cash from operating activities		**195,955**	**105,195**	**212,918**	**151,769**
Cash flows from investing activities					
Acquisitions of property, plant and equipment		(22,689)	(27,437)	(42,362)	(42,274)
Obligation with the acquisition of investments		(82,298)	(9,198)	(176,359)	(9,198)
Advance for future capital increase	10	(197,898)	(141,525)	-	-
Cash received in mergers		624	1,493	-	-
Restricted financial investment		1,685	3,262	1,685	5,319
Financial Assets		-	-	(13,381)	-
Subsidiary acquisition, net of cash acquired	10	-	(990,056)	(28,062)	(1,053,181)
Acquisition and development of intangible assets		(25,208)	(18,297)	(58,238)	(42,139)
Net cash used in investing activities		**(325,784)**	**(1,181,758)**	**(316,717)**	**(1,141,473)**
Cash flows from financing activities					
Capital payment, net of share issuance expenses	18	7,456	2,285,177	7,456	2,285,177
Payment of lease liabilities	15.2	(11,821)	(10,488)	(17,370)	(14,508)
Loans and financing paid		(18,956)	(42,436)	(19,662)	(51,086)
Interest and exchange variation paid		(8,216)	(17,119)	(8,506)	(17,851)
Derivatives paid and received		7,425	13,551	7,425	13,551
Bank guarantees paid		-	(46)	-	(46)
Repurchase of own shares		(1,712)	(45,762)	(1,712)	(45,762)
Cash generated by financing activities		**(25,824)**	**2,182,877**	**(32,369)**	**2,169,475**
Net increase in cash and cash equivalents		**(155,653)**	**1,106,314**	**(136,168)**	**1,179,771**
Cash and cash equivalents at the start of the year		1,465,014	358,700	1,584,399	404,628
Cash and cash equivalents at the end of the year		1,309,361	1,465,014	1,448,231	1,584,399
Net increase in cash and cash equivalents		**(155,653)**	**1,106,314**	**(136,168)**	**1,179,771**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statement of added value

Years ended December 31, 2022 and 2021

(*In thousands of reais*)

	Notes	Parent company		Consolidated	
		2022	2021	2022	2021
Revenue		**376,412**	**319,138**	**1,250,054**	**887,533**
Service provision revenue	21	393,471	338,473	1,267,503	905,838
Discounts and rebates	21	(17,852)	(20,091)	(19,609)	(21,112)
Other operating revenues		793	756	2,160	2,807
Inputs purchased from third parties (includes ICMS, PIS and Cofins)		**(125,698)**	**(119,141)**	**(501,868)**	**(373,545)**
Cost of services provided		(121,183)	(77,798)	(305,010)	(210,792)
Materials, energy, third-party services and other services		(4,515)	(41,343)	(196,858)	(162,753)
Gross added value		**250,714**	**199,997**	**748,186**	**513,988**
Retention		**(40,718)**	**(40,803)**	**(102,950)**	**(87,336)**
Depreciation and amortization	11;12;13	(40,718)	(40,803)	(102,950)	(87,336)
Net added value generated		**209,996**	**159,194**	**645,236**	**426,652**
Added value received in transfers		**199,255**	**39,029**	**189,826**	**82,694**
Equity income	10	20,294	(40,120)	-	-
Financial revenues	23	178,961	79,149	189,826	82,694
Total added value to be distributed		**409,251**	**198,223**	**835,062**	**509,346**
Added value distribution		**409,251**	**198,223**	**835,062**	**509,346**
Personnel and charges		**142,469**	**123,314**	**421,777**	**292,639**
Direct remuneration		119,196	105,264	351,180	247,198
Benefits		14,442	11,332	44,439	28,653
Severance Pay Indemnity Fund (FGTS)		8,831	6,718	26,158	16,788
Taxes, fees and contributions		**81,426**	**54,407**	**207,140**	**153,028**
Federal		68,857	43,752	170,173	126,395
State		-	-	140	175
Municipal		12,559	10,655	36,827	26,458
Interest and rent		**155,075**	**36,251**	**175,864**	**79,428**
Equity remuneration		**30,281**	**(15,749)**	**30,281**	**(15,749)**
Dividends		7,191	-	7,191	-
Retained net profit (loss)		23,090	(15,749)	23,090	(15,749)

Notes are an integral part of the financial statements.

Notes to Individual and Consolidated Financial Statements

(In thousands of Reais, unless otherwise stated)

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, 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, 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, Dooca, 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 Preparation basis

2.1 Declaration of Conformity (Regarding IFRS and CPC Standards)

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Account Standards Board (IASB) and accounting practices adopted in Brazil (“BR GAAP”), which comprise the practices included in Brazilian corporate law and technical pronouncements, guidelines and technical interpretations issued by the Accounting Pronouncements Committee (“CPC”), approved by the Federal Accounting Council (“CFC”) and by the Brazilian Securities and Exchange Commission (“CVM”).

The parent company's individual financial statements were prepared in accordance with BR GAAP.

The financial statements for the year ended December 31, 2022 were approved by the Board of Directors on March 21, 2023.

2.2 Measurement basis

The individual and consolidated financial statements were prepared based on the historical cost, except for the valuation of certain assets and liabilities such as those arising from business combinations and financial instruments, which are measured at their fair values.

2.3 Basis of consolidation of financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The Company's management controls an entity when it is exposed to, or is entitled to, the variable returns arising from its involvement with the entity and has the ability to affect those returns by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases to exist.

In the parent company's individual financial statements, the financial information of subsidiaries is recognized using the equity method.

The income of subsidiaries acquired or disposed of during the year is included in the consolidated income statements from the effective acquisition date until the effective disposal date, as applicable.

The income of subsidiaries acquired during the years ended December 31, 2022 and 2021 are included in the income statements as of the date of their acquisition.

The fiscal years of the subsidiaries included in the consolidation coincide with those of the parent company and the accounting practices and policies were applied uniformly in the consolidated companies. All intercompany balances and transactions were eliminated on consolidation.

The consolidated financial statements include the operations of the Company and its subsidiaries, presented below:

		Interest %	
Subsidiaries	**Interest**	**2022**	**2021**
Locaweb Telecom	Direct	100%	100%
Yapay	Direct	100%	100%
Tray Tecnologia	Direct	100%	100%
Fbits	Indirect	100%	100%
Ananke Participações (ii)	Direct	-	100%
Ananke Tecnologia (ii)	Indirect	-	100%
LWK Hosting	Direct	100%	100%
Cyberweb	Indirect	100%	100%
Kinghost (ii)	Indirect	-	100%
Unipago (ii)	Indirect	-	100%
IPV6 (ii)	Indirect	-	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 (ii)	Indirect	-	100%
Vindi Eventos (i)	Indirect	-	100%
Fast Notas (i)	Indirect	-	100%
Vindi Pagamentos	Indirect	100%	100%
Connectplug	Direct	100%	100%
Dooca	Indirect	100%	100%
Credisfera	Indirect	100%	100%
Samurai Holding	Indirect	100%	100%
Samurai Desenvolvimento	Indirect	100%	100%
V.O Desenvolvimento (ii)	Indirect	-	100%

		Interest %	
Subsidiaries	**Interest**	**2022**	**2021**
Bling	Direct	100%	100%
Organisys Payments Holding (iii)	Indirect	100%	-
Pagcerto	Indirect	100%	100%
Bagy	Indirect	100%	100%
Octadesk	Direct	100%	100%
Squid	Direct	100%	100%
Duopana	Indirect	-	100%
LW Ventures FIP	Direct	100%	100%
Síntese (iv)	Indirect	100%	-

(i) Dissolution of the articles of incorporation, subsidiaries of Vindi Tecnologia e Marketing S.A.,

(ii) Companies incorporated in 2022,

(iii) Incorporation of the indirect subsidiary, consolidating the company Pagcerto,

(iv) Company acquired in 2022.

1 - <u>Locaweb Telecom Telecomunicações Ltda (“Locaweb Telecom”)</u>

Locaweb Telecom is a provider of data, voice, image and sound transmission services via Internet protocol, duly authorized by Anatel to act as a SCM (Multimedia Communication Service) and STFC (Switched Landline Telephone Service) operator. The subsidiary became a wholly-owned subsidiary of the Company on September 28, 2007.

2 - <u>Yapay Pagamentos OnLine Ltda. (“Yapay”)</u>

Company located in Marília, acquired on November 26, 2012, when the Company acquired Tray. Through Yapay, we offer the services of: (i) Electronic payment gateway (independent electronic commerce system that allows the contracting and integration of various means of payment in any type of virtual store); and (ii) Sub Acquirer that provides solutions for receiving online payments for small and large companies, with solutions for e-commerce, startups, SaaS companies and other sectors.

3 - <u>Tray S.A. (“Tray”)</u>

On November 26, 2012, the Company acquired 51% (2,710 shares) of Tray, located in Marília, State of São Paulo, which holds the control of Tray Services (currently Yapay), whose corporate purpose is the intermediation and agency in digital payments, of E-Commerce (currently Tray Tecnologia), whose corporate purpose is the design, planning and maintenance of website provider, of Superpay, whose corporate purpose is the rental and provision of external services in the area of systems and software development.

At the Extraordinary General Meeting held on September 20, 2017, the Company's shareholders approved the merger of Tray, thus becoming the direct parent company of Tray Services. Tray Services had its name changed to Yapay Pagamentos Online Ltda. on November 10, 2017.

4 - Fbits Desenvolvimento de Software S.A. ("Fbits")

On September 1, 2016, Tray Tecnologia acquired 100% of the shares of the company Fbits Desenvolvimento de Software S.A. ("Fbits"). Founded in 1999 and headquartered in the city of Curitiba/PR, Fbits' main activity is to offer solutions based on the SaaS model (Software as a Service) for virtual stores. Among the main features of the solution platform offered, highlights include: Custom layout, B2C, B2B, marketplace module, smart search, responsive layout, email, gateway, and reports.

5 - Ananke Participações S.A. ("Cluster2GO")

On March 2, 2018, Locaweb acquired 100% of the shares of the company Ananke Participações S.A. ("Cluster2GO") and its subsidiaries Ananke Tecnologia Ltda ("Ananke Tecnologia"), Primehost do Brasil Serviços de Internet Ltda ("Primehost"), Ion Tecnologia da Informação Ltda ("Ion"), and Novaion Tecnologia Ltda ("Novaion"). Founded in 2000 and headquartered in the city of São Paulo, Cluster2GO' main activity is to offer data center solutions focused on high availability and managed services.

Among the main features of the offered solutions platform, highlights include: customized outsourcing for technical management inside and outside the data center with proactive monitoring, backup, information security, management of network assets such as firewall, routers and intensive support at levels 1, 2, and 3. The acquisition strengthens Grupo Locaweb's presence in the multicloud service management market.

On December 31, 2020, the merger of Primehost do Brasil Serviços de Internet Ltda ("Primehost"), Ion Tecnologia da Informação Ltda ("Ion") and Novaion Tecnologia Ltda ("Novaion") into Ananke Tecnologia Ltda (Ananke Tecnologia") was approved.

On April 29, 2022, the merger of Ananke Tecnologia Ltda into Ananke Participações S.A. was approved. Posteriorly the merger of Ananke Participações S.A. into Locaweb Serviços de Internet S.A. was approved as well.

6 - Lwk Hosting Participações Ltda. ("Kinghost")

On May 3, 2019, Locaweb acquired 100% of the capital stock of the company LwK Hosting Participações Ltda. and its subsidiaries Cyberweb Networks Ltda, Kinghost Hospedagem de Sites Ltda, IPV6 Internet Ltda, and Unipago Soluções de Cobrança Ltda. ("Kinghost"). Founded in 2002 and headquartered in the city of Porto Alegre, it has the following main social activities: internet service provision and website hosting for the general public (retail profile).

Among the main services offered, highlights include: website hosting, corporate email solutions, domain registration, among others. The acquisition of Kinghost strengthens Locaweb's presence in the hosting provider market.

On November 30, 2022, it was approved to promote simultaneous incorporations of other 03 (three) companies of the same economic subgroup, the companies: Kinghost Hospedagem de Sites Ltda., Unipago Soluções de Cobrança Ltda. and IPV6 Internet Ltda.
by Cyberweb Networks Ltda.

7 - IT Capital Serviços de Tecnologia Ltda ("Delivery Direto")

On September 9, 2019, Locaweb acquired 100% of the share capital of ITCapital Serviços de Tecnologia Ltda ("Delivery Direto"). Founded in 2009 and headquartered in the city of São Paulo, Delivery Direto's main activity is to offer a technological platform and other services aimed at bars and restaurants that make deliveries.

Delivery Direto offers a complete SaaS delivery and management solution for restaurants that already have more than 1,200 customers. The platform works as a cost-effective alternative to marketplace applications, offering full control of customer relationships. This acquisition marks Locaweb's entry into the delivery market for bars and restaurants, with the possibility of expanding to other sectors such as pharmacies, butcher shops, and other establishments.

8 - Etus Social Network Brasil Ltda.("Etus")

On September 29, 2020, Locaweb acquired 100% of the share capital of the company Etus Social Network Brasil Ltda. ("Etus"). Founded in 2015, headquartered in the city of Ribeirão Preto in the São Paulo state countryside, it is a company that offers the most complete and robust solution for management and digital marketing in social media channels, such as Facebook, Instagram, LinkedIn, Pinterest, and Twitter, among others, and already serves over 100,000 brands.

9 - Locaweb Commerce S.A. ("Locaweb Commerce")

Locaweb Commerce's corporate purpose is to participate in other companies as a partner or shareholder. The subsidiary became a wholly owned subsidiary of the Company on December 9, 2020.

10 - Ideris Tecnologia da Informação Ltda.("Ideris")

On December 10, 2020, Locaweb acquired 100% of the share capital of the company Ideris Tecnologia da Informação Ltda. ("Ideris"). Founded in 2017 in Curitiba, it offers a complete multi-channel integration platform for retail operations, allowing retailers to operate in several channels in the direct integration model in marketplaces or through the Store in Store.

11 - Melhor Envio Ltda. ("Melhor Envio")

On December 14, 2020, Locaweb acquired 100% of the share capital of the company Melhor Envio Ltda. ("Melhor Envio"). Founded in 2015 in the city of Pelotas, it offers a logistics platform that connects small and medium-sized sellers to the main carriers and logistics companies in Brazil.

12 - Vindi Tecnologia e Marketing S.A ("Vindi Tecnologia")

On January 12, 2021, the Company concluded the definitive acquisition of one hundred percent (100%) of the total share capital (on fully diluted bases) of Vindi Tecnologia e Marketing S.A. ("Vindi"), which includes its 4 wholly-owned subsidiaries Smart Tecnologia S.A., Vindi Eventos e Conteúdo Ltda.., Fast Notas Softwares de Gestão Ltda., and Vindi Pagamentos Ltda. Vindi offers subscription solutions (plans and monthly fees) and combines a recurring billing software with a payment platform.

