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, 2023

KPDS 1307576

Contents

São Paulo, March 19, 2024: Locaweb Serviços de Internet SA (B3: LWSA3) informs its shareholders and other market participants of the 4Q23 results

Summary of Indicators

Consolidated

(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Net Revenue	347.3	302.5	14.8%	1,292.8	1,135.4	13.9%
Gross Profit	165.8	134.0	23.7%	597.9	511.2	17.0%
Gross Margin (%)	47.7%	44.3%	3.4 p.p.	46.3%	45.0%	1.2 p.p.
EBITDA	62.2	44.8	39.0%	204.6	148.5	37.8%
EBITDA Margin (%)	17.9%	14.8%	3.1 p.p.	15.8%	13.1%	2.8 p.p.
Adjusted EBITDA [1]	68.3	48.3	41.5%	226.6	169.4	33.8%
Adjusted EBITDA Margin (%)	19.7%	16.0%	3.7 p.p.	17.5%	14.9%	2.6 p.p.
Net Income	(45.1)	18.8	340.4%	(73.7)	28.8	355.6%
Adjusted Net Income [2]	53.2	60.8	-12.4%	143.5	161.3	-11.1%
Adjusted Net Income Margin (%)	15.3%	20.1%	-4.8 p.p.	11.1%	14.2%	-3.1 p.p.
Capex	26.1	26.6	-2.1%	100.9	100.6	0.3%
Capex as a % of Net Revenue	7.5%	8.8%	-1.3 p.p.	7.8%	8.9%	-1.1 p.p.
Cash Generation [3]	42.2	21.6	95.2%	125.6	68.8	82.7%
Cash Conversion (%) [3]	61.8%	44.8%	17.0 p.p.	55.5%	40.6%	14.8 p.p.
Net Debt (Cash)	(1,188.2)	(1,447.8)	-17.9%	(1,188.2)	(1,447.8)	-17.9%

[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 and stock option plan expenses. 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;; and (vi) Adjustment to Fair 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	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Ecosystem GMV	16,805.8	14,253.4	17.9%	58,827.0	50,417.7	16.7%
Platform clients' GMV	3,015.9	2,962.9	1.8%	11,088.4	10,675.5	3.9%
Own Store GMV	1,478.5	1,205.2	22.7%	5,008.9	4,185.5	19.7%
Invoices GMV on the ERP (R$ bi)	37.2	28.7	29.7%	136.1	102.1	33.2%
TPV	1,828.1	1,514.2	20.7%	6,578.6	4,933.1	33.4%
Platform Subscribers (thousand)	184.3	162.0	13.7%	184.3	162.0	13.7%
Labels issued on the logistic operation (thousand)	5,760	5,765	-0.1%	21,471	20,865	2.9%
Net Revenue	243.4	205.9	18.2%	875.2	718.7	21.8%
Platform Subscription Net Revenue	104.0	84.9	22.5%	375.0	296.5	26.5%
Ecosystem Net Revenue	139.4	121.0	15.2%	500.2	422.2	18.5%
Gross Profit	130.7	103.7	26.0%	455.4	372.9	22.1%
Gross Margin (%)	53.7%	50.4%	3.3 p.p.	52.0%	51.9%	0.2 p.p.
EBITDA	47.1	30.0	56.9%	134.5	87.7	53.4%
EBITDA Margin (%)	19.4%	14.6%	4.8 p.p.	15.4%	12.2%	3.2 p.p.
Adjusted EBITDA [1]	48.2	30.5	58.1%	138.1	92.7	49.1%
Adjusted EBITDA Margin (%)	19.8%	14.8%	5.0 p.p.	15.8%	12.9%	2.9 p.p.

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

BeOnline / SaaS
(R$ million)

BeOnline / SaaS	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Clients EoP - BeOnline / SaaS	404.0	398.2	1.5%	404.0	398.2	1.5%
Net Revenue	103.9	96.5	7.6%	417.5	416.7	0.2%
Gross Profit	35.1	30.3	15.8%	142.5	138.3	3.0%
Gross Margin (%)	33.8%	31.4%	2.4 p.p.	34.1%	33.2%	0.9 p.p.
EBITDA	15.1	14.8	2.6%	70.1	60.7	15.4%
EBITDA Margin (%)	14.6%	15.3%	-0.7 p.p.	16.8%	14.6%	2.2 p.p.
Adjusted EBITDA [1]	20.1	17.8	13.0%	88.4	76.7	15.3%
Adjusted EBITDA Margin (%)	19.4%	18.5%	0.9 p.p.	21.2%	18.4%	2.8 p.p.

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

Financial Performance

Net Operating Revenues
(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Commerce	243.4	205.9	18.2%	875.2	718.7	21.8%
Segment share in the consolidated	*70.1%*	*68.1%*	*2.0 p.p.*	*67.7%*	*63.3%*	*4.4 p.p.*
BeOnline / SaaS	103.9	96.5	7.6%	417.5	416.7	0.2%
Segment share in the consolidated	*29.9%*	*31.9%*	*-2.0 p.p.*	*32.3%*	*36.7%*	*-4.4 p.p.*
Net Revenue - Consolidated	**347.3**	**302.5**	**14.8%**	**1,292.8**	**1,135.4**	**13.9%**

In the Commerce segment, Net Operating Revenue increased by 18.2% in 4Q23, from R$205.9 million in 4Q22 to R$243.4 million in 4Q23. The share of the Commerce segment increased from 68.1% in 4Q22 to 70.1% in 4Q23. In 2023, the Commerce segment posted a growth of 21.8% vs 2022, reaching R$875.2 million.

The quarterly growth is the result of the increase in the two revenue sources of the Commerce segment:

(i) Platform Subscription Revenue that grew 22.5% in 4Q23, driven by the growth in the Company's subscriber base as well as the average revenue per user (ARPU); and

(ii) Ecosystem Revenue, which reported a growth of 15.2% in the quarter compared to 4Q22. The positive performance of the logistics operation was the highlight of Ecosystem Revenue this quarter. It grew by 50.3% compared to 4Q22, driven by successful commercial strategies and the execution of contracts with new transportation companies.

If we consider the performance of Ecommerce Platforms for SMEs, Net Revenue grew 28.9% in 4Q23 vs 4Q22, while ERP performance stood at 42.8%.

After a year focused on profitability initiatives that included the discontinuation of some less profitable operations, which naturally resulted in the reduction in its YoY Net Revenue and affected the group's overall growth when compared to the previous year, the BeOnline / SaaS segment began to gain momentum with a growth of 7.6% compared to 4Q22. The segment's Net Revenue in 2023 grew 0.2% vs 2022.

LWSA's Net Revenue totaled R$347.3 million in 4Q23, an increase of 14.8% when compared to 4Q22. In 2023, growth was 13.9% vs 2022, amounting to R$1,292.8 million.

Operating Costs and Expenses
(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Cost of Services	181.5	168.5	7.8%	694.8	624.2	11.3%
% Net Revenue	*52.3%*	*55.7%*	*-3.4 p.p.*	*53.7%*	*55.0%*	*-1.2 p.p.*
Selling Expenses	70.1	66.5	5.4%	272.5	251.9	8.2%
% Net Revenue	*20.2%*	*22.0%*	*-1.8 p.p.*	*21.1%*	*22.2%*	*-1.1 p.p.*
General and Administrative Expenses	68.0	51.6	31.8%	252.6	215.9	17.0%
% Net Revenue	*19.6%*	*17.1%*	*2.5 p.p.*	*19.5%*	*19.0%*	*0.5 p.p.*
Other Operating (Revenues) Expenses	(4.7)	(1.4)	236.6%	(13.6)	(2.2)	520.3%
% Net Revenue	*-1.3%*	*-0.5%*	*-0.9 p.p.*	*-1.1%*	*-0.2%*	*-0.9 p.p.*
Total Operating Cost and Expenses	**314.9**	**285.1**	**10.4%**	**1,206.3**	**1,089.9**	**10.7%**
% Net Revenue	*90.7%*	*94.3%*	*-3.6 p.p.*	*93.3%*	*96.0%*	*-2.7 p.p.*

LWSA's total operating costs and expenses grew by 10.4% in 4Q23 when compared to the same period in the previous year. In 2023, growth was 10.7%.

Cost of Services

The cost of services in 4Q23 was R$181.5 million, an increase of 7.8% in the comparison between the two periods, which represented 52.3% of Net Revenue in 4Q23 and 55.7% in 4Q22. This reduction is directly related to the Commerce segment, mainly in acquired companies, which have their cost structures more in line with the organic operations.
In 2023, the growth in the cost of services provided was 11.3% compared to 2022, reaching R$694.8 million.

Selling Expenses

Selling expenses, which encompass the marketing and sales teams, as well as the contracted services of the same nature, in 4Q23 amounted to R$70.1 million, an increase of 5.4% when compared to 4Q22.
In 2023, the growth in the sales expenses line was 8.2% compared to 2022, reaching R$272.5 million.

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

LWSA	4Q23	3Q23	4Q22	4Q23 vs 3Q23	4Q23 vs 4Q22
Commerce					
Selling Expenses	53.2	50.4	47.3	5.4%	12.4%
% Net Revenue	*21.8%*	*22.5%*	*23.0%*	*-0.7 p.p*	*-1.1 p.p*
BeOnline / SaaS					
Selling Expenses	16.9	18.2	19.2	-6.9%	-11.9%
% Net Revenue	*16.3%*	*17.1%*	*19.9%*	*-0.9 p.p*	*-3.6 p.p*
Consolidated					
Selling Expenses	70.1	68.6	66.5	2.2%	5.4%
% Net Revenue	*20.2%*	*20.8%*	*22.0%*	*-0.6 p.p*	*-1.8 p.p*

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, in 4Q23 was R$ 68.0 million and R$51.6 million in the same period of 2022, which represented a growth of 31.8%.

While the Company has controlled costs and headcount, non-recurring expenses like those associated with M&A and a commercial partner fine (excluded from Adjusted EBITDA) impacted overall expense growth in the results.

// Gross Profit

(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Commerce	130.7	103.7	26.0%	455.4	372.9	22.1%
Margin (%)	*53.7%*	*50.4%*	*3.3 p.p.*	*52.0%*	*51.9%*	*0.2 p.p.*
BeOnline / SaaS	35.1	30.3	15.8%	142.5	138.3	3.0%
Margin (%)	*33.8%*	*31.4%*	*2.4 p.p.*	*34.1%*	*33.2%*	*0.9 p.p.*
Gross Profit	**165.8**	**134.0**	**23.7%**	**597.9**	**511.2**	**17.0%**
Gross Margin (%)	*47.7%*	*44.3%*	*3.4 p.p.*	*46.3%*	*45.0%*	*1.2 p.p.*

Consolidated Gross Profit increased by 23.7% in 4Q23 when compared to 4Q22, reaching R$165.8 million, with a 3.4 p.p. expansion in the Company's gross margin. In 2023, Gross Profit growth was 17.0%, reaching R$597.9 million and expanding the margin by 1.2 pp vs 2022.

// EBITDA and Adjusted EBITDA

(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Net Income (Loss)	**(45.1)**	**18.8**	**-340.4%**	**(73.7)**	**28.8**	**355.6%**
(+) Net Financial Income	111.6	0.9	-12567.5%	196.1	(14.6)	-1447.7%
(+) Current Income Tax and Social Contribution	(34.1)	(2.3)	1367.9%	(35.9)	31.2	-215.0%
(+) Depreciation and Amortization	29.9	27.5	8.7%	118.1	102.9	14.8%
EBITDA	**62.2**	**44.8**	**39.0%**	**204.6**	**148.5**	**37.8%**
(+) Stock Options Plan and Restricted Shares Plan	3.7	2.8	35.0%	15.7	13.6	15.2%
(+) M&A Expenses	2.3	0.6	264.1%	6.2	6.8	-8.0%
(+) Others	0.0	0.1	-100.0%	0.0	0.5	-100.0%
Adjusted EBITDA	**68.3**	**48.3**	**41.5%**	**226.6**	**169.4**	**33.8%**
Adjusted EBITDA Margin (%)	*19.7%*	*16.0%*	*3.7 p.p.*	*17.5%*	*14.9%*	*2.6 p.p.*

As a result of the figures presented above, LWSA's Adjusted EBITDA in 4Q23 was R$68.3 million, 41.5% higher than in 4Q22, with Adjusted EBITDA Margin expanding by 3.7 p.p. in the same period.

In 2023, EBITDA growth was 33.8% with an expansion of 2.6 pp in the Adjusted EBITDA margin vs 2022.

The expenses from mergers and acquisitions in the quarter are directly related to ongoing studies and projects (due diligence) and the settlement of M&A invoices of previous years at the Company.

// Financial Result

(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Financial revenues	37.0	50.2	-26.2%	161.7	189.8	-14.8%
Financial expenses	(148.6)	(51.0)	191.1%	(357.8)	(175.3)	104.2%
Net financial income (expenses)	**(111.6)**	**(0.9)**	**12567.5%**	**(196.1)**	**14.6**	**-1447.7%**

The net financial result in 4Q23 was an expense of R$ 111.6 million. In terms of financial expenses, we would like to highlight the following points:

(i) Re-calculation of the fair value of Earnouts, which totaled R$126.3 million in 4Q23, with part of the value being the AVP and the majority related to the semi-annual review, as discussed at the beginning of the report;

(ii) The expense of R$ 13.7 million resulting from the advance of receivables in the payment operations, the modality chosen by the Company to finance the working capital necessary for the payment operations. The mentioned value as a percentage of TPV went from 0.95% in 4Q22 to **0.75%** in 4Q23. In the year 2023, the expense with prepayment of receivables reached **0.80%** from TPV.

// Net Income and Adjusted Net Income

(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Net income	**(45.1)**	**18.8**	**340.4%**	**(73.7)**	**28.8**	**355.6%**
(+) Stock Options Plan and Restricted Shares Plan	3.7	2.8	35.0%	15.7	13.6	15.2%
(+) Intangible amortization	10.0	10.0	0.0%	39.9	38.8	2.9%
(+) Adjustment of Acquisition Earnout	126.3	31.9	296.0%	273.0	101.1	170.0%
(+) Deferred income tax and social contribution	(42.0)	(4.8)	777.7%	(112.5)	(22.7)	395.0%
(+) CPC 06 adjustment	0.2	2.2	89.2%	1.1	1.1	-2.9%
Adjusted net income	**53.2**	**60.8**	**-12.4%**	**143.5**	**161.3**	**-11.1%**
Adjusted net income margin (%)	*15.3%*	*20.1%*	*-4.8 p.p.*	*11.1%*	*14.2%*	*-3.1 p.p.*

Based on the figures presented above, LWSA's Adjusted Net Income in 4Q23 was R$53.2 million. In 2023, Adjusted net income reached R$ 143.5 million.

Indebtedness / Cash Position

(R$ million)

LWSA	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22
Bank Gross Debt	**0.1**	**0.1**	**0.1**	**0.2**	**0.4**	**0.5**
(-) Cash and cash equivalents	(1,188.2)	(1,107.0)	(1,060.1)	(1,426.2)	(1,448.2)	(1,420.9)
Net debt (cash) (ex lease liability)	**(1,188.2)**	**(1,106.9)**	**(1,059.9)**	**(1,425.9)**	**(1,447.8)**	**(1,420.4)**
(+) Lease liability [1]	77.4	70.0	73.2	75.3	76.9	79.3
Net debt (cash)	**(1,110.8)**	**(1,037.0)**	**(986.7)**	**(1,350.6)**	**(1,370.9)**	**(1,341.2)**
(-) Earnouts	761.2	635.2	626.2	850.6	855.4	841.8
Net debt (cash) of Earnouts	**(349.6)**	**(401.7)**	**(360.6)**	**(500.1)**	**(515.5)**	**(499.4)**

[1] Balance of Derivative Financial Instruments on the Balance Sheet
[2] Lease liability refers to the adoption of CPC 06(R2)/IFRS 16 as of January 1, 2019

With the proceeds 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, 2022, and 2023, the Company presented a net cash balance of R$ 1,188.2 million in 4Q23. Excluding the effects of the adoption of IFRS 16, the net cash balance is R$1,110.8 million.

It is also worth highlighting the potential earnouts to be paid resulting from the acquisitions, which total R$ 761.2 million.

Cash Flow

(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Income (loss) before income taxes	**(79.2)**	**13.8**	**-673.6%**	**(109.7)**	**60.1**	**-282.5%**
Items that do not affect cash	166.2	58.1	186.0%	417.4	217.6	91.8%
Variations in working capital	23.5	(1.7)	1455.2%	(35.7)	(64.8)	44.9%
Net cash provided by operating activities (A)	**110.4**	**70.2**	**57.4%**	**272.1**	**212.9**	**27.8%**
Capex for permanent assets	(5.5)	(9.4)	-41.5%	(25.7)	(42.4)	-39.4%
Capex for development	(20.6)	(17.3)	19.3%	(75.2)	(58.2)	29.1%
Free Cash Flow - After Capex	**84.3**	**43.5**	**93.8%**	**171.2**	**112.3**	**52.5%**
Acquisition	(0.6)	(15.1)	-96.1%	(367.2)	(204.4)	79.6%
Other Investments	(0.5)	(0.1)	350.0%	(4.9)	(11.7)	-58.1%
Net cash provided by investment activities (B)	**(27.1)**	**(41.8)**	**-35.1%**	**(473.0)**	**(316.7)**	**49.3%**
Subscription of capital stock	2.5	3.5	-29.2%	5.9	7.5	-20.3%
Loan and financing	(0.0)	(0.1)	-46.6%	(0.4)	(20.7)	-98.0%
Commercial lease	(4.7)	(4.5)	5.7%	(18.2)	(17.4)	4.7%
Dividends and interest on equity	0.0	0.0	n/a	(30.8)	0.0	n/a
Others	0.0	0.0	n/a	(15.8)	(1.7)	821.2%
Net cash provided by financing activities (C)	**(2.3)**	**(1.1)**	**116.0%**	**(59.2)**	**(32.4)**	**83.0%**
Net increase (decrease) in cash and cash equivalents (A + B + C)	**81.0**	**27.3**	**196.7%**	**(260.1)**	**(136.2)**	**91.0%**

Net cash from operations totaled R$110.4 million in 4Q23 compared to R$70.2 million in 4Q22. Such an improvement in net cash from operating activities is related to the Company's better operational performance in the quarter.

LWSA's Free Cash Flow After Capex in this quarter was around 50% of the full-year 2023 amount, reflecting a significant 93.8% increase compared to 4Q22.

// Cash Generation (Adjusted EBITDA - Capex)
(R$ million)

LWSA	4Q23	4Q22	vs 4Q22	2023	2022	vs 2022
Adjusted EBITDA	68.3	48.3	41.5%	226.6	169.4	33.8%
Capex	26.1	26.6	-2.1%	100.9	100.6	0.3%
Cash Generation (R$ M)	**42.2**	**21.6**	**95.2%**	**125.6**	**68.8**	**82.7%**
Cash conversion (%)	61.8%	44.8%	17 p.p.	55.5%	40.6%	15 p.p.
Capex as a % of Net Revenue	7.5%	8.8%	-1 p.p.	7.8%	8.9%	-1 p.p.

The Company's cash generation, measured by Adjusted EBITDA minus Capex, grew by 95.2% in 4Q23. Total Capex decreased by 2.1% compared to 4Q22, remaining in line with other quarters throughout the year.

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 audited the individual and consolidated financial statements of Locaweb Serviços de Internet S.A. ("Company"), identifying as individual and consolidated financial statements, respectively, which comprise the balance sheet as of December 31, 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended. as well as related notes, including material accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Locaweb Serviços de Internet S.A. as of December 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Brazilian accounting policies.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Locaweb Serviços de Internet S.A. as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with Brazilian accounting policies 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 International and Brazilian standards on auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Accountant´s Code of Professional Ethics and on the professional standards issued by the Federal Accounting Council, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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.

Liabilities from acquisition of investments

See note 10.1 to the individual and consolidated financial statements

Key audit matters	How the audit addressed this matter
The Company has contingent consideration payable arising from the acquisitions of investments in 2021 and 2022. The measurement of contingent consideration considers the increase in the investees' net revenues subject to the investment dynamics and the expenses set forth on the business plan agreed by the parties. Under CPC 15 (R1), contingent consideration, subsequent to the date of acquisition, must be measured at fair value at each reporting date and changes in fair value must be recognized in profit or loss until the contingency is settled. The main assumptions used for this measurement are the estimated net operating revenues reported by investees and the discount rate, which is determined considering the yield on the Company's financial investments and the interbank deposit rate. Due to the complexity and judgment involved in determining the assumptions, as well as the impacts that any change in assumptions could have on the individual and consolidated financial statements, we considered this to be a key audit matter.	Our audit procedures in this area included, but were not limited to: (i) Analyzing the agreements entered into by the parties; (ii) With the help of our corporate finance experts, we evaluated: a) whether the calculation method established by contract has been applied for projection purposes; and b) whether annual growth rates, for net operating revenue forecasts, are grounded in historical and/or market data; (iii) With the help of our experts in measuring financial instruments, we evaluated: a) whether mathematical calculations are adequate; and b) the accuracy of the discount rate used for the projection compared with the mercardo data; (iv) If base data such as: (i) reference price; (ii) *ratings*; and (iii) risk-free interest curves originate from reliable sources; (v) Inspecting the financial settlement of contingent consideration installments; (vi) Checking whether disclosures in the financial statements are in accordance with applicable accounting standards and whether they consider significant information. According to the evidence obtained by applying the procedures summarized above, we considered that the fair value of contingent consideration and the related disclosures are acceptable in the context of the individual and consolidated financial statements for the year ended December 31, 2023 taken as a whole.

Other matters - Statements of added value

The individual and consolidated statements of value added for the year ended December 31, 2023, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to the same audit procedures followed together with the audit of the Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, these statements of value added have been adequately prepared, in all material respects, according to the criteria set on this Technical Pronouncement and are consistent with 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. The other information comprises the Management Report.

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

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstateed. If, based on the work performed, we conclude that there is material misstatement of the Management Report, we are required to report on such fact. We have nothing to report on this.

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 these individual financial statements in accordance with accounting policies adopted in Brazil and the consolidated financial statements in accordance with brazilian accounting policies and international financial reporting standards (IFRS), issued by the *International Accounting Standards Board* . (IASB), and for such internal control as IASB 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 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 are responsible for overseeing the Company's and its subsidiaries' financial reporting 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 Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

– Identify and assess the risks of material misstatement of 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 material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the collusion, misrepresentation of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' 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 and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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 report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding 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, and therefore 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 and independence requirements, and communicate with them all relationships or issues that could substantially affect our independence, including, when applicable, the actions taken to eliminate the threats or safeguards applied by the Company.

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

São Paulo, March 19, 2024.

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

Original report in Portuguese signed by

João Paulo A. Pacheco Neves
Accountant CRC 1SP222303/O-4

Locaweb Serviços de Internet S.A.