Among the more than 6,000 customers that Vindi serves today, there are important brands and the largest subscription cases in Brazil. The acquisition plans include integrating Vindi's recurring payment APIs into Tray (e-commerce platform) and exploring the full potential of cross selling with the Company's other business segments (BeOnline, SaaS and Commerce) with the acquired company.

In January 2022 the social contract of Vindi Eventos e Conteúdo Ltda. and Fast Notas Softwares de Gestão Ltda. was dissolved.

On October 31, 2022, the merger of Smart Tecnologia S.A. into Vindi Tecnologia e Marketing S.A. was approved.

13 - Social Miner Internet Ltda (“Social Miner”)

On January 20, 2021, the Company performed the definitive acquisition of one hundred percent (100%) of the total capital stock of Social Miner Internet Ltda. (“Social Miner” and “Agreement”, respectively). Social Miner is a company that offers a SaaS platform for e-commerces and retailers to increase sales, consumer engagement, convert visitor flows to registrations and/or purchases and reduce the cost of customer acquisition, using big data and artificial intelligence. With the integration of solutions from Social Miner, which has a consolidated product in the market, and from All In, a company acquired by Locaweb in 2013, we now offer a complete suite of services that follows the entire consumer journey for e-commerce and retailers of all segments and sizes, which will be very important to boost sales for our Tray e-commerce platform customers.

On October 29, 2021, the merger of Social Miner Internet Ltda. with Locaweb Serviços de Internet S.A, was approved.

14 - Connectplug Desenvolvimento de Softwares Ltda. (“Connectplug”)

On January 26, 2021, the Agreement for the Purchase and Sale of Shares and Other Covenants was entered into between the Company and the shareholders of Connectplug Desenvolvimento de Softwares Ltda. (“ConnectPlug”), a company that offers a SaaS platform with a point of sale (POS) system and a complete management system, with ample presence in the food services segment. With this acquisition, we strengthened our portfolio, entered the relevant market of technology solutions for physical commerce and continued to consolidate our position in the segment of digitalization of companies in Brazil, expanding our ability to offer omnichannel solutions and cross-sell possibilities with Tray's shop owner base.

15 - Dooca Tecnologia da Informação Ltda. ("Dooca")

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

16 - Credisfera Serviços Financeiros S.A. ("Credisfera")

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

17 - Samurai Experts Holding Ltda. ("Samurai")

On March 2, 2021, the Agreement for the Purchase and Sale of Shares and Other Covenants was entered into between Tray Tecnologia em Ecommerce Ltda. ("Tray") and the shareholders of Samurai Experts Holding Ltda. ("Samurai") which includes its 2 wholly-owned subsidiaries Samurai Experts Desenvolvimento de Software Ltda. and V.O Desenvolvimento de Software Ltda. Samurai is a technology company that offers an application ecosystem compatible with different platforms in the market to optimize the results of virtual stores. Samurai reinforces the group's strategy to serve medium and large e-commerce operations, joining forces with Tray Corp and improving the ability to serve complex and customized projects. In parallel, Samurai will be able to offer the Yapay payment solution, integrations with more than 30 marketplaces and the Store-in-Store offered by Ideris, Melhor Envio's logistics solutions, Vindi's recurring payment APIs and the entire digital marketing portfolio with Social Miner and All In for its entire customer base. With the acquisition, the goal is to absorb the Samurai staff, which currently has 40 engineering, software and agile methodology professionals, who must work together in the development of products in the Locaweb e-commerce ecosystem.

On October 31, 2022, the merger of V.O Desenvolvimento de Software Ltda. into Samurai Experts Desenvolvimento de Software Ltda. was approved.

18 - Organisys Software Ltda. (“Bling”)

On April 21, 2021, the Share Purchase and Sale Agreement and Other Covenants was signed between the Company and the shareholders of Organisys Software S.A. (“Bling” and “Bling Agreement”, respectively), to regulate the acquisition of the entirety of its share capital by the Company (“Operation”). Launched in 2009, Bling is an online management system for the e-commerce segment and small and micro enterprises - SMEs, with more than 200 integrations, which offers SaaS solutions for physical, virtual or hybrid businesses.

19 - Pagcerto Soluções em Pagamento S.A. (“Pagcerto”)

On April 21, 2021, simultaneously with the signature of the purchase and sale agreement of its subsidiary Organisys Software S.A. “Bling”, the Company also entered into the purchase and sale agreement for the acquisition of all the shares issued by Pagcerto Soluções em Pagamento S.A. (“Pagcerto” and “Pagcerto Agreement”, respectively), a company that operates through a white label sub-acquiring platform and BaaS (banking as a service), with these services being integrated and used by Bling.

20 - Bagy Soluções de Comércio Digital Ltda. (“Bagy”)

On July 12, 2021, the Share Purchase and Sale Agreement and Other Covenants was entered into between the wholly-owned subsidiary Tray Tecnologia em Ecommerce Ltda. (“Tray”) and the shareholders of Bagy Soluções de Comércio Digital Ltda. (“Bagy”) in order to regulate the acquisition of the entire share capital of Bagy by Tray (“Transaction”). Founded in 2017, Bagy is an e-commerce platform focused on social commerce, with more than 13,500 active customers and 127,000 followers on social media. Its goal is to help small and medium-sized companies, individuals and influencers to set up a virtual store quickly and simply.

21 - Octadesk Desenvolvimento de Software Ltda. (“Octadesk”)

On August 2, 2021, the Purchase and Sale Agreement of Shares and Other Covenants was signed between the Company and the members of Octadesk Ltda. (“Octadesk” and “Agreement”, respectively), to regulate the acquisition of the entire capital stock of Octadesk by the Company (“Transaction”). Founded in 2015, Octadesk is a platform aimed at small and medium-sized companies to better relate to their customers at all stages of their journey (marketing, sales and service), in real time and on multiple channels such as WhatsApp, chat, Instagram, email and more, organizing their interactions in one sole place.

22 - Squid Digital Media Channel Ltda. (”Squid”)

On October 5, 2021, the Agreement for the Purchase and Sale of Shares and Other Covenants was signed between the Company and the members of Squid Digital Media Channel Ltda. (“Squid”), to regulate the acquisition of the entire capital stock of Squid by the Company (“Transaction”), which includes its wholly-owned subsidiary Duopana Tecnologia e Informatica Ltda. Founded in 2014, Squid is the most relevant company in the Creators Economy segment in Brazil and has the best solutions and platforms to connect influencers and content creators to brands.

On August 31, 2022, the merger of Duopana Tecnologia e Informática Ltda. into Squid Digital Media Channel Ltda. was approved.

23 - <u>LW Ventures Fundo de Investimento em Participações Multiestratégia Investimento no Exterior (“LW Ventures”)</u>

On December 10, 2021 an investment program in Corporate Venture Capital ("CVC") was structured through which the company intends to invest up to BRL 100,000 (one hundred million reais), which will be carried out by means of a private equity investiment fund ("PE Fund") constituted under the terms of the applicable regulation in up to four years. PE Funds resources will be managed by Valetec Capital Investimentos Ltda. ("Valetec"), an asset management company duly authorized by the Brazilian Securities and Exchange Commission ("CVM"), through an exclusive structure.

24 - <u>Polli & Santos - Gestão e Tecnologia Ltda. (“Netzee”)</u>

On December 1, 2021, the Share Purchase Agreement and Other Covenants was entered into between the wholly-owned subsidiary Tray Tecnologia em Ecommerce Ltda. (“Tray”) and the shareholders of Polli & Santos - Gestão e Tecnologia Ltda. (“Netzee”), to regulate the acquisition of the entire share capital of Netzee by Tray (“Transaction”).

On December 1, 2021, the merger of Polli & Santos - Gestão e Tecnologia Ltda. with Tray Tecnologia em Ecommerce Ltda. Was approved.

25 - <u>Síntese Soluções Produtizadas Ltda. (”Síntese”)</u>

On August 4, 2022 the Agreement for the Purchase and Sale of Shares and Other Covenants was entered into between the wholly-owned subsidiary Tray Tecnologia em Ecommerce Ltda. ("Tray") and the partners of Síntese Soluções Produtizadas Ltda. Founded in 2013, Síntese is a platform specialized in omnicanality solutions for retail, with a broad presence in the fashion segment.

2.3.1 Merger of subsidiaries

a. Merger of Ananke Participações

At the Extraordinary General Meeting held on April 29, 2022, the Company's shareholders approved the merger of Ananke Tecnologia Ltda. into Ananke Participações S.A. and later the merger of Ananke Participações S.A. into Locaweb Serviços de Internet S.A.. The transaction was carried out considering that the companies are part of the same economic group and that the transfer of the activities will enable greater financial, operational, and administrative efficiency, as well as better control by the shareholders of the different areas in which the companies operate.

The merged amounts are summarized below:

Assets	
Cash and cash equivalents	624
Accounts receivable	5,016
Taxes recoverable	52
Other assets	2,098
Related parties	470
Property, plant, and equipment	60
Intangible assets	250
	8,570
Liabilities	
Suppliers	4,069
Other tax payable	1,177
Other liabilities	2,519
	7,765
Net merged amounts	**805**

b. *Merger of Duopana*

At the Extraordinary General Meeting held on August 31, 2022, the Company's shareholders approved the merger of Duopana Tecnologia e Informatica Ltda. into Squid Digital Media Channel Ltda. The transaction was carried out considering that the companies are part of the same economic group and that the transfer of the activities will enable greater financial, operational, and administrative efficiency, as well as better control by the shareholders of the different areas in which the companies operate.

The merged amounts are summarized below:

Assets	
Cash and cash equivalents	113
Related parties	488
	601
Liabilities	
Other tax payable	6
	6
Net merged amounts	**595**

c. *Merger of Smart*

At the Extraordinary General Meeting held on October 31, 2022, the Company's shareholders approved the merger of Smart Tecnologia S/A by Vindi Tecnologia e Marketing S/A. The transaction was carried out taking into account that the companies are part of the same economic group and that the transfer of the activities will enable greater financial, operational, and administrative efficiency, as well as better control by the shareholders of the different areas in which the companies operate.

The merged amounts are summarized below:

Assets	
Cash and cash equivalents	3
Taxes recoverable	16
Related parties	5
	24
Liabilities	
Suppliers	2
Tax instalments	23
	25
Net merged amounts	**(1)**

d. *Merger of VO*

At the Extraordinary General Meeting held on October 31, 2022, the Company's shareholders approved the merger of V.O. Desenvolvimento de Software Ltda. into Samurai Experts Desenvolvimento de Software Ltda. The transaction was carried out considering that the companies are part of the same economic group and that the transfer of the activities will enable greater financial, operational, and administrative efficiency, as well as better control by the shareholders of the different areas in which the companies operate.

The merged amounts are summarized below:

Assets	
Related parties	750
Other assets	2
	752
Net merged amounts	**752**

e. *Merger of KingHost, Unipago and IPV6*

At the Extraordinary General Meeting held on October 31, 2022, the Company's shareholders approved the simultaneous merger of three (03) other companies of the same economic subgroup: Kinghost Hospedagem de Sites Ltda, The transaction was carried out taking into account that the companies are part of the same economic group and that the transfer of the activities will enable greater financial, operational and administrative efficiency, as well as better control by the shareholders of the different areas in which the companies operate.

The merged amounts are summarized below:

	Kinghost	Unipago	IPV6
Assets			
Cash and cash equivalents	3	480	-
Taxes recoverable	-	20	-
Other assets	9	-	-
Related parties	1,129	175	-
	1,141	**675**	**-**
Liabilities			
Tax instalments	286	125	-
Related parties	-	-	34
Provision for contingency	36	-	-
Other liabilities	-	105	-
	322	**230**	**34**
Net merged amounts	**819**	**445**	**(34)**

3 Functional currency and presentation currency

These financial statements are presented in Reais, which is the Company's and its subsidiaries' functional currency. All balances have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of estimates and judgments

In preparing these financial statements, Management used judgments and estimates that affect the application of the Company's and its subsidiaries' accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and assumptions are continually reviewed. Revisions to estimates are recognized prospectively.

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances. Based on assumptions, the Company and its subsidiaries make estimates regarding the future. By definition, the resulting accounting estimates will seldom be the same as the actual income. The estimates and assumptions that present a significant risk, likely to cause a material adjustment in the carrying amounts of assets and liabilities for the next fiscal year, are contemplated below:

a) Impairment test of non-financial assets - Note 12

Management annually reviews the net book value of assets in order to assess events or changes in economic, operational or technological circumstances that may indicate deterioration or loss of their recoverable value. Once such evidence is identified and the net book value exceeds the recoverable value, an estimated impairment loss is established, adjusting the net book value to the recoverable value.

The recoverable value of an asset or a specific cash-generating unit (CGU) is defined as the higher between its value in use and its net sales value. Management considers each of its segments to be a cash-generating unit (CGU).

In estimating the asset's value in use, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates.

The net sale value is determined, whenever possible, on the basis of a concrete sale agreement in an arm's length transaction between knowledgeable and interested parties, adjusted for expenses attributable to the sale of the asset, or, when there is no firm sale agreement and, based on the market price of an active market, the price of the most recent transaction with similar assets.

i) Impairment test of fixed assets and intangible assets with a finite useful life

Fixed assets and intangible assets with a finite useful life are tested whenever signs of devaluation are identified.

ii) Impairment test of goodwill paid for expected future profitability

The test for goodwill impairment is performed annually (on December 31) or when circumstances indicate impairment of the bookkeeping amount.

iii) Impairment test of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment annually (on December 31) or when circumstances indicate impairment of the bookkeeping amount. The test is performed individually or at the cash-generating unit level, as appropriate.

b) Provision for contingencies – Note 17

The Company and its subsidiaries are parties to several tax, labor and civil legal and administrative proceedings, and provisions for legal claims are recorded for all proceedings with a probable probability of loss. This probability analysis is performed by the Company with the help of external legal advisors and duly corroborated by the Legal Department. The assessment of the probability of loss includes the assessment of available evidence, the hierarchy of laws, existing case law, the most recent decisions in the courts and their legal relevance, the history of occurrences and the amounts involved.

c) Transactions with share-based payments – Note 19

The Company measures the cost of share-settled transactions with employees based on the fair value of equity instruments on the grant date. Estimating the fair value of share-based payments requires determining the most appropriate valuation model for the grant of equity instruments, which depends on the terms and conditions of the concession. This also requires the determination of certain variables such as the option's expected useful life, share volatility, dividend yield, among others.

d) Fair value of financial instruments - Note 26

When the fair value of financial assets and liabilities presented in the balance sheet cannot be obtained from active markets, it is determined using valuation techniques. Whenever possible, data for these methods are based on market practices. The judgment includes considerations about the data used, such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the presented fair value of financial instruments.

e) Fair value measurement of transferred consideration (including contingent consideration) – Note 10

The consideration transferred, the assets acquired, the liabilities assumed and the contingent consideration arising from a business arrangement are measured at fair value on the acquisition date as part of the business arrangement.

Contingent consideration must be subsequently measured at fair value with changes recognized in the profit or loss statement.

f) Income and social contribution taxes – Note 24

The recognition of tax credits arising from deferred social contribution income tax is subject to the availability of future taxable income against which deductible temporary differences and tax losses can be used. Significant judgment on the part of management is required to determine the amount of deferred tax assets that can be recognized, based on the probable timing and level of future taxable income, together with future tax planning strategies.

5 Significant accounting policies

The significant accounting policies adopted by the Company are described in the respective explanatory notes. These accounting policies have been applied consistently in all the years presented, unless otherwise stated. It should be noted that accounting policies for intangible transactions were not included in the financial statements.

5.1 New standards and interpretations that are not yet effective

A series of new standards or amendments to standards and interpretations will be effective for years beginning on or after January 1, 2023. The Company and its subsidiaries did not early adopt these amendments in the preparation of these financial statements.

The amended standards and interpretations mentioned below should not have a significant impact on the financial statements of the Company and its Subsidiaries.

IFRS 17	Insurance Contracts
Changes in CPC 32 / IAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Changes in CPC 26 / IAS 1	Classification of liabilities as current or non-current
Changes in CPC 26 / IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies
Changes in CPC 23 / IAS 8	Definition of accounting estimates

6 Cash and cash equivalents, restricted financial investment and financial assets

6.1 Cash and cash equivalents

Accounting policy

Amounts held for the purpose of meeting short-term cash commitments and not for investment or other purposes are classified under cash and cash equivalents. They include cash, positive balances in current accounts, financial investments redeemable within 90 days of the transaction dates and with an insignificant risk of change in their market value. Most financial investments included in cash equivalents are classified under the "financial assets at fair value through profit or loss" category. Cash equivalents are highly liquid and readily convertible.

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Cash and banks	401	876	9,048	28,504
CDB (a)	5,786	26,525	84,967	109,790
Funds (b)	1,303,174	1,437,613	1,354,216	1,446,105
	1,309,361	**1,465,014**	**1,448,231**	**1,584,399**

a) On December 31, 2022, the consolidated financial investments, Bank Deposit Certificates (CDB), were remunerated at an average rate of 108.31% of the CDI (106.6% of the CDI on December 31, 2021), 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:

	2022	**2021**
Post fixed Interest rate	**100.41%**	**100.90%**
Cash and CPR	34.49%	24.37%
Private credit	47.59%	47.20%
FIDC	0.31%	0.36%
Public bonds	14.42%	25.16%
Derivatives	3.60%	3.82%
Pre fixed interest	**-0.41%**	**-0.90%**
Private credit	2.78%	2.08%
Public bond	0.41%	0.84%
Derivatives	-3.60%	-3.82%
Total	**100.00%**	**100.00%**

6.2 Restricted financial investment

Accounting policy

Restricted financial investments refer to the guarantee of certain loans of the Company whose balance is released according to their amortization.

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
CDB (a)	-	1,685	-	1,685
	-	**1,685**	**-**	**1,685**
Current	-	1,685	-	1,685

a) On December 31, 2021, the consolidated financial investments, Bank Deposit Certificates (CDB) and "Fundo", were remunerated at an average rate of 101.5% of the CDI.

6.3 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 December 31, 2022 and 2021.

The value of these investments at December 31, 2022 was BRL 13,381 (BRL 0 at December 31, 2021).

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

7.1 Accounts receivable

Accounting policy

Accounts receivable include receivables from credit card companies and end customers.

The Company estimates the expected losses for credits based on the simplified model, as required by CPC 48/IFRS 9, considering the aging of its receivables and the expectation of future losses. The Company does not have a significant history of losses on accounts receivable.

The balance of accounts receivable is composed of:

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Credit card administrators	5,951	5,729	614,309	468,185
Accounts receivable from customers	17,657	11,542	59,495	37,612
Total accounts receivable	**23,608**	**17,271**	**673,804**	**505,797**
Expected credit loss	(879)	(1,142)	(2,322)	(2,242)
Total net accounts receivable	**22,729**	**16,129**	**671,482**	**503,555**

The balance of accounts receivable by maturity is shown below:

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Amounts to become due	**17,828**	**14,593**	**661,362**	**497,534**
Overdue amounts				
Up to 30 days	1,984	1,087	4,827	4,169
From 31 to 180 days	2,927	925	5,254	2,411
Over 180 days	869	666	2,361	1,682
Total accounts receivable	**23,608**	**17,271**	**673,804**	**505,796**

	Parent company			Consolidated
	2022	**2021**	**2022**	**2021**
Opening balance	**(1,142)**	**(1,025)**	**(2,242)**	**(2,049)**
Additions	(306)	(1,449)	(3,698)	(9,973)
Reversals	590	1,332	3,618	9,780
Incorporation (i)	(21)	-	-	-
Final balance	**(879)**	**(1,142)**	**(2,322)**	**(2,242)**

(i) The amount refers to a proportion of the incorporated receivables balance, presented in note 2.3.1.

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 December 31, 2022.

7.2 Services payable

Accounting policy

The services payable account is characterized as a customer advance account. Therefore, it refers to amounts received in advance, at the time of entering into the contract with the customer, for the provision of services by the Company.

The amounts recorded in this account are recognized in profit or loss for the period according to the provision of services and compliance with the performance obligations provided for in the contracts, in accordance with the Company's revenue accounting policy.

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Services payable	46,437	38,928	82,136	59,367
Current	43,850	37,801	79,549	58,240
Non-current	2,587	1,127	2,587	1,127

7.3 Receivables transferable

Accounting policy

In the receivables transferable account, classified under current liabilities since the debt will be settled within the next 12 months, the amounts received are recorded as a result of the intermediation of payments, in which the Company considers itself as an agent, which will be transferred to the Company's customers.

As of December 31, 2022, BRL 537,097 (BRL 414,818 as of December 31, 2021) of receivables transferable are recorded.

8 Other assets

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Advance to suppliers	2,230	629	5,068	6,780
Advances to employees	786	582	2,000	1,476
Software license to be appropriated	8,860	8,986	10,773	11,846
Shared services receivable from related parties (note 9a.)	5,790	4,181	-	-
PHENOM 100 program membership	2,718	2,709	2,718	2,709
Business combination indemnification asset (note 17.1)	-	-	2,001	-
Other assets (i)	1,092	1,344	13,318	3,477
	21,476	**18,431**	**35,878**	**26,288**
Current	11,856	10,952	29,357	22,003
Non-current	9,620	7,479	6,521	4,285

(i) BRL 9,321 refers to other receivables from the Best Shipping operation (carriers).

9 Transactions with related parties

sTransactions 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.

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 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	
	Non-current assets	
	2022	**2021**
Cyberweb	329	406
Fbits	98	118
Yapay	1,229	1,195
Locaweb Telecom	22	467
Ananke Tecnologia	-	463
Delivery Direto	70	-
Melhor Envio	485	-
Ideris	497	-
Bling	557	-
Octadesk	946	-
Squid	850	-
Credisfera	63	-
Samurai	2	-
Vindi Tecnologia	185	-
Tray Tecnologia	457	1,532
	5,790	**4,181**

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

	Parent company					
	Revenue		Costs		Expenses	
	2022	2021	2022	2021	2022	2021
Tray Tecnologia (a)	3,564	1,860	-	-	-	-
Yapay (a) (b)	2,745	17	(4)	-	-	(42)
Locaweb Telecom (c)	-	-	(170)	(145)	-	(62)
MG4 (e)	-	-	(8,866)	(7,867)	(2,955)	(2,622)
Ananke Tecnologia (a) (b)	310	929	(815)	-	-	(75)
Fbits (a)	524	1	-	-	-	-
Cyberweb (a)	619	290	-	-	-	-
Delivery Direto (a)	321	56	-	-	-	-
Connectplug (a)	164	33	-	-	-	-
Etus (a) (d)	778	24	-	-	-	(1)
Melhor envio (a)	2,785	-	-	-	-	-
Bling (a) (b)	6,909	99	-	-	-	-
Octadesk (b)	1	-	(8)	-	-	-
Credisfera (a)	198	-	-	-	(7)	-
Dooca (a)	784	-	-	-	-	-
Pagcerto (a)	216	-	-	-	-	-
Vindi (a)	976	-	-	-	-	-
Squid (b)	-	-	-	-	(41)	-
Samurai (b)	1	-	-	-	-	-
	20,895	**3,309**	**(9,863)**	**(8,012)**	**(3,003)**	**(2,802)**

(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.

	Consolidated			
	Costs		Expenses	
	2022	2021	2022	2021
MG4	(8,866)	(7,867)	(2,955)	(2,622)
WW Marques	-	-	(998)	(635)
Tech and Soul	-	-	(589)	(1,160)
	(8,866)	**(7,867)**	**(4,542)**	**(4,417)**

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 1,018. The total amount of rent paid in the year ended December 31, 2022 was BRL 11,820 (BRL 10,489 in the same period in 2021). The contract is effective for 120 months and is adjusted by the IGP-M index every 12 months. Exceptionally in this period, the index used for the adjustment was the IPCA.

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 13.

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 83. The total amount of rent paid for the year ended December 31, 2022 was BRL 998 (BRL 515 in the same period in 2021). 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 13 and 15.2.

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. The total amount paid in the year ended December 31, 2022 was BRL 589 (BRL 1,160 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 discontinuation of operations carried out with the aforementioned related party, in view of the preemptive rights agreed on both the property and MG4.

Management remuneration

Management remuneration expenses for the years ended December 31, 2022 and 2021 are shown below:

	2022	**2021**
Remuneration	11,144	13,098
Charges and Benefits	3,627	3,644
Expenses with stock purchase plan (i)	4,390	6,311
Total	**19,161**	**23,053**

(i) Stock option plans, stock grants and performance plan (Note 19).

10 Investments

Accounting policy

The Company's investments in its subsidiaries are valued based on the equity method, in accordance with CPC 18/IAS 28, for the purposes of the Parent Company's financial statements.

The investments are made up as follows on December 31, 2022 and 2021.

	Parent company	
	2022	**2021**
Investments in subsidiaries	2,112,480	1,939,331
Provision for investment losses	(6,161)	(4,699)
Total investments	**2,106,319**	**1,934,632**
Investment reconciliation		
Investments in subsidiaries and affiliates	538,956	315,981
Goodwill on the acquisition of investments	1,567,363	1,618,651
Total net investments	**2,106,319**	**1,934,632**

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

	Parent company		
Investee	**Balance on 12/31/2021**	**Transfer (i)**	**Balance on 12/31/2022**
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	29,853	(29,853)	-
Bling	626,692	-	626,692
Octadesk	172,260	-	172,260
Squid	468,958	-	468,958
Total goodwill on the acquisition of investments	**1,618,651**	**(51,288)**	**1,567,363**

(i) Transfer to intangible assets originating from the merger (Explanatory note 12).

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

Balance on 12/31/2022

Name	% Interest	Assets	Liabilities	Equity Net	Revenue Net	Income year
Direct interest						
Locaweb Telecom	100%	56	446	(390)	335	(408)
Yapay	100%	626,516	495,904	130,611	192,948	22,804
Tray Tecnologia	100%	320,063	70,296	249,767	94,131	51,966
Cluster2Go	100%	-	-	-	-	2,940
Kinghost	100%	26,134	4,853	21,281	-	7,457
Delivery Direto	100%	1,454	1,522	(68)	14,686	(1,931)
Locaweb E-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
Fbits	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
Dooca	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

Balance on 12/31/2021

Name	% Interest	Assets	Liabilities	Equity Net	Revenue Net	Income year
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)
Kinghost	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
Kinghost	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 shown below:

				Equity					
Investee	**Balance on 12/31/2021**	**Transfer (i)**	**Capital advance/increase**	**Equity**	**Amortization added value**	**Total**	**Action based compensation plan**	**Incorporation (ii)**	**Saldo em 31/12/2022**
Locaweb Telecom	(472)	-	490	(408)	-	(408)	-	-	(390)
Yapay	107,516	-	-	22,804	-	22,804	291	-	130,611
Tray Tecnologia	115,688	-	80,589	51,966	-	51,966	1,521	-	249,764
Cluster2Go	(3,252)	1,190	-	2,940	(73)	2,867	-	(805)	-
Kinghost	4,934	-	-	7,457	(3,251)	4,206	220	-	9,360
Delivery Direto	(2,398)	-	850	(1,931)	(1,355)	(3,286)	250	-	(4,584)
Locaweb E-Commerce	90,573	-	75,586	(23,219)	-	(23,219)	118	-	143,058
Etus	(1,319)	-	2,220	(2,711)	(1,431)	(4,142)	27	-	(3,214)
Vindi Tecnologia	1,611	-	12,821	(10,399)	(5,121)	(15,520)	381	-	(707)
Connectplug	(1,340)	-	3,915	(4,007)	(936)	(4,943)	55	-	(2,313)
Social Miner	(1,126)	1,126	-	-	-	-	-	-	-
Bling	9,054	-	-	12,068	(10,978)	1,090	209	-	10,353
Octadesk	(729)	-	1,700	(6,753)	(1,435)	(8,188)	-	-	(7,217)
Squid	(2,759)	-	4,700	3,833	(5,120)	(1,287)	-	200	854
LW Ventures	-	-	15,027	(1,646)	-	(1,646)	-	-	13,381
	315,981	**2,316**	**197,898**	**49,994**	**(29,700)**	**20,294**	**3,072**	**(605)**	**538,956**

(i) Transfer to intangibles originating from the merger (Note 12).

(ii) The amount of BRL 805 refers to the incorporation of Ananke (Note 2.3.1).