Statements of financial position in December 31, 2023 and 2022

(In thousands of Reais)

		Parent company		Consolidated	
	Note:	2023	2022	2023	2022
Assets					
Cash and cash equivalents	6.1	949,283	1,309,361	1,188,223	1,448,231
Accounts receivable	7.1	21,817	22,729	707,556	673,167
Taxes recoverable		2,944	7,011	4,049	8,353
Income tax and social contribution recoverable		11,237	22,239	23,250	32,034
Other assets	8	17,750	11,856	27,315	29,357
Total current assets		**1,003,031**	**1,373,196**	**1,950,393**	**2,191,142**
Financial assets	6.2	-	-	16,617	13,381
Court deposits	17	402	447	498	1,063
Other assets	8	5,396	9,620	8,284	6,521
Deferred income tax and social contribution	24	130,213	46,282	182,807	67,411
Total long-term assets		**136,011**	**56,349**	**208,206**	**88,376**
Investments	10	2,250,061	2,110,472	-	-
Property, plant, and equipment	11	59,388	61,801	89,431	96,516
Intangible assets	12	147,118	137,122	2,288,148	2,282,457
Right-of-use asset	13	58,784	61,166	68,210	68,830
Total non-current assets		**2,651,362**	**2,426,910**	**2,653,995**	**2,536,179**
Total assets		**3,654,393**	**3,800,106**	**4,604,388**	**4,727,321**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of financial position in December 31, 2023 and 2022

(In thousands of Reais)

		Parent company		Consolidated	
	Note	**2023**	**2022**	**2023**	**2022**
Liabilities					
Suppliers		25,207	18,815	45,575	51,304
Loans and financing	15.1	-	-	60	380
Lease liabilities	15.2	8,772	7,243	13,694	11,535
Salaries, charges, and social benefits	16	37,495	31,125	108,366	90,330
Other taxes payable		4,281	3,367	14,546	11,065
Services to be provided	7.2	48,867	43,850	94,717	84,559
Receivables to be transferred	7.3	-	-	559,662	537,097
Interest on equity and dividends payable		5	7,197	5	7,197
Taxes in installments	14	256	282	3,065	2,882
Obligation with investment acquisitions	10.1	440,218	178,657	575,093	311,873
Other liabilities		5,491	2,852	26,770	5,115
Total current liabilities		**570,592**	**293,388**	**1,441,553**	**1,113,337**
Loans and financing	15.1	-	-	-	41
Lease liabilities	15.2	58,667	61,420	63,675	65,335
Services to be provided	7.2	2,971	2,587	2,971	2,587
Taxes in installments	14	1,196	1,321	14,270	16,013
Obligation with investment acquisitions	10.1	132,446	457,727	186,111	543,529
Provision for contingencies	17	3,071	447	6,168	3,728
Provision for investment losses	10	3,304	6,161	-	-
Deferred income tax and social contribution	24	-	-	6,002	3,056
Other liabilities		-	1,476	1,492	4,116
Total non-current liabilities		**201,655**	**531,139**	**280,689**	**638,405**
Net equity					
Share capital	18	2,940,141	2,934,231	2,940,141	2,934,231
Treasury shares	18	(63,218)	(47,481)	(63,218)	(47,481)
Capital reserves	18	77,074	63,322	77,074	63,322
Profit reserves		-	25,507	-	25,507
Accumulated losses		(71,851)	-	(71,851)	-
Total net equity		**2,882,146**	**2,975,579**	**2,882,146**	**2,975,579**
Total liabilities and net equity		**3,654,393**	**3,800,106**	**4,604,388**	**4,727,321**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of result

Years ended December 31, 2023 and 2022

(*In thousands of Reais*)

		Parent company		Consolidated	
	Notes	**2023**	**2022**	**2023**	**2022**
Net operating revenue	21	**363,879**	**342,005**	**1,292,756**	**1,135,391**
Cost of services provided	22	(268,139)	(248,190)	(694,846)	(624,201)
Gross profit		**95,740**	**93,815**	**597,910**	**511,190**
Operating revenues (expenses)					
Sales expenses	22	(49,828)	(59,424)	(263,661)	(248,230)
General and administrative expenses	22	(40,997)	(23,440)	(252,598)	(215,934)
Loss due to impairment	22	(1,834)	(297)	(8,817)	(3,704)
Equity income	10	(85,121)	18,286	-	-
Other operating revenues (expenses)	22	6,461	494	13,629	2,197
		(171,319)	**(64,381)**	**(511,447)**	**(465,671)**
Income before net financial revenues (expenses)		**(75,579)**	**29,434**	**86,463**	**45,519**
Financial revenues	23	139,268	178,961	161,707	189,826
Financial expenses	23	(185,305)	(155,075)	(357,823)	(175,274)
Net financial income (expenses)		**(46,037)**	**23,886**	**(196,116)**	**14,552**
Income before income tax and social contribution		**(121,616)**	**53,320**	**(109,653)**	**60,071**
Current income tax and social contribution	24	(36,050)	(33,167)	(76,532)	(53,944)
Deferred income tax and social contribution taxes	24	83,931	8,120	112,450	22,146
		47,881	**(25,047)**	**35,918**	**(31,798)**
(Loss) net profit for the year		**(73,735)**	**28,273**	**(73,735)**	**28,273**
Earnings per share					
(expressed in BRL per share)					
Basic (loss) profit per share	20			(0.13)	0.05
Diluted (loss) profit per share	20			(0.13)	0.05

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Other comprehensive income

Years ended December 31, 2023 and 2022

(*In thousands of Reais*)

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
(Loss) net profit for the year	(73,735)	28,273	(73,735)	28,273
Comprehensive income for the year	**(73,735)**	**28,273**	**(73,735)**	**28,273**

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, 2023 and 2022

(*In thousands of Reais*)

	Share capital			Treasury shares	Capital Reserves		
	Paid up capital stock	**Capital stock yet to be paid in**	**Expenses with the issuance of shares**	**Treasury shares**	**Goodwill on capital transactions**	**Stock option plan reserve**	**Goodwill on the issuance of shares**
Balances on December 31, 2021	**3,000,154**	**2,822**	**(76,201)**	**(45,769)**	**(22,344)**	**60,084**	**11,895**
Net income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
Capital increase (Note 18.a)	6,783	(6,783)	-	-	-	-	-
Repurchase of own shares	-	-	-	(1,712)	-	-	-
Share options exercised	-	7,456	-	-	-	-	-
Share-based payments	-	-	-	-	-	13,687	-
Profit destination							
Legal reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Profit retention reserve	-	-	-	-	-	-	-
Balances on December 31, 2022	**3,006,937**	**3,495**	**(76,201)**	**(47,481)**	**(22,344)**	**73,771**	**11,895**
Net income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-
Capital increase (Note 18.a)	6,929	(6,929)	-	-	-	-	-
Repurchase of own shares	-	-	-	(15,771)	-	-	-
Share options exercised	-	5,910	-	34	-	-	-
Share-based payments	-	-	-	-	-	13,752	-
Loss absorption	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Dividends distributed	-	-	-	-	-	-	-
Balances on December 31, 2023	**3,013,866**	**2,476**	**(76,201)**	**(63,218)**	**(22,344)**	**87,523**	**11,895**

	Profit Reserves			
	Legal reserve	**Profit retention reserve**	**Accumulated (Losses) profits**	**Total net equity**
Balances on December 31, 2021	**2,377**	**2,048**	**-**	**2,935,066**
Net income for the year	-	-	28,273	28,273
Total comprehensive income for the year	**-**	**-**	**28,273**	**28,273**
Capital increase (Note 18.a)	-	-	-	-
Repurchase of own shares	-	-	-	(1,712)
Share options exercised	-	-	-	7,456
Share-based payments	-	-	-	13,687
Profit destination				
Legal reserve	1,515	-	(1,515)	-
Dividends	-	-	(7,191)	(7,191)
Profit retention reserve	-	19,567	(19,567)	-
Balances on December 31, 2022	**3,892**	**21,615**	**-**	**2,975,579**
Net income for the year	-	-	(73,735)	(73,735)
Total comprehensive income for the year	**-**	**-**	**(73,735)**	**(73,735)**
Capital increase (Note 18.a)	-	-	-	-
Repurchase of own shares	-	-	-	(15,771)
Share options exercised	-	-	-	5,944
Share-based payments	-	-	-	13,752
Loss absorption	(3,892)	-	3,892	-
Transfer	-	2,008	(2,008)	-
Dividends distributed	-	(23,623)	-	(23,623)
Balances on December 31, 2023	**-**	**-**	**(71,851)**	**2,882,146**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of cash flows

Years ended December 31, 2023 and 2022

(*In thousands of Reais*)

	Note	Parent company		Consolidated	
		2023	2022	2023	2022
Cash flows from operating activities					
Profit (loss) before income tax and social contribution		**(121,616)**	**53,320**	**(109,653)**	**60,071**
Adjustments to reconcile profit (loss) before income tax and social contribution with net cash flow from operating activities:					
Depreciation and amortization	11;12;13	46,939	40,718	118,147	102,950
Equity income	10	85,121	(18,286)	-	-
Passive lease interest, derivatives, exchange and monetary variations		3,577	3,995	3,351	4,247
Remeasurement fair value of contingent consideration		169,688	136,814	272,982	97,890
Mark-to-Market of Derivatives	26.h	-	148	-	148
Share-based payments	19	11,574	10,915	15,702	13,596
Provisions and other adjustments		2,284	(1,996)	7,260	(1,218)
Changes in assets and liabilities					
Accounts receivable from customers		1,256	(1,300)	(37,380)	(168,800)
Taxes recoverable		16,598	(6,556)	15,680	(6,462)
Other assets		(1,670)	(477)	279	(7,523)
Court deposits		45	(12)	565	(559)
Suppliers		3,668	1,539	(8,445)	7,232
Salaries, charges, and social benefits		5,381	2,852	16,086	17,420
Other taxes payable		(11,776)	(15,020)	(3,636)	(8,844)
Services to provide		5,401	7,693	10,542	23,183
Receipts to be passed on		-	-	22,565	127,657
Other liabilities		1,163	247	19,031	(535)
Income tax and social contribution paid		(23,511)	(18,639)	(70,975)	(47,535)
Net cash from operating activities		**194,122**	**195,955**	**272,101**	**212,918**
Cash flows from investing activities					
Acquisitions of property, plant and equipment		(17,541)	(22,689)	(25,660)	(42,362)
Obligation with the acquisition of investments	10.1	(233,408)	(82,298)	(367,205)	(176,359)
Capital increase in subsidiary	10	(224,400)	(197,898)	-	-
Cash received in incorporation		-	624	-	-
Subsidiary acquisition, net of cash acquired		-	-	-	(28,062)
Restricted financial investment		-	1,685	-	1,685
Financial Assets		-	-	(4,950)	(13,381)
Acquisition and development of intangible assets	12	(25,784)	(25,208)	(75,255)	(58,238)
Receipt for the sale of assets		78	-	199	-
Net cash used in investing activities		**(501,055)**	**(325,784)**	**(472,871)**	**(316,717)**
Cash flows from financing activities					
Capital payment, net of share issuance expenses		5,944	7,456	5,944	7,456
Payment of lease liabilities	15.2	(12,503)	(11,821)	(18,191)	(17,370)
Loans and financing paid	26.h	-	(18,956)	(370)	(19,662)
Interest and exchange variation paid		-	(8,216)	(35)	(8,506)
Derivatives paid and received		-	7,425	-	7,425
Dividends and interest on equity paid		(30,815)	-	(30,815)	-
Repurchase of own shares		(15,771)	(1,712)	(15,771)	(1,712)
Net cash (used in) generated by financing activities		**(53,145)**	**(25,824)**	**(59,238)**	**(32,369)**
(Reduction) net increase in cash and cash equivalents		**(360,078)**	**(155,653)**	**(260,008)**	**(136,168)**
Cash and cash equivalents at the start of the year		1,309,361	1,465,014	1,448,231	1,584,399
Cash and cash equivalents at the end of the year		949,283	1,309,361	1,188,223	1,448,231
(Reduction) net increase in cash and cash equivalents		**(360,078)**	**(155,653)**	**(260,008)**	**(136,168)**

Notes are an integral part of the financial statements.