				Equity				
Investee	**Balance on 12/31/2020**	**Acquisition of equity interest**	**Capital advance/increase**	**Equity**	**Amortization Added Value**	**Total**	**Merger**	**Balance on 12/31/2021**
Locaweb Telecom	(542)	-	372	(302)	-	(302)	-	(472)
Yapay	84,590	-	-	22,926	-	22,926	-	107,516
Tray Tecnologia	33,515	-	85,100	(2,927)	-	(2,927)	-	115,688
Cluster2Go	(2,481)	-	1,689	(2,169)	(291)	(2,460)	-	(3,252)
Kinghost	2,164	-	-	6,021	(3,251)	2,770	-	4,934
Delivery Direto	(1,096)	-	-	53	(1,355)	(1,302)	-	(2,398)
Locaweb E-Commerce	88,511	-	28,608	(26,546)	-	(26,546)	-	90,573
Etus	1,118	-	1,745	(2,751)	(1,431)	(4,182)	-	(1,319)
Vindi Tecnologia	-	273	5,894	564	(5,120)	(4,556)	-	1,611
Connectplug	-	(1,423)	4,445	(3,504)	(858)	(4,362)	-	(1,340)
Social Miner	-	387	3,553	(2,066)	(1,126)	(3,192)	(1,874)	(1,126)
Bling	-	8,594	6,775	89	(6,404)	(6,315)	-	9,054
Octadesk	-	1,888	-	(2,019)	(598)	(2,617)	-	(729)
Squid	-	952	3,344	(5,775)	(1,280)	(7,055)	-	(2,759)
	205,779	**10,671**	**141,525**	**(18,406)**	**(21,714)**	**(40,120)**	**(1,874)**	**315,981**

On January 04, 2022 the dissolution of Fast Notas Software de Gestão Ltda. and Vindi Eventos e Conteúdo Ltda., subsidiaries of Vindi Tecnologia e Marketing S.A., was approved.

On April 29, 2022 the merger of Ananke Tecnologia Ltda. into Ananke Participações S.A. and later the merger of Ananke Participações S.A. into Locaweb Serviços de Internet S.A. was approved.

On August 31, 2022 the merger of Duopana Tecnologia e Informatica Ltda. into its parent company Squid Digital Media Channel Ltda. was approved.

On October 31, 2022, the incorporation of Smart Tecnologia S.A. by Vindi Tecnologia e Marketing S.A. was approved.

On October 31, 2022, the merger of V.O Desenvolvimento de Software Ltda. into Samurai Experts Desenvolvimento de Software Ltda. was approved.

On November 30, 2022, it was approved to promote simultaneous collateral incorporations of other 03 (three) companies of the same economic subgroup, the companies: Kinghost Hospedagem de Sites Ltda., Unipago Soluções de Cobrança Ltda. and, IPV6 Internet Ltda.
by Cyberweb Networks Ltda.

10.1 Obligation with investment acquisitions

Accounting policy

The Company has an obligation to purchase investments referring to the balance payable on the acquisition of investees or subsidiaries, which substantially represent contingent consideration, to be paid as a result of the growth of the company's net revenues conditioned to the dynamics of investments and expenses established in the business agreed between the parties.

The remeasurement of the fair value of the contingent consideration is mainly comprised of adjustments to the present value and updates of the projections of payment of the contingent consideration installments (earnout).

The adjustments to present value correct the estimated future amounts payable based on the time difference between the base period of the financial statements and the expected date of actual payment of each installment. The discount rate used is related to the remuneration of financial investments and the DI index.

With relationship to the updates of the expected earnout amounts, the Company makes recurring revisions to these projections in order to keep the estimates of payables for acquisitions more in line with the operating context of each of the new businesses. In the year, there were resulting adjustments that increased the amount payable due to the better performance of the main acquisitions in relation to the business plans agreed upon at the time of the acquisitions.

Contingent consideration is subsequently measured at fair value with changes recognized in the profit or loss statement.

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

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Cluster2Go	1,242	2,372	1,242	2,372
Kinghost	-	20,433	-	20,433
Delivery Direto	592	2,511	592	2,511
Etus	1,898	11,938	1,898	11,938
Ideris	-	-	25,865	58,608
Melhor Envio	-	-	136,024	145,343
ConnectPlug	13,074	8,834	13,074	8,834
Social Miner	1,889	10,087	1,889	10,087
Vindi Tecnologia	30,623	30,438	30,623	30,438
Dooca	-	-	11,313	16,571
Credisfera	-	-	7,595	59,736
Samurai	-	-	1,328	11,809
Bling	323,966	120,516	323,966	120,516
Pagcerto	-	-	1,310	7,829
Bagy	-	-	17,266	33,997
Octadesk	60,006	75,567	60,006	75,567
Squid	203,094	299,172	203,094	299,172
Netzee	-	-	-	298
Síntese	-	-	18,317	-
Total investment obligations	**636,384**	**581,868**	**855,402**	**916,059**
Current	178,657	47,652	311,873	47,950
Non-current	457,727	534,216	543,529	868,109

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

	Parent company	Consolidated
Balance on 12/31/2021	**581,868**	**916,059**
Consideration contingent upon the acquisition of Síntese (note 10.2)	-	17,812
Payments withheld installments	(53,823)	(53,823)
Contingent consideration paid	(26,137)	(120,299)
Payments price adjustment	(2,338)	(2,237)
Remeasurement fair value of contingent consideration	136,814	97,890
Balance on 12/31/2022	**636,384**	**855,402**

10.2 Business arrangements

Accounting policy

Business arrangements are accounted for using the acquisition method based on CPC 15(R1)/IFRS 3. The acquisition cost considers the purchase price and includes the fair value of assets and liabilities assumed, including any cost related to the contingent or deferred additional payment. Transaction-related costs are recognized under profit or loss when incurred.

The purchase price is allocated to the assets acquired, liabilities and contingent liabilities assumed based on their respective fair values, including assets and liabilities that were not previously recognized in the balance sheet of the acquired entity. Goodwill is generated when the acquisition cost exceeds the value of identifiable net assets measured at fair value.

10.2.1 Acquisitions in 2022

a. Acquisition of Síntese

On August 4, 2022, the Agreement for the Purchase and Sale of Shares and Other Covenants was concluded between the wholly owned subsidiary Tray Tecnologia in Ecommerce Ltda. ("Tray") and the partners of Síntese Soluções Produtizadas Ltda. ("Síntese") with the intervention and agreement of the Company (which is also guarantor of Tray regarding its payment obligations), to regulate the acquisition of the total share capital of Síntese, on a fully diluted basis, by Tray. Founded in 2013, Síntese is a platform specialized in omnichannel solutions for retail, with a wide presence in the fashion segment. The closing price of the total shares acquisition of Síntese, on a fully diluted basis, is approximately R$ 35.2 million and this is also subject to certain adjustments of net debt and working capital, which are common in this type of transaction. In addition, sellers will be entitled to receive any earnout, depending on the achievement of certain financial goals determined based on the Net Revenues of Síntese, as defined in the agreement. As a guarantee to Tray concerning certain indemnification obligations assumed by sellers in the Agreement, a portion of the closing price will be retained by Tray and subsequently may be released to sellers according to the rules and procedures set forth in the Agreement.

The accounting for net assets acquired in the December 31, 2022 financial statements was based on a fair value assessment.

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	35,368
Total consideration	**47,548**
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)	17,812
Total consideration	**47,548**

(a) The Company agreed to pay the selling shareholders an additional amount of BRL 22,350. The Company recorded BRL 17,812 as contingent consideration related to the additional payment, which represents its fair value on the acquisition date. On December 31, 2022, the fair value of the contingent consideration was BRL 18,317.

The goodwill calculated on the acquisition date was BRL 35,368 and comprises the value of future economic benefits arising from the synergies arising from the acquisition. The goodwill was allocated to the Commerce segment. The Company understands that the goodwill will be deductible for tax purposes.

Expenses related to the acquisition of BRL 1,954 were recognized in the income statement in administrative expenses, and in operating activities in the cash flow statements.

In 2022, since its acquisition date, Síntese contributed with total net revenue of BRL 6,202 and profit of BRL 1,114 in the period ended December 31, 2022. If the acquisition had taken place at the beginning of 2022, Síntese would have contributed to the Company with net revenue of BRL 13,819 and profit of BRL 4,100.

10.2.2 Acquisitions in 2021

a. Acquisition of Octadesk

The accounting for net assets acquired in the year ended December 31, 2021 has been done based on a preliminary fair value assessment.

In relation to the amounts disclosed in the financial statements for 2021, there was an adjustment of BRL 9,264 in the value added to intangible related to the issue of a fair value report of the acquired assets, which was retrospectively recorded on the acquisition date in accordance with CPC 15 - Business Combination.

The assessed balances are shown below:

	Fair value recognized in the acquisition
Assets	**40,413**
Cash and cash equivalents	3,801
Accounts receivable	982
Advances	108
Taxes recoverable	351
Other assets	22
Property, plant, and equipment	382
Intangible assets	34,767
Liabilities	**3,758**
Suppliers	847
Labor obligations	575
Tax obligations	182
Advance from customers	2,154
Total net identifiable assets	**36,655**
Goodwill generated in the acquisition	137,493
Total consideration	**174,148**
Cash flow on acquisition	
Cash paid, net of cash acquired	98,684
Purchase cost	2,590
Cash paid on acquisition	**101,274**

The total consideration can be presented as follows:

Cash payment on closing date	102,485
Obligation with investment acquisition (a)	71,663
Total consideration	**174,148**

(a) The Company agreed to pay the selling shareholders an additional amount of BRL 59,235. The Company recorded BRL 36,270 as contingent consideration related to the additional payment, which represents its fair value on the acquisition date. The investment acquisition obligation also includes a price adjustment of BRL 38,836. As of December 31, 2022, the fair value of the contingent consideration was BRL 54,446.

The goodwill calculated on the acquisition date was BRL 137,493 and comprises the value of future economic benefits arising from the synergies arising from the acquisition. The goodwill was allocated to the Commerce segment. The Company understands that the goodwill will be deductible for tax purposes.

b. *Acquisition of Squid*

The accounting for net assets acquired in the year ended December 31, 2021 has been done based on a preliminary fair value assessment.

In relation to the amounts disclosed in the financial statements for 2021, there was an adjustment of BRL 2,243 in the value added to intangible related to the issue of a fair value report of the acquired assets, which was retrospectively recorded on the acquisition date in accordance with CPC 15 - Business Combination.

The assessed balances are shown below:

	Fair value recognized in the acquisition
Assets	**58,620**
Cash and cash equivalents	1,876
Accounts receivable	12,208
Advances	865
Taxes recoverable	1,811
Property, plant, and equipment	968
Intangible assets	40,892
Liabilities	**16,848**
Suppliers	8,256
Labor obligations	3,975
Tax obligations	840
Advance from customers	721
Other liabilities	3,056
Total net identifiable assets	**41,772**
Goodwill generated in the acquisition	428,139
Total consideration	**469,911**
Cash flow on acquisition	
Cash paid, net of cash acquired	174,624
Purchase cost	6,249
Cash paid on acquisition	**180,873**

The total consideration can be presented as follows:

Cash payment on closing date	176,500
Obligation with investment acquisition (a)	293,411
Total consideration	**469,911**

(a) The Company agreed to pay the selling shareholders an additional amount of BRL 339,095. The Company recorded BRL 291,167 as contingent consideration related to the additional payment, which represents its fair value on the acquisition date. The Obligation with investment acquisition also includes a price adjustment of BRL 2,244. As of December 31, 2022, the fair value of the contingent consideration was BRL 199,765.

The goodwill calculated on the acquisition date was BRL 428,139 and comprises the value of future economic benefits arising from the synergies arising from the acquisition. The goodwill was allocated to the Commerce segment. The Company understands that the goodwill will be deductible for tax purposes.

c. *Acquisition of Netzee*

The accounting for net assets acquired in the year ended December 31, 2021 was based on a preliminary fair value assessment.

In relation to the amounts disclosed in the financial statements for 2021, there was an adjustment of BRL 298 in the amount added to intangible assets related to the issue of a fair value report of the acquired assets, which was retrospectively recorded on the acquisition date in accordance with CPC 15 - Business Combination.

The assessed balances are shown below:

	Fair value recognized in the acquisition
Assets	**1,003**
Cash and cash equivalents	108
Property, plant, and equipment	2
Intangible assets	893
Liabilities	**107**
Labor obligations	41
Tax obligations	15
Loans and financing	49
Other liabilities	2
Total net identifiable assets	**896**
Goodwill generated in the acquisition	6,812
Total consideration	**7,708**
Cash flow on acquisition	
Cash paid, net of cash acquired	7,302
Purchase cost	1,043
Cash paid on acquisition	**8,345**

The total consideration can be presented as follows:

Cash payment on closing date	7,410
Obligation with investment acquisition (a)	298
Total consideration	**7,708**

(a) The Company agreed to pay the selling shareholders an additional amount of BRL 298. In May 2022 there was the settlement of the obligation with the acquisition of investment.

The goodwill calculated on the acquisition date was BRL 6,812 and comprises the value of future economic benefits arising from the synergies arising from the acquisition. The goodwill was allocated to the Commerce segment. The Company understands that the goodwill will be deductible for tax purposes.

11 Property, plant, and equipment

Accounting policy

(i) Recognition and measurement

Fixed assets are recorded at acquisition, formation or construction cost, minus accumulated depreciation and any accumulated impairment losses. Fixed assets are written off when sold or when no future economic benefit is expected from their use or sale. Any gain or loss resulting from the derecognition of the asset (calculated as the difference between the net sale value and the carrying amount of the asset) is included in the income statement in the year in which the asset is derecognized.
Expenses incurred with maintenance and repair of fixed assets are capitalized only if the economic benefits associated with these items are probable and the amounts are reliably measured, while other expenses are recorded directly under profit or loss when incurred. When significant parts of a fixed asset have different useful lives, they are recorded as separate items (main components) of the fixed assets.

(ii) Subsequent costs

Subsequent costs are capitalized only when it is probable that future economic benefits associated with the costs will accrue to the Group.

(iii) Depreciation

Depreciation is calculated to amortize the cost of fixed asset items, net of their estimated residual values, using the straight-line method based on the estimated useful lives of the items. Depreciation is recognized under profit or loss. Land is not depreciated.

The estimated useful lives of fixed assets are as follows:

	Estimated useful life
Computers and Peripherals	Between 2.5 and 5 years
Improvements	20 years
Furniture and utensils	10 years
Machines and equipment	Between 2.5 and 10 years
Other fixed assets	5 years

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, 2020	**5,561**	**32,178**	**2,402**	**282,534**	**497**	**970**	**324,142**
Additions by merger	38	-	17	-	-	-	55
Year Additions	3,019	1,377	1,254	17,980	1,336	969	25,935
Write-offs	(8)	-	(970)	(14,668)	(15)	(343)	(16,004)
Transfers	(80)	-	-	1,433	(1,353)	-	-
Balances on December 31, 2021	**8,530**	**33,555**	**2,703**	**287,279**	**465**	**1,596**	**334,128**
Additions by merger	1,749	-	95	19	8	10	1,881
Year Additions	2,016	1,036	163	21,537	640	-	25,392
Write-offs	(567)	-	-	(5,325)	-	(137)	(6,029)
Transfers	40	5	(26)	881	(900)	-	-
Balances on December 31, 2022	**11,768**	**34,596**	**2,935**	**304,391**	**213**	**1,469**	**355,372**
Depreciation							
Balances on December 31, 2020	**(4,219)**	**(14,704)**	**(1,878)**	**(242,717)**	**-**	**(561)**	**(264,079)**
Additions by merger	(28)	-	(7)	-		-	(35)
Depreciation for the year	(747)	(2,016)	(208)	(23,793)	-	(257)	(27,021)
Write-offs	8	-	953	14,668	-	315	15,944
Transfers	4	-	-	(4)	-	-	-
Balances on December 31, 2021	**(4,982)**	**(16,720)**	**(1,140)**	**(251,846)**	**-**	**(503)**	**(275,191)**
Additions by merger	(1,705)	-	(90)	(18)	-	(8)	(1,821)
Depreciation for the year	(1,160)	(2,089)	(215)	(18,791)	-	(289)	(22,544)
Write-offs	552	-	-	5,325	-	108	5,985
Transfers	(1)	-	1	-	-	-	-
Balances on December 31, 2022	**(7,296)**	**(18,809)**	**(1,444)**	**(265,330)**	**-**	**(692)**	**(293,571)**
Residual value							
Balances on December 31, 2021	**3,548**	**16,835**	**1,563**	**35,433**	**465**	**1,093**	**58,937**
Balances on December 31, 2022	**4,472**	**15,787**	**1,491**	**39,061**	**213**	**777**	**61,801**

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, 2020	**19,521**	**33,692**	**4,609**	**291,144**	**914**	**1,487**	**351,367**
Additions by company acquisitions	3,896	1,719	1,040	595	-	26	7,276
Year Additions	12,908	1,723	1,925	20,208	3,804	1,111	41,679
Write-offs	(793)	(5)	(1,446)	(14,494)	(86)	(240)	(17,064)
Transfers	356		(11)	2,072	(2,429)	12	-
Balances on December 31, 2021	**35,888**	**37,129**	**6,117**	**299,525**	**2,203**	**2,396**	**383,258**
Additions by company acquisitions	-	-	-	-	-	-	-
Year Additions	10,725	4,037	571	27,191	2,162	-	44,686
Write-offs	(1,067)	(5)	(178)	(5,425)	-	(414)	(7,089)
Transfers	(326)	(8)	(26)	3,708	(4,108)	-	(760
Balances on December 31, 2022	**45,220**	**41,153**	**6,484**	**324,999**	**257**	**1,982**	**420,095**
Depreciation							
Balances on December 31, 2020	**(9,013)**	**(15,082)**	**(3,026)**	**(247,373)**	**-**	**(610)**	**(275,104)**
Additions by company acquisitions	(1,114)	(488)	(220)	(228)	-	(4)	(2,054)
Depreciation for the year	(5,068)	(2,642)	(474)	(25,720)	-	(312)	(34,216)
Write-offs	800	8	1,374	14,447	-	221	16,850
Transfers	(59)	-	(21)	80		-	-
Balances on December 31, 2021	**(14,454)**	**(18,204)**	**(2,367)**	**(258,794)**	**-**	**(705)**	**(294,524)**
Additions by company acquisitions	-	-	-	-	-	-	-
Depreciation for the year	(7,551)	(5,905)	(521)	(22,121)	-	(338)	(36,436)
Write-offs	1,034	-	98	5,382	-	109	6,623
Transfers	664	4	(2)	92	-	-	758
Balances on December 31, 2022	**(20,307)**	**(24,105)**	**(2,792)**	**(275,441)**	**-**	**(934)**	**(323,579)**
Residual value							
Balances on December 31, 2021	**21,434**	**18,925**	**3,750**	**40,731**	**2,203**	**1,691**	**88,734**
Balances on December 31, 2022	**24,913**	**17,048**	**3,692**	**49,558**	**257**	**1,048**	**96,516**

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

12 Intangible assets

Accounting policy

Intangible assets acquired separately are measured at cost at the time of their initial recognition, in line with the provisions of CPC 04/IAS 38. After initial recognition, intangible assets are stated at cost, minus accumulated amortization (for assets with a finite useful life) and accumulated impairment losses, when applicable.

Intangible assets with a finite useful life are amortized over the economic useful life and evaluated in relation to the impairment loss whenever there is an indication of loss of economic value of the asset. The amortization of intangible assets with a finite useful life is recognized in the income statement in the expense category consistent with the use of the intangible asset. The amortization of intangible assets can be presented as follows:

	Software	Brands and patents	Internal development	Goodwill	Customer portfolio
Useful life	Defined	Defined	Defined	Undefined	Defined
Weighted average amortization exercise	5 years or as per report	5 years or as per report	5 years	-	5 years or as per report
Amortization method used	Linear amortization	Linear amortization	Linear amortization	Not amortized	Linear amortization
Internally generated or acquired	Internally generated and acquired (Business arrangement)	Internally generated and acquired (Business arrangement)	Internally generated	Acquired (Business arrangement)	Acquired (Business arrangement)

The Company estimates the useful life of intangible assets based on the period for generating future economic benefits from these assets.

Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment, individually or at the cash-generating unit level. The indefinite useful life assessment is reviewed annually to determine whether this assessment continues to be justified. Otherwise, the change in useful life, from indefinite to defined, is made prospectively.

Gains and losses resulting from the derecognition of an intangible asset are measured as the difference between the net amount obtained from the sale and the carrying amount of the asset, being recognized in the income statement at the time of derecognition of the asset.

a) Research and development cost

Research expenses are recorded as expenses when incurred. The costs of developing a specific project, more specifically software, are recognized as an intangible asset whenever it is probable that future economic benefits will be generated and the Company demonstrates the requirements set out in CPC 04/IAS 38: (i) the technical feasibility of completing the intangible asset as it will be available for use or sale; (ii) the intention to complete the asset and the ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of funds to complete the asset; (v) the ability to reliably assess expenditures incurred during the development phase.

After initial recognition, the asset is stated at cost minus accumulated amortization and impairment losses. Amortization begins when the development is completed and the asset is available for use, through the exercise of future economic benefits. During the development period, the asset's recoverable amount is tested annually. Once the project is completed, the asset is tested whenever signs of impairment are identified.

b) Goodwill for expected future profitability

Goodwill derived from a business combination is recorded in accordance with the requirements set out in CPC 15/IFRS 3, resulting from the difference between the consideration paid and the fair value of the acquiree's net assets. Goodwill is not amortized, but is tested for impairment at least annually.

For the purposes of the Parent Company's financial statements, goodwill is presented as an investment and for the purposes of the Consolidated report, goodwill is presented as an intangible asset.

c) Recoverability test

There were no impairment losses recorded in the years ended December 31, 2022 and 2021 in the Parent Company and Consolidated.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections, based on financial budgets approved by Management.

The goodwill acquired through a business combination is allocated to each of the cash generating units (CGU) for impairment testing, as follows:

CGU	***Be online & SaaS***		***Commerce***		***Consolidated***	
	2022	***2021***	***2022***	***2021***	***2022***	***2021***
Book value of goodwill	*163,794*	*163,794*	*1,733,295*	*1,686,122*	*1,897,089*	*1,849,916*

The Company performed the impairment test on December 31, 2022, 2021 and considers, among other factors, the country's economic moment and the historical results of the CGUs, the Company performed a calculation to determine the recoverable value of intangible assets without a defined useful lufe. The cash flow forecast for each of the CGUs considered a discount rate adequate to their capital cost. Cash flows were forecast for a 10-year horizon, which the Company believes is adequate for stabilizing its current growth rate. As for the cash flows that exceeded the 10-year period, these were extrapolated using a growth rate for perpetuity. As a result of this analysis, there was no impairment loss.

Assumptions with relevant impact used in the calculation of value in use

The value-in-use calculation for both Be Online & SaaS and Commerce CGUs is more sensitive to the following assumptions:

- Discount rate
- Growth in perpetuity
- Revenue growth

Discount rate

The discount rate represents the risk assessment in the current market. The calculation of the discount rate is based on the specific circumstances of the Company, being derived from the weighted average of capital costs.

Growth in perpetuity

The estimate was mainly based on: i) historical results obtained by the Company; ii) expectation of organic growth; and iii) expectations of inflation and economic growth (GDP) based on projections published by the Central Bank (Boletim Focus).

Revenue growth

Revenue forecasts are based on the number of customers and average ticket. The number of clients is forecast based on market research related to the Company and its sector of activity and the average ticket is forecast based on the expectation of inflation.

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, 2020	**4,840**	**2,132**	**41,190**	**872**	**33,087**	**2,586**	**84,707**
Additions by merger	-	-	964				964
Year Additions	2,507	-	15,790	-	-	-	18,297
Write-offs for the year	(574)	-	(7,192)	-	-	-	(7,766)
Balances on December 31, 2021	**6,773**	**2,132**	**50,752**	**872**	**33,087**	**2,586**	**96,202**
Additions by merger	981	5	-	-	-	-	986
Year Additions	3,873	-	21,335	-	-	-	25,208
Write-offs for the year	(199)	-	(3,168)	-	-	-	(3,367)
Transfer (i)	4,333	2,870	-	-	42,896	1,189	51,288
Balances on December 31, 2022	**15,761**	**5,007**	**68,919**	**872**	**75,983**	**3,775**	**170,317**
Amortization							
Balances on December 31, 2020	**(4,283)**	**(275)**	**(16,757)**	**(458)**	**-**	**(2,586)**	**(24,359)**
Additions by merger	-	-	(64)	-		-	(64)
Amortization for the year	(360)	(37)	(6,242)	(86)	-	-	(6,725)
Write-offs in the year	573	-	7,192	-	-	-	7,765
Balances on December 31, 2021	**(4,070)**	**(312)**	**(15,871)**	**(544)**	**-**	**(2,586)**	**(23,383)**
Additions by merger	(736)	-	-	-	-	-	(736)
Amortization for the year	(1,904)	(399)	(7,736)	(88)	-	-	(10,127)
Write-offs in the year	199	-	3,168	-	-	-	3,367
Transfer (i)	(794)	(333)	-	-	-	(1,189)	(2,316)
Balances on December 31, 2022	**(7,305)**	**(1,044)**	**(20,439)**	**(632)**	**-**	**(3,775)**	**(33,195)**
Residual value							
Balances on December 31, 2021	**2,703**	**1,820**	**34,881**	**328**	**33,087**	**-**	**72,819**
Balances on December 31, 2022	**8,456**	**3,963**	**48,480**	**240**	**75,983**	**-**	**137,122**

(a) Transfer of investment to intangible originated from the merger of the subsidiary Social Miner Internet Ltda. and Ananke Participações S.A. (Note 10).

(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 assets .**
Cost							
Balances on December 31, 2020	**44,123**	**17,312**	**63,347**	**872**	**384,038**	**12,840**	**522,532**
Additions by company acquisitions	98,490	139,603	1,457	5	1,443,189	37,171	1,719,915
Year Additions	4,294	175	37,844	-	34,494	-	76,807
Write-offs for the year	(1,129)	-	(7,192)	-	-	-	(8,321)
Transfers in the fiscal year	(435)	-	435	-	-	-	-
Balances on December 31, 2021	**145,343**	**157,090**	**95,891**	**877**	**1,861,721**	**50,011**	**2,310,933**
Additions by company acquisitions	3,977	2,919	-	-	35,368	5,293	47,557
Year Additions	4,065	175	53,997	-	-	1	58,238
Write-offs for the year	(239)	-	(3,168)	-	-	-	(3,407)
Transfers in the fiscal year	451	-	(1,375)	(5)	-	-	(929)
Balances on December 31, 2022	**153,597**	**160,184**	**145,345**	**872**	**1,897,089**	**55,305**	**2,412,392**
Amortization							
Balances on December 31, 2020	**(16,023)**	**(1,617)**	**(20,923)**	**(457)**	**-**	**(5,623)**	**(44,643)**
Additions by company acquisitions	(1,218)	-	(39)	-	-	-	(1,257)
Amortization for the year	(19,951)	(5,827)	(11,071)	(87)	-	(5,806)	(42,742)
Write-offs for the year	1,118	-	7,192	-	-	-	8,310
Transfers in the fiscal year	(19)	-	19	-	-	-	-
Balances on December 31, 2021	**(36,093)**	**(7,444)**	**(24,822)**	**(544)**	**-**	**(11,429)**	**(80,332)**
Additions by company acquisitions	-	-	-	-	-	-	-
Amortization for the year	(27,368)	(8,389)	(11,889)	(88)	-	(6,178)	(53,912)
Write-offs for the year	212	-	3,168	-	-	-	3,380
Transfers in the fiscal year	3	-	926	-	-	-	929
Balances on December 31, 2022	**(63,246)**	**(15,833)**	**(32,617)**	**(632)**	**-**	**(17,607)**	**(129,935)**
Residual value							
Balances on December 31, 2021	**109,250**	**149,646**	**71,069**	**333**	**1,861,721**	**38,582**	**2,230,601**
Balances on December 31, 2022	**90,351**	**144,351**	**112,728**	**240**	**1,897,089**	**37,698**	**2,282,457**

(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.

(b) There were no impairment indicators in the years ended December 31, 2022 and 2021.

13 Right-of-use asset

At the inception of an agreement, the Group assesses whether an agreement constitutes or contains a lease.

A agreement constitutes or contains a lease if the agreement transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use asset is measured initially at cost and subsequently at cost minus any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Depreciation is calculated using the straight-line method over the remaining term of the agreements. The Company used fixed lease payments as a cost component. Specifically variable payment amounts are recognized on a monthly basis as operating expenses.

Right-of-use assets mainly represent real estate and are depreciated on a straight-line basis over a period of 10 years, the shorter period between the lease term and the estimated useful life of the assets.

The changes are shown below:

	Parent company	Consolidated
Right-of-use asset on 12/31/2020	**62,770**	**65,104**
Additions by company acquisitions	-	7,710
Addition	4,011	7,141
Depreciation	(7,057)	(10,378)
Right-of-use asset on 12/31/2021	**59,724**	**69,577**
Additions by company acquisitions	9,489	13,291
Write-offs	-	(1,436)
Depreciation	(8,047)	(12,602)
Right-of-use asset on 12/31/2022	**61,166**	**68,830**

14 Taxes in installments

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

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Social Integration Program - PIS and Contribution to Social Security Financing - COFINS	241	-	1,987	2,146
Social Security Contribution on Gross Revenue - CPRB	3	-	1,005	1,064
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	634	-	14,136	14,930
National Institute of Social Security contribution - INSS	146	-	584	754
Others	579	-	1,183	1,248
Total tax installments	**1,603**	-	**18,895**	**20,142**
Current	282	-	2,882	2,878
Non-current	1,321	-	16,013	17,264

15 Loans, financing and lease liabilities

15.1 Loans and financing

Accounting policy

The Company raises funds both in reais and in US dollars. To mitigate the risk of exchange variation, the Company contracts derivative financial instruments (swaps). Further details on the company's risk management policy and on the use of derivatives for hedging purposes are described in Note 26 – Financial Instruments.