Locaweb Serviços de Internet S.A.

Statements of added value

Years ended December 31, 2023 and 2022

(*In thousands of Reais*)

	Notes	Parent company		Consolidated	
		2023	2022	2023	2022
Revenue		**403,463**	**376,412**	**1,425,909**	**1,246,729**
Service revenue	21	402,522	393,471	1,423,875	1,264,178
Discounts and rebates	21	(6,515)	(17,852)	(9,565)	(19,609)
Other operating revenues		7,456	793	11,599	2,160
Inputs purchased from third parties (includes ICMS, PIS and Cofins)		**(186,739)**	**(125,698)**	**(554,539)**	**(501,868)**
Cost of services provided		(127,108)	(121,183)	(335,566)	(305,010)
Materials, energy, third-party services and other services		(59,631)	(4,515)	(218,973)	(196,858)
Gross added value		**216,724**	**250,714**	**871,370**	**744,861**
Retention		**(46,939)**	**(40,718)**	**(118,147)**	**(102,950)**
Depreciation and amortization	11;12 ;13	(46,939)	(40,718)	(118,147)	(102,950)
Net added value generated		**169,785**	**209,996**	**753,223**	**641,911**
Added value received in transfers		**54,147**	**197,247**	**161,707**	**189,826**
Equity income	10	(85,121)	18,286	-	-
Financial revenues	23	139,268	178,961	161,707	189,826
Total added value to be distributed		**223,932**	**407,243**	**914,930**	**831,737**
Added value distribution		**223,932**	**407,243**	**914,930**	**831,737**
Personnel and charges		**105,997**	**142,469**	**478,748**	**421,777**
Direct compensation		76,485	119,196	390,536	351,180
Benefits		19,852	14,442	57,222	44,439
Severance Pay Indemnity Fund (FGTS)		9,660	8,831	30,990	26,158
Taxes, fees and contributions		**6,369**	**81,426**	**151,655**	**205,823**
Federal		(6,709)	68,857	110,470	168,956
State		-	-	104	140
Municipal		13,078	12,569	41,081	36,727
Interest and rent		**185,301**	**155,075**	**358,262**	**175,864**
Equity remuneration		**(73,735)**	**28,273**	**(73,735)**	**28,273**
Dividend distribution		(30,815)	7,191	(30,815)	7,191
(Loss) retained net profit		(42,920)	21,082	(42,920)	21,082

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

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, Allin, Nextios, Kinghost, Delivery Direto, Etus, Social Miner and Connectplug; and (ii) Commerce, offered to its customers through the brands: Tray, Tray Corp, Yapay, Melhor Envio, Ideris, Samurai, Credisfera, Vindi, Bagy Sul, Bling, PagCerto, Bagy, Octadesk, Squid and Síntese. These business segments are extremely complementary, generate great operational synergies for the Company and its customers and together form an ecosystem that allows for strong cross-selling and up-selling within its extensive and diversified customer base of approximately 700,000 active customers, from multiple sectors of the economy, with greater concentration in small and medium-sized companies.

2 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, 2023 were approved by the Board of Directors on March 19, 2024.

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, 2023 and 2022 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 interim financial information includes the operations of the Company and its subsidiaries, as follows:

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

(a) In April 2023, the name of Dooca Tecnologia da Informação Ltda. was changed to Bagy Sul Soluções de Comércio Digital Ltda.

(b) In September 2023, the name of Fbits Desenvolvimento de Software Ltda. was changed to Wake Commerce Ltda.

1 - Locaweb Telecom Telecomunicações Ltda ("Locaweb Telecom")

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 - Yapay Pagamentos Online Ltda. ("Yapay")

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 - Tray Tecnologia em Ecommerce Ltda. ("Tray")

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 - Wake Commerce Ltda. ("Wake")

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.

In September 2023, Fbits Desenvolvimento de Software Ltda. changed its name to Wake Commerce Ltda.

5 - 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.

6 - <u>IT Capital Serviços de Tecnologia Ltda ("Delivery Direto")</u>

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.

7 - <u>Etus Social Network Brasil Ltda.("Etus")</u>

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.

8 - <u>Locaweb Commerce Holding Ltda. ("Locaweb Commerce")</u>

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.

9 - <u>Ideris Tecnologia da Informação Ltda. ("Ideris")</u>

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.

10 - <u>Melhor Envio Ltda. ("Melhor Envio")</u>

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.

11 - <u>Vindi Tecnologia e Marketing Ltda. ("Vindi Tecnologia")</u>

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.

12 - <u>Connectplug Desenvolvimento de Softwares Ltda. (“Connectplug”)</u>

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.

13 - <u>Bagy Sul Soluções de Comércio Digital Ltda. (“Bagy Sul”)</u>

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.

In April 2023, the company name was changed from Dooca Tecnologia da Informação Ltda. ("Dooca") to Bagy Sul Soluções de Comércio Digital Ltda.

14 - <u>Credisfera Serviços Financeiros Ltda. (“Credisfera”)</u>

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.

15 - <u>Samurai Experts Holding Ltda. (“Samurai”)</u>

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.

16 - 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.

17 - Pagcerto Instituição de Pagamento Ltda. ("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.

18 - 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.

19 - 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.

20 - 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.

21 - LW Ventures Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("LW Ventures")

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.

22 - Organisys Payments Holding Financeira Ltda. ("Organisys Payments Holding")

Organisys Payments Holding'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 May 6, 2022.

23 - Síntese Soluções Produtizadas Ltda. ("Síntese")

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.

2.4 Restatement of financial statements - rectification of immaterial error

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

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

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

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

Note

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

(i) Parent company and consolidated balance sheets:

		Parent company			Consolidated		
Assets	**Note**	**Balances as at 12/31/2022**	**Adjustment**	**Balances as at 12/31/2022 (Restated)**	**Balances as at 12/31/2022**	**Adjustment**	**Balances as at 12/31/2022 (Restated)**
Cash and cash equivalents		1,309,361	-	1,309,361	1,448,231	-	1,448,231
Accounts receivable	E	22,729	-	22,729	671,482	1,685	673,167
Taxes recoverable		7,011	-	7,011	8,353	-	8,353
Income tax and social contribution recoverable		22,239	-	22,239	32,034	-	32,034
Other assets		11,856	-	11,856	29,357	-	29,357
Total current assets		**1,373,196**	**-**	**1,373,196**	**2,189,457**	**1,685**	**2,191,142**
Financial assets		-	-	-	13,381	-	13,381
Court deposits		447	-	447	1,063	-	1,063
Other assets		9,620	-	9,620	6,521	-	6,521
Deferred income tax and social contribution		46,282	-	46,282	66,377	1,034	67,411
Total long-term assets		**56,349**	**-**	**56,349**	**87,342**	**1,034**	**88,376**
Investments	G	2,112,480	(2,008)	2,110,472	-	-	-
Property, plant, and equipment		61,801	-	61,801	96,516	-	96,516
Right-of-use asset		61,166	-	61,166	68,830	-	68,830
Intangíble assets		137,122	-	137,122	2,282,457	-	2,282,457
Total non-current assets		**2,428,918**	**(2,008)**	**2,426,910**	**2,535,145**	**1,034**	**2,536,179**
Total assets		**3,802,114**	**(2,008)**	**3,800,106**	**4,724,602**	**2,719**	**4,727,321**

		Parent company			Consolidated		
Liabilities	**Note**	**Balances as at 12/31/2022**	**Adjustment**	**Balances as at 12/31/2022 (Restated)**	**Balances as at 12/31/2022**	**Adjustment**	**Balances as at 12/31/2022 (Restated)**
Suppliers		18,815	-	18,815	51,304	-	51,304
Loans and financing		-	-	-	380	-	380
Lease liabilities		7,243	-	7,243	11,535	-	11,535
Salaries, charges, and social benefits		31,125	-	31,125	90,330	-	90,330
Other taxes payable	B, C	3,367	-	3,367	11,348	(283)	11,065
Services to be provided	D	43,850	-	43,850	79,549	5,010	84,559
Receivables to be transferred		-	-	-	537,097	-	537,097
Interest on equity and dividends payable		7,197	-	7,197	7,197	-	7,197
Taxes in installments		282	-	282	2,882	-	2,882
Obligation with investment acquisitions		178,657	-	178,657	311,873	-	311,873
Other liabilities		2,852	-	2,852	5,115	-	5,115
Total current liabilities		**293,388**	**-**	**293,388**	**1,108,610**	**4,727**	**1,113,337**
Loans and financing		-	-	-	41	-	41
Services to be provided		2,587	-	2,587	2,587	-	2,587
Provision for contingencies		447	-	447	3,728	-	3,728
Obligation with investment acquisitions		457,727	-	457,727	543,529	-	543,529
Lease liabilities		61,420	-	61,420	65,335	-	65,335
Provision for investment losses		6,161	-	6,161	-	-	-
Taxes in installments		1,321	-	1,321	16,013	-	16,013
Deferred income tax and social contribution		-	-	-	3,056	-	3,056
Other liabilities		1,476	-	1,476	4,116	-	4,116
Total non-current liabilities		**531,139**	**-**	**531,139**	**638,405**	**-**	**638,405**
Net equity							
Share capital		2,934,231	-	2,934,231	2,934,231	-	2,934,231
Treasury shares		(47,481)	-	(47,481)	(47,481)	-	(47,481)
Capital reserves		63,322	-	63,322	63,322	-	63,322
Profit reserves	F	27,515	(2,008)	25,507	27,515	(2,008)	25,507
Total net equity		**2,977,587**	**(2,008)**	**2,975,579**	**2,977,587**	**(2,008)**	**2,975,579**
Total liabilities and net equity		**3,802,114**	**(2,008)**	**3,800,106**	**4,724,602**	**2,719**	**4,727,321**

(ii) Parent company and consolidated balance sheets:

		Parent company			Consolidated		
	Note	**Balances as at 12/31/2022**	**Adjustment**	**Balance 12/31/2022 (Restated)**	**Balances as at 12/31/2022**	**Adjustment**	**Balance 12/31/2022 (Restated)**
Net operating revenue	A,B	**342,005**	**-**	**342,005**	**1,138,433**	**(3,042)**	**1,135,391**
Cost of services provided		(248,190)	-	(248,190)	(624,201)	-	(624,201)
Gross profit		**93,815**	**-**	**93,815**	**514,232**	**(3,042)**	**511,190**
Operating revenues (expenses)							
Sales expenses		(59,424)	-	(59,424)	(248,230)	-	(248,230)
General and administrative expenses		(23,440)	-	(23,440)	(215,934)	-	(215,934)
Gain/Loss due to impairment		(297)	-	(297)	(3,704)	-	(3,704)
Equity income	G	20,294	(2,008)	18,286	-	-	-
Other operating revenues (expenses)		494	-	494	2,197	-	2,197
		(62,373)	**(2,008)**	**(64,381)**	**(465,671)**	**-**	**(465,671)**
Income before net financial revenues (expenses)		**31,442**	**(2,008)**	**29,434**	**48,561**	**(3,042)**	**45,519**
Financial revenues		178,961	-	178,961	189,826	-	189,826
Financial expenses		(155,075)	-	(155,075)	(175,274)	-	(175,274)
Net financial income (expenses)		**23,886**	**-**	**23,886**	**14,552**	**-**	**14,552**
Income before income tax and social contribution		**55,328**	**(2,008)**	**53,320**	**63,113**	**(3,042)**	**60,071**
Current income tax and social contribution	C	(33,167)	-	(33,167)	(55,551)	1,607	(53,944)
Deferred income tax and social contribution taxes		8,120	-	8,120	22,719	(573)	22,146
		(25,047)	**-**	**(25,047)**	**(32,832)**	**1,034**	**(31,798)**
Net profit for the year		**30,281**	**(2,008)**	**28,273**	**30,281**	**(2,008)**	**28,273**