Composition of Loans and Financing

			Parent company		Consolidated	
	Charges	**Due date**	**2022**	**2021**	**2022**	**2021**
Bradesco (USD 8,091)	USD + 5.44% p.a.	Feb/22	-	4,140	-	4,140
Bradesco (USD 2,697)	USD + 4.77% p.a.	Feb/22	-	1,381	-	1,381
Citibank (USD 10,000)	USD + (3M Libor + 1.56%)*1.71 pa	Jul/22	-	22,431	-	22,431
Others			-	-	421	1,089
			-	**27,952**	**421**	**29,041**
Current		-	-	27,952	380	28,720
Non-current		-	-	-	41	321
Financial instruments – derivatives			**-**	**(8,745)**	**-**	**(8,745)**
Total loans and financing net of active swap			**-**	**19,207**	**421**	**20,296**

The amounts recorded in non-current liabilities as of December 31, 2022 have the following maturity schedule:

	Parent company	**Consolidated**
2024	-	41
	-	**41**

As of December 31, 2022, all covenants related to the Company's loans and financing were fulfilled.

15.2 Lease liabilities

Accounting policy

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (including fixed payments in substance) minus any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of fines for terminating the lease, if the lease term reflects the Group exercising the option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition giving rise to those payments occurs.

When calculating the present value of lease payments, the Group uses its incremental borrowing rate at the commencement date because the interest rate implicit in the lease is not easily determinable. After the commencement date, the amount of the lease liability is increased to reflect accrued interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the valuation of an option to purchase the underlying asset.

	Parent company	Consolidated
Liabilities for the right to use on 12/31/2020	**66,996**	**69,545**
Additions by company acquisitions	-	8,885
Addition	4,011	7,140
Interest incurred	5,153	5,787
Payments	(10,488)	(14,508)
Liabilities for the right to use on 12/31/2021	**65,672**	**76,849**
Additions by company acquisitions	9,489	13,291
Addition	-	(1,801)
Interest incurred	5,323	5,901
Payments	(11,821)	(17,370)
Liabilities for the right to use on 12/31/2022	**68,663**	**76,870**
Current	7,243	11,535
Non-current	61,420	65,335

A) Short-term and low-value asset leases

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. leases with a lease term equal to or inferior than 12 months from the commencement date and which do not contain a purchase option).

It also applies the low-value asset recognition exemption grant to leases of office equipment deemed to be low-value. Short-term lease payments and lease payments for low-value assets are recognized as an expense on a straight-line basis over the lease term.

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

	Parent company	Consolidated
From 13 to 24 months	7,823	10,501
From 25 to 36 months	8,449	9,366
From 37 to 42 months	9,125	9,445
From 43 to 60 months	9,854	9,854
Over 61 months	26,169	26,169
	61,420	**65,335**

16 Salaries, charges, and social benefits

Accounting policy

Salaries and benefits granted to the Company's employees and managers include, in addition to fixed compensation (salaries and social security contributions (INSS), vacation, 13th salary bonus), variable compensation such as profit sharing and share-based compensation. These benefits are recorded in income for the year as they are incurred.

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Salaries and charges	10,965	9,466	31,830	28,050
Provision of vacations and charges	14,072	11,497	41,614	31,763
Profit Sharing Plan (PPR)	6,088	7,360	16,886	11,919
	31,125	**28,323**	**90,330**	**71,732**

17 Provision for contingencies

Accounting policy

Provisions are recognized, in accordance with the requirements of CPC 25/IAS 37, when the Company has a present obligation as a result of a past event, it is probable that economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be done. The assessment of the probability of loss includes the assessment of available evidence, the hierarchy of laws, existing case law, the most recent decisions in the courts and their relevance in the legal system, as well as the assessment of external lawyers.

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, 2020	**435**	**157**	**592**
Reversals / Additions	4	1,363	1,367
Balances on December 31, 2021	**439**	**1,520**	**1,959**
Reversals / Additions	(69)	(1,443)	(1,512)
Balances on December 31, 2022	**370**	**77**	**447**

	Consolidated		
	Civil claims	**Labor claims**	**Total**
Balances on December 31, 2020	**913**	**203**	**1,116**
Reversals / Additions	293	1,317	1,610
Balances on December 31, 2021	**1,206**	**1,520**	**2,726**
Reversals / Additions	2,349	(1,347)	1,002
Balances on December 31, 2022	**3,555**	**173**	**3,728**

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	
	2022	**2021**	**2022**	**2021**
Civil	2,350	2,167	3,122	4,955
Labor	8,995	9,291	8,997	9,824
Tax	16,134	12,773	16,923	12,773
	27,479	**24,231**	**29,042**	**27,552**

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 10,912 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 December 31, 2022 in the amount of BRL 447 in the Parent Company (BRL 435 as of December 31, 2021) and of BRL 1,063 Consolidated (BRL 504 as of December 31, 2021).

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.

17.1 Business Combination Indemnity Assets

In the business combination process of the direct and indirect subsidiaries, respectively, Vindi Tecnologia, Samurai, Etus, PagCerto, Melhor Envio, Bagy, Cyberweb and Squid, 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 2,001, are the responsibility of the former shareholders and will be reimbursed to the Company in case of loss (see note 8).

18 Net equity

a. Capital stock

Locaweb's authorized capital stock is five billion reais (BRL 5,000,000,000). As of December 31, 2022, the subscribed and paid-in capital of Locaweb is BRL 3,006,937 (BRL 2,934,231 net of the cost of issuing shares), represented by 592,510,448 common shares (589,581,572 as of December 31, 2021), all registered, in book-entry form and without par value.

On December 31, 2022, the balance of treasury shares corresponds to 3,048,472 common shares, in the amount of BRL 47,481 (2,748,472 common shares, in the amount of BRL 45,769 on December 31, 2021).

Changes in share capital in the year ended December 31, 2022 refer to: (a) issue of 665,796 common shares with no par value, paid up in the period, in the amount of BRL 2,822 arising from the exercise of stock option plans, as approved on January 05, 2022, (b) issue of 2,263,080 common shares with no par value, paid in in the period, in the amount of BRL 3,961, as approved on July 7, 2022.

The distribution of shares as of December 31, 2022 and 2021 is shown below:

	2022		2021	
	Interest %	**Quantity of shares**	**Interest %**	**Quantity of shares**
Claudio Gora	6,11%	36,227,821	6,10%	36,227,821
Gilberto Mautner	6,17%	36,541,221	6,10%	36,239,821
Michel Gora	5,97%	35,344,421	6,20%	36,372,824
Ricardo Gora	6,09%	36,083,224	6,10%	36,083,221
Andrea Gora Cohen	2,71%	16,086,065	2,70%	16,086,065
Treasury Share	0,52%	3,048,472	0,50%	2,748,472
GIC Private Limited	-	-	6,46%	38,086,970
General Atlantic	10,75%	63,667,800	0,00%	-
BlackRock	9,63%	57,040,939	10,10%	59,547,739
William Blair	5,18%	30,699,936	5,20%	30,658,242
Other shareholders	46,87%	277,770,549	50,54%	297,530,397
	100,00%	**592,510,448**	**100,00%**	**589,581,572**

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 19).

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. 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 equity on shareholders' equity, limited to the daily *pro rata* variation of the Long-Term Interest Rate - TJLP, who are subject to withholding income tax of 15%, except for legal entities that are proven to be immune or exempt from this withholding. Interest on equity is part of the calculation basis for dividends, which, for purposes of Brazilian tax legislation, are deductible.

Dividends and interest on equity are calculated as defined by the Company's management. The calculation of dividends and interest on equity for the year 2022 is shown as follows:

	2022
Net profit for the year of the parent company	30,281
Base profit for the establishment of the legal reserve - 5%	30,281
Establishment of legal reserve- 5%	(1,515)
Net income after offsetting accumulated losses and appropriation of the legal reserve	28,766
Mandatory minimum statutory dividend – 25%	(7,191)
Number of shares as of December 31 (thousands of shares)	**592,510**
Dividend and interest on equity per share – in reais	**0.01**

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

d. 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.

e. Profit retention 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.

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

Accounting policy

Since 2009, the Company has been granting stock options in order to allow managers and employees of the Company or other companies that are directly or indirectly controlled by the Company, subject to certain conditions, to acquire shares of the Company, with the goal of: (a) reinforcing the Company's ability to attract and retain talent; (b) aligning the interests of the Company's managers and employees or of other companies that are directly or indirectly controlled by the Company with the interests of the Company's shareholders; (c) sharing risks and gains with the Company's managers; and (d) balancing short-term and long-term forms of compensation.

The cost of transactions with employees settled with equity instruments, and with awards granted, is measured based on the fair value on the date they were granted, as provided for in CPC 10/IFRS 2. The fair value of the options is determined using the Black and Scholes option pricing methodology.

The expense record is recognized, together with a corresponding increase in equity, over the year in which the performance and/or service condition is fulfilled, ending on the date on which the employee acquires full entitlement to the award (date of acquisition).

The expense in the income statement for the year is recorded under “Personnel expenses” and represents the movement in accumulated expense recognized at the beginning and end of that year. No expense is recognized for options that do not complete their vesting exercise, except for options in which the acquisition is conditional on a market condition (condition linked to the Company's share price), which is treated as acquired, regardless of whether the market conditions are met or not, provided that all other vesting conditions are met.

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:

December 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	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	7/1/2013	7/1/2013	1/1/2014	7/1/2021	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	7/1/2022	2.50	3.51	2,800,000	(1,400,000)	(1,400,000)	-
L series	7/1/2016	7/1/2016	7/1/2017	7/1/2022	2.50	3.51	3,120,000	(2,220,000)	(900,000)	-
M series	7/1/2017	7/1/2017	7/1/2018	7/1/2023	2.50	3.19	1,880,000	(1,205,000)	(635,000)	40,000
N series	7/1/2018	7/1/2018	7/1/2019	7/1/2024	1.75	2.26	4,360,000	(2,635,000)	(640,000)	1,085,000
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	(760,500)	(60,000)	499,500
Q series	12/4/2019	12/4/2019	8/1/2020	1/1/2026	1.75	2.12	10,175,880	(1,830,208)	(601,160)	7,744,512
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	(225,000)	-	675,000
T series	8/11/2020	8/11/2020	8/11/2021	8/11/2026	6.37	9.85	1,982,132	(215,446)	(314,532)	1,452,154
							60,986,904	**(25,446,559)**	**(23,844,179)**	**11,696,166**

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**
Granted during the fiscal year	60,000	6.37
Expired during year	(949,035)	2.77
Vested during the year	(3,845,387)	1.95
Pending balance on December 31, 2022	**11,696,166**	**2.52**

As of December 31, 2022, the number of stock options that could be vested was 5,476,784 (11,523,008 as of December 31, 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 years ended December 31, 2022:

	Plan 13 P series	**Plan 14 Q series**	**Plan 15 R series**	**Plan 16 S series**	**Plan 17 T series**
Dividend earnings	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	1.75	4.31	4.31	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 results and in the Consolidated on December 31, 2022 was BRL 8,498 (BRL 11,887 on December 31, 2021).

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 December 31, 2022, the expense recorded in income was BRL 1,037 in the Parent Company and BRL 2,597 in the Consolidated (BRL 339 in the Parent Company and BRL 1,097 in the Consolidated on December 31, 2021).

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 years ended December 31, 2022:

	07/16/2021	**10/04/2021**	**10/01/2022**
Expected life of the options	3 years	3 years	3 years
Share price on the grant date (BRL)	26.00	23.36	12.51

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

	Options
Balances on December 31, 2021	**302,986**
Prescribed during exercise	(27,552)
Granted during the fiscal year	80,961
Balances on December 31, 2022	**356,395**

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 December 31, 2022, the expense recorded in the result was BRL 1,380 in the Parent Company and BRL 2,501 in Consolidated.

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 years ended December 31, 2022:

	07/16/2021	**01/07/2022**	**05/18/2022**
Dividend income	0.00%	0.00%	0.00%
Expected volatility	63.75%	70.06%	69.48%
Risk-free rate of return (per year)	8.02%	11.43%	12.37%
Expected life of the options	3 years	3 years	3 years
Weighted average share price (BRL)	26.00	9.91	6.70
Modelo utilizado	**Black-Scholes**	**Black-Scholes**	**Black-Scholes**

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

	Options
Balances on December 31, 2021	**28,242**
Granted during the fiscal year	982,703
Balances on December 31, 2022	**1,010,945**

20 Earnings per share

a. Basic earnings (loss) per share

Basic earnings (loss) 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 year:

	2022	**2021**
Earnings (loss) attributable to company shareholders	30,281	(15,749)
Weighted average number of common shares outstanding – thousands	588,400	578,371
Basic earnings (loss) per share - BRL	**0.05**	**(0.03)**

Diluted earnings (loss) per share

Diluted earnings (loss) 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 8.948 thousand shares on December 31, 2022 (25,196 thousand shares in 2021).

	2022	**2021**
Earnings (loss) attributable to company shareholders	30,281	(15,749)
Weighted average number of shares including potential dilution – thousands	597,348	593,086
Earnings (loss) per share diluted – BRL	**0.05**	**(0.03)**

21 Net operating revenue

Accounting policy

(i) Revenue Recognition Criteria

The Company and its subsidiaries earn revenue from hosting, data center, telecommunications, software licensing, intermediation and collection services, among others. Revenues are recognized when performance obligations are met, in accordance with CPC 47/IFRS 15.
Revenues from the provision of services are recognized over the time the service is provided, while revenues from product resales, software installation, e-commerce facilitation or payments and intermediation with marketplaces are recognized at a specific moment.

(ii) Taxation of Revenue

Revenues from the provision of services are subject to the following taxes and contributions and basic rates:

Tax	Rates
Social Integration Program (“PIS”) - non-cumulative regime	1.65%
Social Integration Program ("PIS") - cumulative regime	0.65%
Contribution to Social Security (“COFINS”) - non-cumulative regime	7.6%
Contribution to Social Security (“COFINS”) - cumulative regime	3%
Service Tax of Any Nature (“ISS”)	From 2% to 5%
Fund for Universalization of Telecommunications Services (“FUST”)	1%
Fund for the Technological Development of Telecommunications (“FUNTTEL”)	0.5%
Tax on the Circulation of Goods and Services (“ICMS”)	25%
National Institute of Social Security (“INSS”)	4.5%

These charges are shown as sales deductions. The credits arising from the non-cumulativeness of PIS/COFINS are presented deductively from the cost of services provided in the income statement. The reconciliation between Gross Revenue and Net Revenue is presented below.

A) Reconciliation between Gross Revenue and Net Revenue

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Gross operating revenue	**393,471**	**338,473**	**1,267,503**	**905,838**
BeOnline & SaaS	393,471	338,473	475,484	462,514
Commerce	-	-	792,019	443,324
Discounts and rebates	**(17,852)**	**(20,091)**	**(19,609)**	**(21,112)**
BeOnline & SaaS	(17,852)	(20,091)	(18,037)	(20,466)
Commerce	-	-	(1,572)	(646)
Income taxes	**(33,614)**	**(27,267)**	**(109,461)**	**(84,518)**
BeOnline & SaaS	(33,614)	(27,267)	(40,746)	(38,666)
Commerce	-	-	(68,715)	(45,852)
Net operating revenue	**342,005**	**291,115**	**1,138,433**	**800,208**
BeOnline & SaaS	342,005	291,115	416,701	403,382
Commerce	-	-	721,732	396,826

22 Costs and expenses by nature

Accounting policy

Operating costs and expenses are recorded in the income statement for the year when incurred. The cost related to revenue from the provision of services includes salaries and personnel charges for the development and provision of services, costs with inputs, mainly internet links, domain registration and rental of software licenses, operating costs with installations and maintenance, in addition to the depreciation and amortization of assets, mainly servers and data center equipment.

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Salaries, charges, and benefits	(112,220)	(113,430)	(475,469)	(328,386)
Advisory and consultancy services	(21,614)	(33,277)	(48,535)	(60,935)
Depreciation and amortization	(40,718)	(40,803)	(102,950)	(87,336)
Installations	(10,643)	(9,253)	(14,485)	(11,823)
Communication and telecommunications	(2,517)	(2,522)	(3,704)	(3,982)
Collection Services	-	-	(53,590)	(32,981)
Domains and website hosting	(52,533)	(19,227)	(91,621)	(59,182)
Maintenance of servers and equipment	(2,674)	(2,736)	(3,354)	(8,170)
Software License Rental	(45,425)	(42,851)	(68,658)	(61,729)
Other operating costs	(5,055)	(163)	(53,639)	(23,455)
Provision for loss due to impairment	(297)	(1,568)	(3,703)	(10,118)
Marketing	(21,100)	(19,943)	(130,941)	(80,959)
Stock option plan	(10,915)	(11,887)	(13,596)	(11,887)
Tax expenses	(379)	-	(12,905)	-
Other general and administrative expenses	(5,261)	(5,378)	(14,919)	(13,282)
Total	**(331,351)**	**(303,038)**	**(1,092,069)**	**(794,225)**
Cost of services provided	(248,190)	(193,992)	(624,201)	(435,676)
Sales expenses	(59,424)	(50,362)	(248,230)	(152,457)
Loss due to impairment	(297)	(1,568)	(3,704)	(10,118)
General and Administrative Expenses	(23,440)	(57,116)	(215,934)	(195,974)
Total	**(331,351)**	**(303,038)**	**(1,092,069)**	**(794,225)**

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

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Sale of fixed assets	145	595	222	668
Other revenues (expenses)	146	208	1,775	2,049
Earning (loss) on investment	203	(171)	200	(171)
Total	**494**	**632**	**2,197**	**2,546**

23 Net financial income

Accounting policy

The Group's financial income and expenses comprise:

- interest income;
- interest expense;
- net gains/losses on financial assets measured at fair value through the profit or loss statement;
- net exchange rate gains/losses on financial assets and liabilities;
- gains on remeasurement to fair value of the pre-existing interest in an entity acquired in a business combination;
- fair value losses on contingent consideration classified as a financial liability;

Interest income and expense are recognized under the profit and loss statement using the effective interest method.

	Parent company		Consolidated	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**
Financial revenues				
Income from financial investments	174,432	77,786	183,319	80,598
Interest	1,067	978	1,331	1,386
Other financial revenues	3,462	385	5,176	710
	178,961	**79,149**	**189,826**	**82,694**
Financial expenses				
Debt cost	(534)	(1,424)	(729)	(2,297)
Banking service fees (*)	(2,744)	(2,658)	(10,337)	(9,014)
Exchange variation	(141)	(11)	(582)	(288)
Lease interest	(5,323)	(5,153)	(5,901)	(5,787)
IOF	(8,662)	(353)	(10,078)	(1,282)
Receivables management fees	(2)	(2)	(45,020)	(5,724)
Remeasurement of contingent consideration	(136,814)	(21,908)	(97,890)	(48,156)
Other financial expenses	(855)	(4,744)	(4,737)	(6,116)
	(155,075)	**(36,253)**	**(175,274)**	**(78,664)**
Net financial income	**23,886**	**42,896**	**14,552**	**4,030**

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

24 Income tax and social contribution

Accounting policy

i) Current Taxes

Income taxation comprises income tax and social contribution, and in the companies Locaweb, Locaweb Telecom, Yapay, Tray, FBITS, Cyberweb, IT Capital (Delivery Direto), Ideris, Melhor Envio, Vindi Tecnologia, Vindi Pagamentos, Conectplug, Credisfera, Samurai Experts, Organisys (Bling), Pagcerto, Bagy, Squid and Octadesk are taxed by Real Income, income tax is calculated on taxable income at the rate of 15%, plus an additional 10% for profits that exceed BRL 240 in the 12-month period, while social contribution is calculated at the rate of 9% on taxable income, recognized on the accrual basis. The companies LWK Hosting, Samurai Experts Holding, Locaweb Commerce, Etus, Dooca and Síntese are taxed under the Presumed Profit regime.

The income tax and social contribution expense comprises current and deferred income and social contribution taxes. Current tax and deferred tax are recognized in profit or loss unless they are related to the business combination or items recognized directly in equity or other comprehensive income.

The Group determined that interest and penalties related to income tax and social contribution, including uncertain tax treatments, do not meet the definition of income tax and therefore were accounted for in accordance with CPC 25/IAS 37 Provisions, Contingent Liabilities and Assets Contingents

Advances or amounts subject to offset, such as income tax and social contribution withheld at source, are shown in current or non-current assets, according to their expected realization.

ii) Deferred taxes

Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those used for tax purposes. Changes in deferred tax assets and liabilities in the year are recognized as deferred income tax and social contribution expense. Deferred tax is not recognized for:

– temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither taxable profit or loss nor the accounting result;
– temporary differences related to investments in subsidiaries, associates and joint ventures, to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future; and
– taxable temporary differences arising from the initial recognition of goodwill.

For a specific lease, the temporary differences of a right-of-use asset and a lease liability are taken on a net basis (the lease) for the purpose of recognizing deferred tax.

A deferred tax asset is recognized in respect of unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they will be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to fully recognize a deferred tax asset, future taxable income will be considered, adjusted for reversals of existing temporary differences, based on the business plans of the parent company and its subsidiaries individually.

The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Group expects to recover or settle its assets and liabilities.

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

Deferred income tax and social contribution are generated by temporary differences, at the balance sheet dates, between the tax bases of assets and liabilities and their book values.

The breakdown of deferred taxes is shown below:

	Parent company		**Consolidated**	
	2022	**2021**	**2022**	**2021**
Provision for profit sharing	2,093	2,502	5,646	3,920
Lease (CPC 06)	2,549	2,022	2,732	2,094
Provision for lawsuits	152	666	639	982
Other provisions	1,765	1,360	4.964	1,988
Asset law	(4,911)	(11)	(12,964)	(4,908)
Remeasurement fair value of contingent consideration	28,545	9,166	41,869	12,033
Intangible assets identified in a business arrangement	19,552	9,859	23,481	11,426
Derivatives/Exchange Variation	-	33	-	94
Goodwill	(12,576)	(11,059)	(12,576)	(11,059)
Tax loss	9,113	23,624	9,530	24,032
Total deferred income tax and social contribution	**46,282**	**38,162**	**63,321**	**40,602**

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

	Consolidated			
	2022			
	Assets	**Liabilities**	**Net assets**	**Net liabilities**
Locaweb Serviços de Internet S.A.	46,282	-	46,282	-
Yapay Pagamentos OnLine Ltda.	206	2,063	-	1,857
Tray Tecnologia em Ecommerce Ltda.	6,503	-	6,503	-
Fbits Desenvolvimento de Software S.A.	109	612	-	503
IT Capital Serviços de Tecnologia Ltda	153	-	153	-
Cyberweb Networks Ltda.	378	-	378	-
Melhor Envio Ltda.	432	-	432	-
Ideris Tecnologia da Informação Ltda.	65	-	65	-
Locaweb Commerce S.A.	7,393	-	7,393	-
Etus Social Network Brasil Ltda	15	-	15	-
Organisys Software S.A.	1,060	-	1,060	-
Credisfera Serviços Financeiros S.A.	-	696	-	696
Octadesk Desenvolvimento de Software Ltda.	271	-	271	-
Pagcerto Soluções em Pagamento S.A.	17	-	17	-
Samurai Experts Desenvolvimento de Software Ltda.	74	-	74	-
Squid Digital Media Channel Ltda.	2,479	-	2,479	-
Vindi Tecnologia e Marketing S.A.	769	-	769	-
Connectplug Desenvolvimento de Software Ltda.	33	-	33	-
Bagy Soluções de Comércio Digital Ltda.	4	-	4	-
Organisys Payments Holding Financeira Ltda.	449	-	449	-
Total	**66,692**	**3,371**	**66,377**	**3,056**

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 December 31, 2022.
The breakdown of deferred taxes is shown below:

Parent company **Nature**	**Balance** **12/31/2021**	**Income** **Gains/(losses)**	**Balance** **12/31/2022**
Tax benefit on tax loss and negative basis	23,623	(14,510)	9,133
Tax benefit on goodwill	(11,059)	(1,517)	(12,576)
Temporary differences	25,598	24,147	49,745
Total	**38,162**	**8,120**	**46,282**

Consolidated **Nature**	**Balance** **12/31/2021**	**Income** **Gains/(losses)**	**Balance** **12/31/2022**
Tax benefit on tax loss and negative basis	24,033	(14,503)	9,530
Tax benefit on goodwill	(11,059)	(1,517)	(12,576)
Temporary differences	27,628	38,739	66,367
Total	**40,602**	**22,719**	**63,321**

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**	
	2022	**2021**	**2022**	**2021**
Income before income tax and social contribution	55,328	(8,515)	63,113	12,559
Income tax and social contribution at the combined rate of 34%	(18,812)	2,895	(21,458)	(4,270)
Adjustments for effective rate demonstration				
Effects of taxation by presumed profit	-	-	(166)	(10,426)
Equity income method effect	17,558	(6,257)	-	-
Stock option plan calculation effect	(2,889)	(4,041)	(2,891)	(4,041)
Effect of depreciation of officers' vehicles and other expenses with officers	(164)	(112)	(186)	(131)
Unrecorded deferred tax on tax loss	-	-	(15,937)	(12,100)
Deferred taxes from previous years	(754)	-	150	-
Asset law	4,007	-	11,075	2,652
Goodwill	-	759	-	759
Gifts	(158)	-	(623)	-
Earning (loss) on investments	(23,488)	-	(2,298)	-
Others	(347)	(478)	(498)	(751)
Income tax and social contribution recorded in income for the period	(25,047)	(7,234)	(32,832)	(28,308)
	45.27%	**84.96%**	**52.02%**	**225.40%**

25 Segments

Accounting policy

The operations of the Company and its subsidiaries are divided into two operating segments: Be Online & SaaS and Commerce.

The Be Online & SaaS segment includes hosting and cloud services, as well as those called SaaS (email, marketing intelligence software and site builder). The companies of the Locaweb group that are part of this segment are: (i) Parent company, (ii) Locaweb Telecom Telecomunicações Ltda. (“Locaweb Telecom”), (iii) Etus Social Network Brasil Ltda. (“Etus”), (iv) Lwk Hosting Participações Ltda. (“Kinghost”), (v) IT Capital Serviços de Tecnologia Ltda (“Delivery Direto”) and (vi) Connectplug Desenvolvimento de Softwares Ltda. (“Connectplug”).

The Commerce segment includes e-commerce solutions, platform, marketplace integration and sub-acquiring business services. The group companies that are part of this segment are: (i) Tray Tecnologia em Ecommerce Ltda. (“Tray”); (ii) Yapay Pagamentos Online Ltda. (“Yapay”); (iii) FBITS Desenvolvimento de Software S.A. (“FBits”), (iv) Ideris Tecnologia da Informação Ltda.(“Ideris”), (v) Melhor Envio Ltda. (“Melhor Envio”), (vi) Vindi Tecnologia e Marketing S.A. (“Vindi”), (vii) Dooca Tecnologia da Informação Ltda. (“Dooca”), (viii) Credisfera Serviços Financeiros S.A. (“Credisfera”), (ix) Samurai Experts Desenvolvimento de Software Ltda. (“Samurai”), (x) Organisys Software Ltda. (“Bling”), (xi) Pagcerto Soluções em Pagamento S.A. (“Pagcerto”), (xii) Bagy Soluções de Comércio Digital Ltda. (“Bagy”), (xiii) Octadesk Desenvolvimento de Software Ltda. (“Octadesk”), (xiv) Squid Digital Media Channel Ltda (“Squid”) and (xv) Síntese Soluções Produtizadas Ltda (“Síntese”).

Information regarding the income of each reportable segment is presented below. Performance is evaluated based on the segment's results before income tax and social contribution, as Management understands that such information is the most relevant in the evaluation of the income of the respective segments.

a. Income statement by segments

	2022			2021		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Gross operating revenue, net of rebates	457,447	790,447	1,247,894	442,048	442,678	884,726
Levied taxes	(40,746)	(68,715)	(109,461)	(38,666)	(45,852)	(84,518)
Net operating revenue	416,701	721,732	1,138,433	403,382	396,826	800,208
Cost of services provided	(278,394)	(345,807)	(624,201)	(269,190)	(166,486)	(435,676)
Gross profit	**138,307**	**375,925**	**514,232**	**134,192**	**230,340**	**364,532**
Sales expenses	(76,479)	(171,751)	(248,230)	(69,458)	(82,999)	(152,457)
General and Administrative Expenses	(76,425)	(139,509)	(215,934)	(96,780)	(99,193)	(195,973)
Loss due to impairment	(350)	(3,354)	(3,704)	(2,183)	(7,935)	(10,118)
Other operating revenues	898	1,299	2,197	916	1,630	2,546
Income before financial expenses and income	**(14,049)**	**62,610**	**48,561**	**(33,313)**	**41,843**	**8,530**
Operating expenses included in Costs and Expenses:						
Depreciation and amortization expenses	74,786	28,164	102,950	66,291	21,045	87,336
Stock option plan	11,396	2,200	13,596	11,887	-	11,887

b. Main assets and liabilities of the segments

	2022			2021		
	BeOnline & SaaS	Commerce	Consolidated	BeOnline & SaaS	Commerce	Consolidated
Accounts receivable	25,497	645,985	671,482	22,668	480,887	503,555
Property, plant, and equipment	71,519	24,997	96,516	68,830	19,904	88,734
Intangible assets	261,802	2,020,655	2,282,457	238,707	1,980,089	2,218,796
Total main assets	**358,818**	**2,691,637**	**3,050,455**	**330,205**	**2,480,880**	**2,811,085**
Loans and financing	-	421	421	27,951	1,090	29,041
Services payable	57,274	24,862	82,136	48,587	10,780	59,367
Receivables transferable	105	536,992	537,097	488	414,330	414,818
Total main liabilities	**57,379**	**562,275**	**619,654**	**77,026**	**426,200**	**503,226**

26 Financial instruments

Accounting policy

A) Financial assets

The financial assets of the Company and its subsidiaries comprise cash and cash equivalents, restricted financial investments, accounts receivable, and accounts receivable from related parties.