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

	Parent company			Consolidated		
	Balances as at 12/31/2022	**Adjustment**	**Balance 12/31/2022 (Restated)**	**Balances as at 12/31/2022**	**Adjustment**	**Balance 12/31/2022 (Restated)**
Net profit for the year	30,281	(2,008)	28,273	30,281	(2,008)	28,273
Comprehensive income for the year	**30,281**	**(2,008)**	**28,273**	**30,281**	**(2,008)**	**28,273**

(iv) Parent company and consolidated cash flow statements:

	Parent company			Consolidated		
	Balances as at 12/31/2022	**Adjustment**	**Balance 12/31/2022 (Restated)**	**Balances as at 12/31/2022**	**Adjustment**	**Balance 12/31/2022 (Restated)**
Cash flows from operating activities						
Profit before income tax and social contribution	**55,328**	**(2,008)**	**53,320**	**63,113**	**(3,042)**	**60,071**
Adjustments to reconcile profit before income tax and social contribution with net cash flow from operating activities:						
Depreciation and amortization	40,718	-	40,718	102,950	-	102,950
Equity income	(20,294)	2,008	(18,286)	-	-	-
Passive lease interest, derivatives, exchange and monetary variations	3,995	-	3,995	4,247	-	4,247
Remeasurement fair value of contingent consideration	136,814	-	136,814	97,890	-	97,890
Mark-to-market of derivatives	148	-	148	148	-	148
Share-based payments	10,915	-	10,915	13,596	-	13,596
Provisions and other adjustments	(1,996)	-	(1,996)	(1,218)	-	(1,218)
Changes in assets and liabilities						
Accounts receivable from customers	(1,300)	-	(1,300)	(167,115)	(1,685)	(168,800)
Taxes recoverable	(6,556)	-	(6,556)	(6,462)	-	(6,462)
Other assets	(477)	-	(477)	(7,523)	-	(7,523)
Court deposits	(12)	-	(12)	(559)	-	(559)
Suppliers	1,539	-	1,539	7,232	-	7,232
Salaries, charges, and social benefits	2,852	-	2,852	17,420	-	17,420
Other taxes payable	(15,020)	-	(15,020)	(8,561)	(283)	(8,844)
Services to provide	7,693	-	7,693	18,173	5,010	23,183
Receipts to be passed on	-	-	-	127,657	-	127,657
Other liabilities	247	-	247	(535)	-	(535)
Income tax and social contribution paid	(18,639)	-	(18,639)	(47,535)	-	(47,535)
Net cash from operating activities	**195,955**	**-**	**195,955**	**212,918**	**-**	**212,918**
Cash flows from investing activities						
Acquisitions of property, plant and equipment	(22,689)	-	(22,689)	(42,362)	-	(42,362)
Obligation with the acquisition of investments	(82,298)	-	(82,298)	(176,359)	-	(176,359)
Capital increase in subsidiary	(197,898)	-	(197,898)	-	-	-
Cash received in incorporation	624	-	624	-	-	-
Restricted financial investment	1,685	-	1,685	1,685	-	1,685
Acquisition of subsidiary, net of cash acquired	-	-	-	(28,062)	-	(28,062)
Financial assets	-	-	-	(13,381)	-	(13,381)
Acquisition and development of intangible assets	(25,208)	-	(25,208)	(58,238)	-	(58,238)
Net cash used in investing activities	**(325,784)**	**-**	**(325,784)**	**(316,717)**	**-**	**(316,717)**
Cash flows from financing activities						
Capital payment, net of share issuance expenses	7,456	-	7,456	7,456	-	7,456
Payment of lease liabilities	(11,821)	-	(11,821)	(17,370)	-	(17,370)
Loans and financing paid	(18,956)	-	(18,956)	(19,662)	-	(19,662)
Interest and exchange variation paid	(8,216)	-	(8,216)	(8,506)	-	(8,506)
Derivatives paid and received	7,425	-	7,425	7,425	-	7,425
Repurchase of own shares	(1,712)	-	(1,712)	(1,712)	-	(1,712)
Net cash (used in) generated by financing activities	**(25,824)**	**-**	**(25,824)**	**(32,369)**	**-**	**(32,369)**
Net reduction in cash and cash equivalents	**(155,653)**	**-**	**(155,653)**	**(136,168)**	**-**	**(136,168)**
Cash and cash equivalents at the start of the year	1,465,014	-	1,465,014	1,584,399	-	1,584,399
Cash and cash equivalents at the end of the year	1,309,361	-	1,309,361	1,448,231	-	1,448,231
Net reduction in cash and cash equivalents	**(155,653)**	**-**	**(155,653)**	**(136,168)**	**-**	**(136,168)**

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

	Parent company			Consolidated		
	Balances as at 12/31/2022	**Adjustment**	**Balance 12/31/2022 (Restated)**	**Balances as at 12/31/2022**	**Adjustment**	**Balance 12/31/2022 (Restated)**
Revenue	**376,412**	**-**	**376,412**	**1,250,054**	**(3,325)**	**1,246,729**
Service revenue	393,471	-	393,471	1,267,503	(3,325)	1,264,178
Discounts and rebates	(17,852)	-	(17,852)	(19,609)	-	(19,609)
Other operating revenues	793	-	793	2,160	-	2,160
Inputs purchased from third parties (includes ICMS, PIS and Cofins)	**(125,698)**	**-**	**(125,698)**	**(501,868)**	**-**	**(501,868)**
Cost of services provided	(121,183)	-	(121,183)	(305,010)	-	(305,010)
Materials, energy, third-party services and other services	(4,515)	-	(4,515)	(196,858)	-	(196,858)
Gross added value	**250,714**	**-**	**250,714**	**748,186**	**(3,325)**	**744,861**
Retention	**(40,718)**	**-**	**(40,718)**	**(102,950)**	**-**	**(102,950)**
Depreciation and amortization	(40,718)	-	(40,718)	(102,950)	-	(102,950)
Net added value generated	**209,996**	**-**	**209,996**	**645,236**	**(3,325)**	**641,911**
Added value received in transfers	**199,255**	**(2,008)**	**197,247**	**189,826**	**-**	**189,826**
Equity income	20,294	(2,008)	18,286	-	-	-
Financial revenues	178,961	-	178,961	189,826	-	189,826
Total added value to be distributed	**409,251**	**(2,008)**	**407,243**	**835,062**	**(3,325)**	**831,737**
Added value distribution	**409,251**	**(2,008)**	**407,243**	**835,062**	**(3,325)**	**831,737**
Personnel and charges	**142,469**	**-**	**142,469**	**421,777**	**-**	**421,777**
Direct compensation	119,196	-	119,196	351,180	-	351,180
Benefits	14,442	-	14,442	44,439	-	44,439
Severance Pay Indemnity Fund (FGTS)	8,831	-	8,831	26,158	-	26,158
Taxes, fees and contributions	**81,426**	**-**	**81,426**	**207,140**	**(1,317)**	**205,823**
Federal	68,857	-	68,857	170,173	(1,217)	168,956
State	-	-	-	140	-	140
Municipal	12,569	-	12,569	36,827	(100)	36,727
Interest and rent	**155,075**	**-**	**155,075**	**175,864**	**-**	**175,864**
Equity remuneration	**30,281**	**(2,008)**	**28,273**	**30,281**	**(2,008)**	**28,273**
Dividend distribution	7,191	-	7,191	7,191	-	7,191
(Loss) retained net profit	23,090	(2,008)	21,082	23,090	(2,008)	21,082

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 accounting standards and interpretations not yet effective

A number of new accounting standards will be effective for fiscal years beginning after January 1, 2023. The Company has not adopted the following accounting standards in the preparation of these financial statements..

A. Classification of liabilities as current or non-current (CPC 26/ IAS 1 and CPC 23/ IAS 8)

The amendments, issued in 2020 and 2022, aim to clarify the requirements for determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply to annual periods beginning on or after January 1, 2024.

B. Supplier financing arrangements ("Drawn risk") (amendments to CPC 26/IAS 1 and CPC 40/IFRS 7)

The amendments introduce new disclosures related to financing arrangements with suppliers ("Drawn Risk") that help users of financial statements assess the effects of these arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments apply to annual periods beginning on or after January 1, 2024.

C. Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Company's consolidated financial statements:

- Lease liability on a sale and leaseback (amendments to CPC 06/IFRS 16).
- Lack of convertibility (amendments to CPC 02/IAS 21).

6 Cash and cash equivalents 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	
	2023	**2022**	**2023**	**2022**
Cash and banks	153	401	6,817	9,048
CDB (a)	7,377	5,786	158,628	84,967
Funds (b)	941,753	1,303,174	1,022,778	1,354,216
	949,283	**1,309,361**	**1,188,223**	**1,448,231**

(a) On December 31, 2023, the consolidated financial investments, Bank Deposit Certificates (CDB), were remunerated at an average rate of 108.9% of the CDI for the quarter and 103.4% of the CDI for the last 12 months (108.31% of the CDI on December 31, 2022), with daily liquidity redeemable with the issuer, subject to an insignificant risk of change in value.

(b) Exclusive fund, composed of quotas of an investment fund whose portfolio is formed by fixed income assets with immediate liquidity. The eligible assets in the portfolio composition structure are almost entirely investment grade, which corresponds to the highest rating classification, representing low credit risk and volatility.

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

	2023	2022
Post fixed Interest rate	**99.95%**	**100.41%**
Cash and CPR	45.23%	34.49%
Private credit	45.56%	47.59%
FIDC	0.17%	0.31%
Public bonds	8.28%	14.42%
Derivatives	0.71%	3.60%
Pre fixed interest	**0.05%**	**-0.41%**
Private credit	0.76%	2.78%
Public bonds	0.00%	0.41%
Derivatives	-0.71%	-3.60%
Total	**100.00%**	**100.00%**

6.2 Financial assets

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

Financial assets are valued at fair value through profit or loss, and because they are represented by privately-held startups and do not have prices quoted on an active market, the fair value for these investments is measured using a valuation technique based on multiples of revenue, discounted cash flow and NAV (Net Asset Value), considering the reasonableness of the range of values indicated by them, the fair value measurement being 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, with the Valuation Post Money being considered as the new fair value reference for that asset. The Company used this reference for the investments active on December 31, 2023 and 2022.

The value of these investments at December 31, 2023 was BRL 16,617 (BRL 13,381 at December 31, 2022).

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	
	2023	**2022**	**2023**	**2022**
Credit card administrators	5,885	5,951	649,103	614,309
Accounts receivable from customers	16,467	17,657	63,766	61,180
Total accounts receivable	**22,352**	**23,608**	**712,869**	**675,489**
Expected credit loss	(535)	(879)	(5,313)	(2,322)
Total net accounts receivable	**21,817**	**22,729**	**707,556**	**673,167**

The balance of accounts receivable by maturity is shown below:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Amounts to become due	**15,617**	**17,828**	**689,871**	**663,047**
Overdue amounts				
Up to 30 days	4,042	1,984	11,929	4,827
From 31 to 180 days	2,158	2,927	5,756	5,254
Over 180 days	535	869	5,313	2,361
Total accounts receivable	**22,352**	**23,608**	**712,869**	**675,489**

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

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Opening balance	**(879)**	**(1,142)**	**(2,322)**	**(2,242)**
Additions	(1,155)	(306)	(8,812)	(3,698)
Reversals	1,499	590	5,821	3,618
Incorporation (i)	-	(21)	-	-
Final balance	**(535)**	**(879)**	**(5,313)**	**(2,322)**

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

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

Management believes that the risk related to accounts receivable is minimized by the fact that the composition of the Company's end customers is highly dispersed and the majority have paid in advance. The Company has more than 700 thousand active end customers in the portfolio and no customer represents 5% or more of revenue as of December 31, 2023.

7.2 Services to be provided

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	
	2023	2022	2023	2022
Services to be provided	51,838	46,437	97,688	87,146
Current	48,867	43,850	94,717	84,559
Non-current	2,971	2,587	2,971	2,587

7.3 Receivables to be transferred

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, 2023, BRL 559,662 (BRL 537,097 as of December 31, 2022) of receivables transferable are recorded.

8 Other assets

	Parent company		Consolidated	
	2023	2022	2023	2022
Advance to suppliers	715	2,230	4,252	5,068
Advances to employees	745	786	2,153	2,000
Software license to be appropriated	11,400	8,860	14,223	10,773
Shared services receivable from related parties (note 9a.)	6,198	5,790	-	-
PHENOM 100 program membership	2,718	2,718	2,718	2,718
Business combination indemnification asset (note 17.1)	-	-	2,259	2,001
Credits receivable carriers	-	-	-	9,321
Digital certificates	-	-	4,228	-
Other assets	1,370	1,092	5,766	3,997
	23,146	**21,476**	**35,599**	**35,878**
Current	17,750	11,856	27,315	29,357
Non-current	5,396	9,620	8,284	6,521

9 Transactions with related parties

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

a. Transactions and balances

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

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

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

	Parent company	
	Current assets	
	2023	2022
Cyberweb	442	329
Wake	240	98
Yapay	1,662	1,229
Locaweb Telecom	156	22
Síntese	108	-
IT Capital (Delivery Direto)	92	70
Melhor Envio	939	485
Ideris	73	497
Bling	937	557
Octadesk	250	946
Squid	258	850
Credisfera	62	63
Samurai	2	2
Cplug	1	-
Etus	1	-
Vindi Tecnologia	235	185
Tray Tecnologia	740	457
	6,198	**5,790**

	Parent company					
	Revenue		Costs		Expenses	
	2023	2022	2023	2022	2023	2022
Tray Tecnologia (a)	4,272	3,564	-	-	-	-
Yapay (a) (b)	4,621	2,745	-	(4)	(207)	-
Locaweb Telecom (c)	-	-	(159)	(170)	-	-
MG4 (e)	-	-	(9,474)	(8,866)	(2,755)	(2,955)
Ananke Tecnologia (a) (b)	-	310	-	(815)	-	-
Wake (a)	3,644	524	-	-	-	-
Cyberweb (a)	1,020	619	-	-	-	-
IT Capital (Delivery Direto) (a)	342	321	-	-	-	-
Connectplug (a)	382	164	-	-	-	-
Etus (a) (d)	723	778	-	-	-	-
Melhor envio (a)	3,713	2,785	-	-	-	-
Bling (a) (b)	12,665	6,909	-	-	-	-
Octadesk (b)	2	1	(17)	(8)	(16)	-
Credisfera (a)	570	198	-	-	-	(7)
Bagy Sul (a)	1,588	784	-	-	-	-
Pagcerto (a)	360	216	-	-	-	-
Vindi (a)	1,856	976	-	-	(18)	-
Bagy (a)	100	-	-	-	-	-
Ideris (a)	1,095	-	-	-	-	-
Síntese (a)	576	-	-	-	-	-
Squid (b)	365	-	-	-	-	(41)
Samurai (b)	1	1	-	-	-	-
	37,895	**20,895**	**(9,650)**	**(9,863)**	**(2,996)**	**(3,003)**

(a) Provision of services with hosting, software licensing and technical support.

(b) Software licensing expense.

(c) Telephone costs and expenses.

(d) Expenses with advertising and media placement.

(e) Costs and expenses with property rentals (cash disbursement)

	Consolidated			
	Costs		Expenses	
	2023	2022	2023	2022
MG4	(9,474)	(8,866)	(2,755)	(2,955)
WW Marques	-	-	(1,061)	(998)
Tech and Soul	-	-	-	(589)
	(9,474)	**(8,866)**	**(3,816)**	**(4,542)**

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

The Company has a lease agreement for its head office with MG4, a company whose shareholders are the individuals that make up the Company's controlling group, for a monthly amount of approximately BRL 1,020. The total amount of rent paid in the year ended December 31, 2023 was BRL 12,229 (BRL 11,820 in the same period in 2022). The contract is effective for 120 months and is adjusted by the IGP-M index every 12 months. Due to the expense-sharing agreement, expenses are shared between the Parent Company and the subsidiaries that use the same headquarters. This agreement was recorded as a lease agreement included in note 13 and 15.2.

Subsidiary Tray Tecnologia has a lease agreement for its head office with WW Marques, a company that has one of the Company's shareholders among its quotaholders. In January 2022 a new property contract was signed by the subsidiary Tray Tecnologia with an increase in the occupied area. The updated monthly value of these contracts is approximately BRL 90. The total amount of rent paid for the year ended December 31, 2023 was BRL 1,061 (BRL 998 in the same period in 2022). The contract is effective for 60 months and is adjusted by the IGP-M index every 12 months. This agreement was recorded as a lease agreement included in note 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. In the year ended December 31, 2023 there were no payments (BRL 589 in the same period in 2022).

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

b. Management compensation

Management compensation expenses for the years ended December 31, 2023 and 2022 are shown below:

	2023	2022
Remuneration	10,572	11,144
Charges and Benefits	3,645	3,627
Expenses with stock purchase plan (i)	6,939	4,390
Total	**21,156**	**19,161**

(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, 2023 and 2022:

	Parent company	
	2023	**2022**
Investments in subsidiaries	2,250,061	2,110,472
Provision for investment losses	(3,304)	(6,161)
Total investments	**2,246,757**	**2,104,311**
Investment reconciliation		
Investments in subsidiaries and affiliates	679,394	536,948
Goodwill on the acquisition of investments	1,567,363	1,567,363
Total net investments	**2,246,757**	**2,104,311**

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

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

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

Balance on 12/31/2023						
Name	**% Interest**	**Assets**	**Liabilities**	**Equity Net**	**Revenue Net**	**Income year**
Direct interest						
Locaweb Telecom	100%	199	378	(179)	410	(339)
Yapay	100%	670,714	509,157	161,557	226,826	30,673
Tray Tecnologia	100%	355,668	128,155	227,513	107,874	(63,870)
LWK Kinghost	100%	28,881	-	28,881	-	7,390
IT Capital (Delivery Direto)	100%	2,230	1,359	871	15,286	803
Locaweb Commerce	100%	335,872	88,442	247,430	-	(23,095)
Etus	100%	1,328	1,279	49	4,500	(439)
Vindi Tecnologia	100%	32,982	9,303	23,679	36,359	(10,219)
Connectplug	100%	3,308	2,709	599	17,139	(112)

Bling	100%	79,976	37,175	42,801	144,584	14,725
Octadesk	100%	4,548	7,673	(3,125)	40,808	(812)
Squid	100%	45,886	26,050	19,836	113,556	(8,484)
LW Ventures	100%	16,617	-	16,617	-	(1,714)
Indirect interest						
Wake	100%	33,582	11,008	22,574	22,221	(11,227)
Cyberweb	100%	37,685	34,938	2,747	55,758	7,390
Melhor Envio	100%	82,110	63,135	18,975	117,328	10,023
Ideris	100%	9,375	6,343	3,032	15,844	(224)
Vindi Pagamentos	100%	818	-	818	4	(319)
Bagy Sul	100%	2,108	1,374	734	7,669	(2,347)
Credisfera	100%	4,744	3,310	1,434	13,255	(5,227)
Samurai Holding	100%	1,441	738	703	-	(266)
Samurai Desenvolvimento	100%	1,677	236	1,441	2,171	(263)
Organisys Payments Holding	100%	13,223	1,585	11,638	-	(4,709)
PagCerto	100%	40,382	37,622	2,760	3,786	(945)
Bagy	100%	5,423	971	4,452	12,185	(4,935)
Síntese	100%	7,648	2,765	4,883	18,506	2,979

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%	626,515	495,904	130,611	192,948	22,804
Tray Tecnologia	100%	322,779	75,023	247,756	90,806	49,958
Nextios	100%	-	-	-	-	2,940
LWK Kinghost	100%	26,134	4,853	21,281	-	7,457
IT Capital (Delivery Direto)	100%	1,454	1,522	(68)	14,686	(1,931)
Locaweb Commerce	100%	304,713	161,657	143,056	-	(23,219)
Etus	100%	857	852	5	4,658	(2,711)
Vindi Tecnologia	100%	23,306	13,772	9,534	36,517	(10,399)
Connectplug	100%	1,175	1,694	(519)	9,090	(4,007)
Bling	100%	49,502	21,767	27,735	97,730	12,068
Octadesk	100%	3,540	8,724	(5,184)	34,533	(6,753)
Squid	100%	36,643	29,389	7,254	107,706	3,833
LW Ventures	100%	13,381	-	13,381	-	(1,646)
Indirect interest						
Ananke	100%	-	-	-	21,660	2,942
Wake	100%	23,177	5,388	17,789	18,987	2,873
Cyberweb	100%	31,249	36,102	(4,853)	52,441	7,408
Kinghost	100%	-	-	-	-	(130)
Unipago	100%	-	-	-	95	180
IPV6	100%	-	-	-	-	(1)
Melhor Envio	100%	67,357	58,533	8,824	88,194	4,045
Ideris	100%	7,728	7,495	233	15,693	(6,501)
Smart Tecnologia	100%	-	-	-	-	(40)
Vindi Pagamentos	100%	1,436	299	1,137	710	46
Bagy Sul	100%	700	873	(173)	7,574	(3,661)
Credisfera	100%	6,536	3,899	2,637	9,616	(8,222)
Samurai Holding	100%	1,331	737	594	-	(3,107)
Samurai Desenvolvimento	100%	2,094	818	1,276	6,693	(3,104)
V.O Desenvolvimento	100%	-	-	-	-	(1)
Organisys Payments Holding	100%	17,657	1,310	16,347	-	6,157
PagCerto	100%	27,224	23,519	3,705	2,155	(2,060)
Bagy	100%	1,590	1,761	(171)	6,967	(10,936)
Duopana	100%	-	-	-	60	26
Síntese	100%	3,918	2,014	1,904	6,202	1,114

The transactions with investments in subsidiaries are shown below:

			Equity				
Investee	**Balance on 12/31/2022**	**Capital advance/ increase**	**Equity**	**Amortization added value**	**Total**	**Action based compensation plan**	**Saldo em 12/31/2023**
Locaweb Telecom	(390)	550	(339)	-	(339)	-	(179)
Yapay	130,611	-	30,673	-	30,673	273	161,557
Tray Tecnologia	247,756	42,052	(63,870)	-	(63,870)	1,575	227,513
LWK Kinghost	9,360	-	7,390	(3,251)	4,139	211	13,710
IT Capital (Delivery Direto)	(4,584)	-	803	(1,355)	(552)	136	(5,000)
Locaweb Commerce	143,058	127,417	(23,095)	-	(23,095)	50	247,430
Etus	(3,214)	460	(439)	(1,431)	(1,870)	23	(4,601)
Vindi Tecnologia	(707)	24,050	(10,219)	(5,121)	(15,340)	313	8,316
Connectplug	(2,313)	1,170	(112)	(936)	(1,048)	60	(2,131)
Bling	10,353	-	14,725	(10,978)	3,747	341	14,441
Octadesk	(7,217)	2,800	(812)	(1,435)	(2,247)	71	(6,593)
Squid	854	20,951	(8,484)	(5,121)	(13,605)	114	8,314
LW Ventures	13,381	4,950	(1,714)	-	(1,714)	-	16,617
	536,948	**224,400**	**(55,493)**	**(29,628)**	**(85,121)**	**3,167**	**679,394**