The classification of financial assets on initial recognition, in line with the forecasts set out in CPC 48/IFRS 9, depends on the characteristics of the financial asset and the group's business model for managing these financial assets. Cash and short-term investments are measured at fair value through the profit or loss statement. Accounts receivable from customers and those related to related parties are measured at amortized cost.
Financial assets measured at fair value through profit or loss are initially recognized at fair value, and gains and losses arising from the subsequent measurement at fair value are presented in the financial income item.
Assets measured at amortized cost are accounted for at cost, so that interest income calculated based on the application of the effective interest rate, for the elapsed term, on the principal amount, being included in the financial income item, in the statement of income.

The Company evaluates monthly the estimates for loss due to the non-receipt of financial assets. A loss estimate is recognized when there is objective evidence that the Company will not be able to collect all amounts due or to become due. Subsequent recoveries are recognized, when incurred, in the profit or loss statement for the year.

B) Financial Liabilities

The financial liabilities of the Company and its subsidiaries include suppliers, loans and financing, obligation to acquire investments, receivables to be transferred and accounts payable to related parties.

All these financial liabilities are initially measured at fair value and subsequently measured at amortized cost at the effective interest rate. The Company has not designated any financial liability at fair value through the profit or loss statement.

C) 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 .

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.	• Operating projections of the acquired companies (December 31, 2022: BRL 988,172). • Discount rate adjusted to cost of capital (December 31, 2022: 15.02%).	The estimated fair value could increase (decrease) if: • 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		
	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	671,482	-	
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	**2,133,094**	**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**	

	Parent company		
	12/31/2021		
	Book value	**Fair value**	**Fair value hierarchy**
Financial assets			
Amortized cost			
Accounts receivable	16,129	-	
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**	**1,475,444**	
Financial liabilities			
Other financial liabilities			
Loans and financing	27,952	27,952	Level 2
Suppliers	10,548	-	
Lease liabilities	65,672	65,672	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	581,868	581,868	Level 3
Total	**686,040**	**675,492**	

	Consolidated		
	12/31/2021		
	Book value	**Fair value**	**Fair value hierarchy**
Financial assets			
Amortized cost			
Accounts receivable	503,555	-	
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**	**1,594,829**	
Financial liabilities			
Other financial liabilities			
Loans and financing	29,041	29,041	Level 2
Suppliers	42,083	-	
Lease liabilities	76,849	76,849	Level 2
Receivables transferable	414,818	414,818	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	916,059	916,059	Level 3
Total	**1,478,850**	**1,436,767**	

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

D) Purpose of using a derivative financial instrument

Devivative financial instruments contracted by the Company are intended to hedge against the exchange rate risk associated with foreign currency loans. Tha 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 December, 2022, the Company entered into forward currency contracts (NDF) with monthly maturities between January 2023 and June 2023. As of December 31, 2022 there were open contracts worth USD 5,100.

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 December 31, 2022 (7% as of December 31, 2021). The maximum exposure to credit risk as of December 31, 2022 is the amount shown on the balance sheet.

The Company's exposure is shown below:

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Cash and cash equivalents (Note 6)	1,309,361	1,465,014	1,448,231	1,584,399
Accounts receivable from customers (Note 7)	22,729	16,129	671,482	503,555
	1,332,090	**1,481,143**	**2,119,713**	**2,087,954**

(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 15, 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:

	Less than 3 months	3 to 12 months	Over 1 year	Total
December 31, 2022				
Other accounts payable	5,115	-	4,116	9,231
Suppliers	51,304	-	-	51,304
Loans and financing	203	177	41	421
Lease liabilities	2,884	8,651	65,335	76,870
Receivables transferable	537,097	-	-	537,097
Obligation with investment acquisitions	3,539	308,334	543,529	855,402
	600,142	**371,162**	**613,021**	**1,530,325**

	Less than 3 months	3 to 12 months	Over 1 year	Total
December 31, 2021				
Other accounts payable	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 investment acquisitions	1,150	46,800	868,109	916,059
	479,404	**66,341**	**941,273**	**1,487,018**

(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 significantly impact the Company's financial results and to manage this risk, the Company uses derivative financial instruments for hedging (swap) with a first-rate financial institution. In this context, the Company is fully protected against the exchange rate 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 a speculative nature.

(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 December 31, 2022, the Company had a maximum exposure of BRL 98,224, in a scenario of a 50% reduction in the DI rate, due to the reduction in financial income from the funds invested.

E) Sensitivity analysis

On December 31, 2022, the Company was exposed in the Interbank Deposit Certificate (CDI), which indexes the yield on financial investments (CDB). In order to verify the sensitivity of these indices, three different scenarios were defined.

For the probable scenario, according to an assessment prepared by Management, an increase of 5% was considered. Additionally, two other scenarios (A and B) are demonstrated. 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:

			Losses - Consolidated		
Transaction	**Risk**	**Balance on December 31, 2022**	**Probable**	**Scenario A**	**Scenario B**
Financial investments indexed to CDI	CDI drop	1,439,183	(9,822)	(49,112)	(98,224)
CDI (fall scenario)		13.65%	12.97%	10.24%	6.83%

F) 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:

	2022	**2021**
Loans and financing	421	29,041
(+) Lease liabilities	76,870	76,849
(+) Balance of derivatives	-	(8,745)
(-) Cash and cash equivalents	(1,448,231)	(1,584,399)
(-) Restricted financial investment	-	(1,685)
(=) Net debt	**(1,370,940)**	**(1,488,939)**
(+) Net equity	2,977,587	2,935,066
(=) Net equity and net debt	**1,606,647**	**1,446,127**

G) 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.

The market values of the derivatives below were obtained using the market rates in effect on the balance sheet date and the rates forecast by the market. To calculate the coupon of positions indexed in foreign currency, the straight-line convention of 360 consecutive days was adopted. The following table illustrates changes in the fair values of derivative instruments and the related amounts receivable (payable) at the end of the period.

H) Change in liabilities from financing activities

	Parent company					
	12/31/2022			12/31/2021		
	Changes with cash effect	**Transactions without cash effect**	**Total**	**Cash effect transactions**	**Transactions without cash effect**	**Total**
Loans and financing - beginning of the year	-	-	27,952	-	-	83,175
Derivative financial instruments - beginning of the year	-	-	(8,745)	-	-	(19,367)
(=) Debt to market, net of derivative instruments	**-**	**-**	**19,207**	**-**	**-**	**63,808**
(+) Interest, exchange variation, and accrued derivatives	-	392	392	(3,566)	-	(3,566)
(-) Principal amortized in the period	(18,956)	-	(18,956)	-	2,859	2,859
(-) Interest, exchange variation, and derivatives paid	(791)	-	(791)	(42,436)	-	(42,436)
(+-) Mark-to-Market of Derivatives	-	148	148	-	(1,458)	(1,458)
(=) Debt to market, net of derivative instruments	**(19,747)**	**540**	**-**	**(46,002)**	**1,401**	**19,207**
Loans and financing - end of year	-	-	-	-	-	27,952
Derivative financial instruments - end of year	-	-	-	-	-	(8,745)

	Consolidated					
	12/31/2022			12/31/2021		
	Cash effect transactions	**Transactions without cash effect**	**Total**	**Cash effect transactions**	**Changes without cash effect**	**Total**
Loans and financing - beginning of the year	-	-	29,041	-	-	84,558
Derivative financial instruments - beginning of the year	-	-	(8,745)	-	-	(19,367)
(=) Debt to market, net of derivative instruments	**-**	**-**	**20,296**	**-**	**-**	**65,191**
(+) Debt from acquired companies	-	-	-	-	8,196	8,196
(+) Interest, exchange variation, and accrued derivatives	-	720	720	-	3,735	3,735
(-) Principal amortized in the period	(19,662)	-	(19,662)	(51,086)	-	(51,086)
(-) Interest, exchange variation, and derivatives paid	(1,081)		(1,081)	(4,282)		(4,282)
(+-) Mark-to-Market of Derivatives	-	148	148	-	(1,458)	(1,458)
(=) Debt to market, net of derivative instruments	**(20,743)**	**868**	**421**	**(55,368)**	**10,473**	**20,296**
Loans and financing - end of year	-	-	421	-	-	29,041
Derivative financial instruments - end of year	-	-	-	-	-	(8,745)

27 Transactions that did not affect cash

In the year ended December 31, 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	
	2022	**2021**	**2022**	**2021**
Acquisition of machinery and equipment (i)	2,703	1,499	2,321	595
Acquisition right-of-use asset	9,489	-	13,291	-
	12,192	**1,499**	**15,612**	**595**

(i) Refers substantially to machines and equipment

28 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 years, totaled:

	Consolidated	
	2022	**2021**
Vehicles	11,631	16,081
Business (real estate and assets)	414,548	362,575
Civil liability of management	60,000	50,000
Civil liability	3,300	3,300
	489,479	**431,956**

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 financial statements

In ompliance with the provisions of CVM Instruction No. 480/09, the Board of Executive Officers declares that it discussed, reviewed and agreed with the financial statements for the year ended December 31, 2022

São Paulo, March 21, 2023.

Fernando Biancardi Cirne
CEO

Rafael Chamas Alves
CFO 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 financial statements for the year ended in December 31, 2022.

São Paulo, March 21, 2023.

Fernando Biancardi Cirne
CEO

Rafael Chamas Alves
CFO and DRI

Audit committee report

The Audit Committee ("COAUD") of Locaweb – Serviços de Internet S.A. ("Company") and its subsidiaries is a non-statutory advisory body under the Board of Directors, implemented in accordance with current Brazilian regulations and legislation and operates in accordance with its internal regulations approved by the Board of Directors.

It is incumbent upon COAUD to advise the Board of Directors in its duties to ensure: *(i)* the quality and integrity of the financial statements; *(ii)* compliance with legal and regulatory requirements; *(iii)* the performance, independence and quality of the work of the independent auditors and the internal audit; *(iv)* the quality and effectiveness of the internal control and risk management systems.

During the year ended December 31, 2022, COAUD carried out its activities based on a work plan prepared under the terms of its internal regulations, which included: *(i)* interviews with the Board of Directors and with managers*; (ii)* follow-up and monitoring of the work of the areas responsible for preparing the financial statements, for the internal control system, for risk management activities and for the compliance function; *(iii)* evaluation of the planning, scope and effectiveness of the work performed by the internal audit*; (iv)* evaluation of the scope, performance, effectiveness and independence of the independent auditors; *(v)* evaluation of the structure, functioning and effectiveness of the internal controls and compliance and risk management systems; and (*vi*) assessment of the quality and integrity of the financial statements.

The Company's Management is responsible for preparing the financial statements, in accordance with accounting practices adopted in Brazil. It is also responsible for establishing procedures that ensure the quality of the information and processes used in the preparation of financial statements, the management of operational risks and the implementation and supervision of internal control and compliance activities.

The independent audit, carried out by KPMG Auditores Independentes Ltda. (“KPMG”), is responsible for examining the financial statements in accordance with Brazilian and international auditing standards and issuing an audit report on the proper presentation of these financial statements.

The internal audit is responsible for evaluating the effectiveness of internal controls and risk management, and of the processes that ensure adherence to the rules and procedures established by Management, and to the legal and regulatory standards applicable to the Company's activities.

COAUD works through meetings and conducts analyses based on documents and information submitted to it, in addition to other procedures it deems necessary. COAUD's assessments are based on information received from Management, independent auditors, internal audit, those responsible for risk management and internal controls, and on its own analyses resulting from direct observation.

COAUD maintains regular channels of communication with independent auditors. COAUD evaluated the work plan for the audit of the financial statements for the year ended December 31,2022. COAUD monitored the work carried out and its results, and took cognizance of the Independent Auditors' Report issued on this date. The COAUD also routinely evaluated the adherence of the independent auditors to the policies and standards that deal with the maintenance and monitoring of the objectivity and independence with which these activities are carried out.

The COAUD evaluated the processes for preparing the financial statements and discussed with Management and independent auditors the relevant accounting practices used and the information disclosed.

COAUD held regular meetings with the Board of Directors and board the Company's Management and, at these meetings, had the opportunity to present suggestions and recommendations to Management on matters related to the areas within its scope of action.

COAUD was not aware of the occurrence of a complaint, non-compliance with rules, lack of controls, act or omission by the Management or fraud that, due to their relevance, would jeopardize the Company's operational continuity or the reliability of its financial statements.

COAUD was not aware of transactions between related parties that did not comply with strictly commutative conditions (competition, amounts, terms and average market rates, in effect on the respective dates and market conditions).

The COAUD, considering its responsibilities and the limitations inherent to the scope and scope of its performance and based on the documents examined and clarifications provided, understands that the accounting governance and the environment of internal controls and risk management provide transparency and quality to the Company's financial statements, audited by KPMG and corresponding to the year ended December 31, 2022, and believes that the aforementioned documents are in a position to be appreciated by the Board of Directors, recommending that this Board approve and authorize the issuance and publication of the aforementioned financial statements.

São Paulo, March 21, 2023.

CARLOS ELDER MACIEL DE AQUINO Coordinating member of COAUD and member of the Board of Directors	**FLÁVIO BENÍCIO JANSEN FERREIRA** Member of COAUD and member of the Board of Directors	**FERNANDO DA-RI MÚRCIA** Member and Financial Expert of COAUD

Opinion of the fiscal committee

The Fiscal Committee of LOCAWEB SERVIÇOS DE INTERNET S.A., in compliance with the legal and statutory provisions, within the limits of its jurisdiction, examined the management report and the financial statements and respective explanatory notes, as well as the proposal for the allocation of the income of the year approved by the Board of Directors, all for the year ended December 31, 2022. Based on the work carried out, on the information and clarifications received in meetings with management, independent auditors and the Audit Committee, as well as considering the unqualified report of the independent auditors – KPMG Auditores Independentes, it recommends the assessment and approval of said documents by the ordinary General Shareholders' Meeting.

São Paulo, March 21, 2023.

Regina Longo Sanchez Ana Paula Wirthmann William Pereira Pinto