				Equity					
Investee	**Balance on 12/31/2021**	**Transfer (i)**	**Capital advance/ increase**	**Equity**	**Amortization of added value**	**Total**	**Equity Plan**	**Others**	**Balance on 12/31/2022**
Locaweb Telecom	(472)	-	490	(408)	-	(408)	-	-	(390)
Yapay	107,516	-	-	22,804	-	22,804	291	-	130,611
Tray Tecnologia	115,688	-	80,589	49,958	-	49,958	1,521	-	247,756
Nextios	(3,252)	1,190	-	2,940	(73)	2,867	-	(805)	-
Kinghost	4,934	-	-	7,457	(3,251)	4,206	220	-	9,360
IT Capital (Delivery Direto)	(2,398)	-	850	(1,931)	(1,355)	(3,286)	250	-	(4,584)
Locaweb 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**	**47,986**	**(29,700)**	**18,286**	**3,072**	**(605)**	**536,948**

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

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	
	2023	**2022**	**2023**	**2022**
Nextios	1,124	1,242	1,124	1,242
IT Capital (Delivery Direto)	542	592	542	592
Etus	1,606	1,898	1,606	1,898
Ideris	-	-	-	25,865
Melhor Envio	-	-	88,444	136,024
ConnectPlug	33,269	13,074	33,269	13,074
Social Miner	2,403	1,889	2,403	1,889
Vindi Tecnologia	12,364	30,623	12,364	30,623
Bagy Sul	-	-	22,707	11,313
Credisfera	-	-	14,149	7,595
Samurai	-	-	1,615	1,328
Bling	344,432	323,966	344,432	323,966
Pagcerto	-	-	1,585	1,310
Bagy	-	-	38,849	17,266
Octadesk	47,151	60,006	47,151	60,006
Squid	129,773	203,094	129,773	203,094
Síntese	-	-	21,191	18,317
Total investment obligations	**572,664**	**636,384**	**761,204**	**855,402**
Current	440,218	178,657	575,093	311,873
Non-current	132,446	457,727	186,111	543,529

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

	Parent company	Consolidated
Balance on 12/31/2022	**636,384**	**855,402**
Additions	-	25
Payments withheld installments	(6,582)	(16,067)
Contingent consideration paid	(226,826)	(351,138)
Remeasurement fair value of contingent consideration	169,688	272,982
Balance on 12/31/2023	**572,664**	**761,204**

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*

Acquisition of Síntese

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

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

The assessed balances are shown below:

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

The total consideration can be presented as follows:

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

(a) The Company agreed to pay the selling shareholders an additional amount of BRL 22,375. The Company recorded BRL 17,837 as contingent consideration related to the additional payment, which represents its fair value on the acquisition date. On December 31, 2023, the fair value of the contingent consideration was BRL 21,191.

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, 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**
Year Additions	1,787	726	67	17,066	395	146	20,187
Write-offs	(127)	-	-	(7,238)	-	(63)	(7,428)
Transfers	48	-	(46)	437	(437)	(2)	-
Balances on December 31, 2023	**13,476**	**35,322**	**2,956**	**314,656**	**171**	**1,550**	**368,131**
Depreciation							
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)**
Depreciation for the year	(1,432)	(2,217)	(205)	(18,487)	-	(255)	(22,596)
Write-offs	124	-	-	7,238	-	62	7,424
Transfers	(1)	-	-	-	-	1	-
Balances on December 31, 2023	**(8,605)**	**(21,026)**	**(1,649)**	**(276,579)**	**-**	**(884)**	**(308,743)**
Residual value							
Balances on December 31, 2022	4,472	15,787	1,491	39,061	213	777	61,801
Balances on December 31, 2023	4,871	14,296	1,307	38,077	171	666	59,388

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, 2021	**35,888**	**37,129**	**6,117**	**299,525**	**2,203**	**2,396**	**383,258**
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**
Year Additions	6,669	2,769	345	17,745	395	254	28,177
Write-offs	(7,731)	(105)	(364)	(7,629)	-	(255)	(16,084)
Transfers	60	(109)	40	448	(437)	(2)	-
Balances on December 31, 2023	**44,218**	**43,708**	**6,505**	**335,563**	**215**	**1,979**	**432,188**
Depreciation							
Balances on December 31, 2021	**(14,454)**	**(18,204)**	**(2,367)**	**(258,794)**	**-**	**(705)**	**(294,524)**
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)**
Depreciation for the year	(8,557)	(3,414)	(549)	(22,307)	-	(273)	(35,100)
Write-offs	7,675	170	298	7,622	-	157	15,922
Transfers	(1)	6	7	(17)	-	5	-
Balances on December 31, 2023	**(21,190)**	**(27,343)**	**(3,036)**	**(290,143)**	**-**	**(1,045)**	**(342,757)**
Residual value							
Balances on December 31, 2022	24,913	17,048	3,692	49,558	257	1,048	96,516
Balances on December 31, 2023	23,028	16,365	3,469	45,420	215	934	89,431

(*) There were no impairment indicators in the years ended December 31, 2023 and 2022.

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, 2023 and 2022 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***	
	2023	***2022***	***2023***	***2022***	***2023***	***2022***
Book value of goodwill	*163,794*	*163,794*	*1,733,320*	*1,733,295*	*1,897,114*	*1,897,089*

The Company carried out the recoverable value test on December 31, 2023 and 2022 and considering, among other factors, the country's economic momentum and the historical results of the CGUs, the Company made a calculation to determine the recoverable value of the intangible assets with no defined useful life. The projected cash flow for each of the CGUs considered a discount rate of 13.1% (pre-tax) in 2023 (13.1% (pre-tax) in 2022). The projections were made for a 10-year horizon, a period which the Company believes is adequate to stabilize its current rate of growth. After this period, a perpetual growth rate of 3% p.a. was used in 2023 and 2022. As a result of this analysis, there was no impairment loss.

<u>Assumptions with relevant impact used in the calculation of value in use</u>

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, 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	(199)	-	(3,168)	-	-	-	(3,367)
Transfers (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**
Year Additions	4,892	-	20,892	-	-	-	25,784
Balances on December 31, 2023	**20,653**	**5,007**	**89,811**	**872**	**75,983**	**3,775**	**196,101**
Amortization							
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	199	-	3,168	-	-	-	3,367
Transfers (i)	(794)	(333)	-	-	-	(1,189)	(2,316)
Balances on December 31, 2022	**(7,305)**	**(1,044)**	**(20,439)**	**(632)**	**-**	**(3,775)**	**(33,195)**
Amortization for the year	(1,782)	(400)	(13,519)	(87)	-	-	(15,788)
Transfers	(455)	-	455	-	-	-	-
Balances on December 31, 2023	**(9,542)**	**(1,444)**	**(33,503)**	**(719)**	**-**	**(3,775)**	**(48,983)**
Residual value							
Balances on December 31, 2022	8,456	3,963	48,480	240	75,983	-	137,122
Balances on December 31, 2023	11,111	3,563	56,308	153	75,983	-	147,118

(i) Transfer from investment to intangible originating from the merger of the subsidiary Social Miner Internet Ltda.

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

The changes in the consolidated are presented below:

	Consolidated						
	Software	**Brands and Patents**	**Internal development (a)**	**Others**	**Goodwill**	**Client Portfolio**	**Total intangible assets**
Cost							
Balances on December 31, 2021	**145,343**	**157,090**	**95,891**	**877**	**1,861,721**	**50,011**	**2,310,933**
Additions by merger (i)	3,977	2,919	-	-	35,368	5,293	47,557
Year Additions	4,065	175	53,997	-	-	1	58,238
Write-offs	(239)	-	(3,168)	-	-	-	(3,407)
Transfers	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**
Year Additions	6,315	2,625	66,315	-	25	-	75,280
Write-offs	(309)	-	(5)	-	-	-	(314)
Balances on December 31, 2023	**159,603**	**162,809**	**211,655**	**872**	**1,897,114**	**55,305**	**2,487,358**
Amortization							
Balances on December 31, 2021	**(36,093)**	**(7,444)**	**(24,822)**	**(544)**	**-**	**(11,429)**	**(80,332)**
Amortization for the year	(27,368)	(8,389)	(11,889)	(88)	-	(6,178)	(53,912)
Write-offs	212	-	3,168	-	-	-	3,380
Transfers	3	-	926	-	-	-	929
Balances on December 31, 2022	**(63,246)**	**(15,833)**	**(32,617)**	**(632)**	**-**	**(17,607)**	**(129,935)**
Amortization for the year	(27,564)	(8,656)	(26,693)	(87)	-	(6,584)	(69,584)
Write-offs	309	-	-	-	-	-	309
Transfers	(1,078)	-	1,078	-	-	-	-
Balances on December 31, 2023	**(91,579)**	**(24,489)**	**(58,232)**	**(719)**	**-**	**(24,191)**	**(199,210)**
Residual value							
Balances on December 31, 2022	90,351	144,351	112,728	240	1,897,089	37,698	2,282,457
Balances on December 31, 2023	68,024	138,320	153,423	153	1,897,114	31,114	2,288,148

(i) Refers to the acquisition of Síntese.

(a) Refers to expenses with internal development linked to technological innovations of existing products, which were recorded as intangible assets as they meet the criteria specified in CPC 04 (R1)/IAS 38.
There were no impairment indicators in the years ended December 31, 2023 and 2022.

13 Right-of-use asset

Accounting policy

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 and 5 years, the shorter period between the lease term and the estimated useful life of the assets.

The changes are shown below:

	Parent company		
	Real estate	**Equipment**	**Total**
Balance at 31/12/2021	**59,724**	**-**	**59,724**
Addition	9,489	-	9,489
Amortization	(8,047)	-	(8,047)
Balance at 31/12/2022	**61,166**	**-**	**61,166**
Addition	115	6,058	6,173
Amortization	(8,353)	(202)	(8,555)
Balance at 31/12/2023	**52,928**	**5,856**	**58,784**

	Consolidated		
	Real estate	**Equipment**	**Total**
Balance at 31/12/2021	**69,577**	**-**	**69,577**
Addition	13,291	-	13,291
Write-offs	(1,436)	-	(1,436)
Amortization	(12,602)	-	(12,602)
Balance at 31/12/2022	**68,830**	**-**	**68,830**
Addition	7,396	6,058	13,454
Write-offs	(611)	-	(611)
Amortization	(13,261)	(202)	(13,463)
Balance at 31/12/2023	**62,354**	**5,856**	**68,210**

14 Taxes in installments

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

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Social Integration Program - PIS and Contribution to Social Security Financing - COFINS	219	241	1,809	1,987
Social Security Contribution on Gross Revenue - CPRB	3	3	918	1,005
Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL	586	634	13,032	14,136
National Institute of Social Security contribution - INSS	99	146	493	584
Others	545	579	1,083	1,183
Total tax installments	**1,452**	**1,603**	**17,335**	**18,895**
Current	256	282	3,065	2,882
Non-current	1,196	1,321	14,270	16,013

15 Loans, financing and lease liabilities

15.1 Loans and financing

Accounting policy

The company can raise funds in both reais and foreign currency. To mitigate the risk of exchange rate fluctuations, the company can enter into derivative financial instruments (swaps). However, there were no debts denominated in foreign currency and no swaps at December 31, 2023. Further details on the Company's risk management policy and 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**	**2023**	**2022**	**2023**	**2022**
Itaú	13.89% p.a.	Apr/23	-	-	-	165
Others			-	-	60	256
			-	**-**	**60**	**421**
Current			-	-	60	380
Non-current			-	-	-	41
Total loans and financing			**-**	**-**	**60**	**421**

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		
	Real estate	**Equipment**	**Total**
Balance at 31/12/2021	**65,672**	**-**	**65,672**
Addition	9,489	-	9,489
Interest incurred	5,323	-	5,323
Interest payments	(5,323)	-	(5,323)
Payments	(6,498)	-	(6,498)
Balance at 31/12/2022	**68,663**	**-**	**68,663**
Addition	116	6,057	6,173
Interest incurred	4,976	130	5,106
Interest payments	(4,976)	(130)	(5,106)
Payments	(7,253)	(144)	(7,397)
Balance at 31/12/2023	**61,526**	**5,913**	**67,439**
Current	7,836	936	8,772
Non-current	53,690	4,977	58,667

	Consolidated		
	Real estate	**Equipment**	**Total**
Balance at 31/12/2021	**76,849**	**-**	**76,849**
Addition	13,291	-	13,291
Write-offs	(1,801)	-	(1,801)
Interest incurred	5,901	-	5,901
Interest payments	(5,901)	-	(5,901)
Payments	(11,469)	-	(11,469)
Balance at 31/12/2022	**76,870**	**-**	**76,870**
Addition	7,397	6,057	13,454
Write-offs	(663)	-	(663)
Interest incurred	5,770	129	5,899
Interest payments	(5,770)	(129)	(5,899)
Payments	(12,147)	(145)	(12,292)
Balance at 31/12/2023	**71,457**	**5,912**	**77,369**
Current	12,758	936	13,694
Non-current	58,699	4,976	63,675

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	9,531	12,000
From 25 to 36 months	10,358	11,710
From 37 to 42 months	11,260	11,860
From 43 to 60 months	11,966	12,553
Over 61 months	15,552	15,552
	58,667	**63,675**

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	
	2023	**2022**	**2023**	**2022**
Salaries and charges	11,048	10,965	30,021	31,830
Provision of vacations and charges	15,572	14,072	47,832	41,614
Profit Sharing Plan (PPR)	10,875	6,088	30,513	16,886
	37,495	**31,125**	**108,366**	**90,330**

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**	**Tax claims**	**Total**
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**
Reversals / Additions	(203)	2,068	759	2,624
Balances on December 31, 2023	**167**	**2,145**	**759**	**3,071**

	Consolidated			
	Civil claims	**Labor claims**	**Tax claims**	**Total**
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**
Reversals / Additions	(385)	2,004	821	2,440
Balances on December 31, 2023	**3,170**	**2,177**	**821**	**6,168**

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	
	2023	**2022**	**2023**	**2022**
Civil	3,406	2,350	5,024	3,122
Labor	-	8,995	90	8,997
Tax	16,794	16,134	17,482	16,923
	20,200	**27,479**	**22,596**	**29,042**

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

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

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

For the provisioned lawsuits, there is a balance of judicial deposits as of December 31, 2023 in the amount of BRL 402 in the Parent Company (BRL 447 as of December 31, 2022) and of BRL 498 Consolidated (BRL 1,063 as of December 31, 2022).

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

17.1 Business Combination Indemnity Assets

In the business combination process of the direct and indirect subsidiaries, respectively, Vindi Tecnologia, Samurai, Squid and Ideris, it was agreed that each shareholder would be responsible for any claims arising from acts, facts or omissions occurring before the transaction. Therefore, part of the lawsuits presented in the consolidated financial statements, corresponding to the amount of BRL 2,259 (BRL 2,001 on December 31, 2022), 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. Share capital

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

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

Changes in share capital in the year ended December 31, 2023 refer to: (a) issue of 1,579,650 common shares with no par value, paid up in the period, in the amount of BRL 3,495 arising from the exercise of stock option plans, as approved on January 11, 2023; (b) issue of 1,674,060 common shares with no par value, paid up in the period, in the amount of BRL 3,434 arising from the exercise of stock option plans, as approved on July 03, 2023.

The distribution of shares as of December 31, 2023 is shown below:

	2023		**2022**	
	Interest %	**Quantity of shares**	**Interest %**	**Quantity of shares**
Claudio Gora	6.08%	36,227,821	6.11%	36,227,821
Gilberto Mautner	6.13%	36,541,221	6.17%	36,541,221
Michel Gora	5.93%	35,344,424	5.97%	35,344,421
Ricardo Gora	6.06%	36,083,221	6.09%	36,083,224
Andrea Gora Cohen	2.70%	16,086,065	2.71%	16,086,065
Treasury Share	1.05%	6,228,472	0.52%	3,048,472
General Atlantic	15.06%	89,695,100	10.75%	63,667,800
Nuveen	5.72%	34,084,500	-	-
Moneda	5.37%	31,988,447	-	-
William Blair	-	-	5.18%	30,699,936
Other shareholders	45.90%	273,484,887	56.50%	334,811,488
	100.00%	**595,764,158**	**100.00%**	**592,510,448**

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

The Company may, by resolution of the Board of Directors and in accordance with the plan approved by the General Meeting, grant stock purchase or subscription options, without preemptive rights for shareholders, in favor of its managers, employees or individuals who provide services to the Company, and this option may be extended to managers and employees of the Company's subsidiaries, directly or indirectly (Note 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. The purpose of the legal reserve is to ensure the integrity of the share capital and it can only be used to offset losses and increase capital.

On December 31, 2023, the loss was absorbed.

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.

The company's management did not propose any allocation in 2023 due to the loss for the year.

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 has proposed the payment of dividends and interest on equity of BRL0.01 per share in 2022.

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 reserves

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

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

f. Other comprehensive income

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

As of December 31, 2023, the Company has no cash flow hedge operations outstanding.

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

From the Date of Grant defined in each Option Agreement ("Date of Grant"), exercises will be determined to decide on the options granted under each Plan ("Vesting Exercises").

In relation to the plans in force on December 31, 2023, the following periods will be calculated for exercising the options granted under the terms of the plans:

Plan 13 to Plan 17:
(i) up to 25% of the shares that may be acquired through the exercise of the option may be acquired on the Exercise Dates, after 1 year from the Grant Date; (ii) up to 25% of the shares that may be acquired through the exercise of the option, plus any leftovers not exercised on the previous Exercise Dates, may be acquired on the Exercise Dates, after 2 years from the Grant Date; (iii) up to 25% of the shares that may be acquired with the exercise of the option, plus any leftovers not exercised on the previous Exercise Dates, may be acquired on the Exercise Dates, after 3 years from the Grant Date; and (iv) up to 25% of the shares that may be acquired with the exercise of the option, plus any leftovers not exercised on the previous Exercise Dates, may be acquired on the Exercise Dates, after 4 years from the Grant Date.

18th Plan:
(i) 20% of the shares that may be acquired with the exercise of the option may be acquired on the Exercise Dates, after 1 year from the Grant Date; (ii) up to 40% of the shares that may be acquired with the exercise of the option, plus any leftovers not exercised on the previous Exercise Dates, may be acquired on the Exercise Dates, after 2 years from the Grant Date; and (iii) up to 40% of the shares that may be acquired

with the exercise of the option, plus any leftovers not exercised on the previous Exercise Dates, may be acquired on the Exercise Dates, after 3 years from the Grant Date.

In any case, the amount of shares that may be acquired after each Vesting Exercise shall remain in force until the Maximum Exercise Period, and the portion of the shares not exercised within this period and under the stipulated conditions shall be considered automatically extinguished, without the right to compensation.

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

December 31, 2023							Number of shares			
Series	**Grant date**	**Base date**	**1st vesting date**	**Expiration date**	**Vesting price**	**Fair value**	**Granted**	**Vested**	**Expired**	**Total in force**
A series	7/15/2009	1/1/2008	1/1/2010	1/1/2017	1.08	1.95	9,681,164	(7,344,117)	(2,337,047)	-
B series	7/15/2009	7/1/2009	7/1/2010	7/1/2018	1.08	1.82	667,728	(667,728)	-	-
C series	9/3/2010	1/1/2010	1/1/2011	1/1/2019	1.08	2.03	3,980,000	(332,560)	(3,647,440)	-
D series	7/1/2011	7/1/2011	1/1/2012	7/1/2019	1.31	1.64	1,720,000	(1,130,000)	(590,000)	-
E series	1/1/2012	1/1/2012	1/1/2013	1/1/2020	1.31	2.07	3,720,000	(1,990,000)	(1,730,000)	-
F series	7/1/2012	7/1/2012	1/1/2013	7/1/2020	2.74	4.06	512,000	(166,000)	(346,000)	-
G series	1/1/2013	1/1/2013	1/1/2014	1/1/2021	2.32	4.44	5,568,000	-	(5,568,000)	-
H series	4/1/2013	4/1/2013	1/1/2014	4/1/2021	2.74	4.61	1,320,000	(35,000)	(1,285,000)	-
I series	1/1/2014	1/1/2014	1/1/2015	1/1/2022	2.74	4.24	2,740,000	(110,000)	(2,630,000)	-
J series	7/1/2015	7/1/2015	7/1/2016	7/1/2022	2.26	4.07	1,540,000	(580,000)	(960,000)	-
K series	3/1/2016	3/1/2016	3/1/2017	4/1/2022	2.50	3.51	2,800,000	(1,400,000)	(1,400,000)	-
L series	4/1/2016	4/1/2016	4/1/2017	4/1/2022	2.50	3.51	3,120,000	(2,220,000)	(900,000)	-
M series	4/1/2017	4/1/2017	4/1/2018	7/1/2023	2.50	3.19	1,880,000	(1,245,000)	(635,000)	-
N series	7/1/2018	7/1/2018	7/1/2019	7/1/2024	1.75	2.26	4,360,000	(3,495,000)	(640,000)	225,000
O series	5/14/2019	5/14/2019	5/13/2020	5/14/2025	1.75	3.89	1,800,000	(1,800,000)	-	-
P series	5/14/2019	5/14/2019	5/13/2020	5/14/2025	1.75	3.89	1,320,000	(1,005,000)	(60,000)	255,000
Q series	12/4/2019	12/4/2019	8/1/2020	1/1/2026	1.75	2.12	10,175,880	(2,211,368)	(601,160)	7,363,352
R series	12/4/2019	12/4/2019	8/1/2020	1/1/2026	4.31	1.09	1,200,000	(800,000)	(200,000)	200,000
S series	8/11/2020	8/11/2020	8/11/2021	8/11/2026	4.31	1.67	900,000	(372,500)	(30,000)	497,500
T series	8/11/2020	8/11/2020	8/11/2021	8/11/2026	6.37	9.85	1,982,132	(236,346)	(363,532)	1,382,254
U series	5/2/2023	5/2/2023	5/2/2024	11/2/2026	5.16	2.40	4,100,000	-	-	4,100,000
V series	8/14/2023	8/14/2023	8/14/2024	2/14/2027	5.16	3.75	600,000	-	-	600,000
							65,686,904	**(27,140,619)**	**(23,923,179)**	**14,623,106**

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

	Options	**Average vesting price**
Pending balance on December 31, 2022	**11,696,166**	**2.52**
Granted during year	4,700,000	5.16
Expired during year	(79,000)	5.59
Vested during year	(1,694,060)	2.05
Pending balance on December 31, 2023	**14,623,106**	**3.40**

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

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

Technical pronouncement CPC 10/IFRS 2 - Share-Based Payment determines that the effects of share-based payment transactions are reflected in the Company's income. The expense recorded in the Parent Company's results and in the Consolidated on December 31, 2023 was BRL 6,807 (BRL 8,498 on December 31, 2022).

b. Restricted shares granting plan

On April 30, 2021, the Company's Restricted Shares Granting Plan was approved at a meeting, which establishes the respective general conditions for granting rights to acquire up to one million, seven hundred thousand (1,700,000) common shares, with no par value, issued by the Company, to its beneficiaries, who will be nominated annually among the Company's employees and/or other companies of the Company's economic group. The first grant of the plan took place in July 2021 and on December 31, 2023, the expense recorded in income was BRL 2,233 in the Parent Company and BRL 5,198 in the Consolidated (BRL 1,037 in Parent Company’s and BRL 2,597 in the Consolidated on December 31, 2022).

The table below shows the assumptions used for determining the fair value of the option on the grant date for the options granted in the year ended December 31, 2023:

	07/16/2021	**10/04/2021**	**10/01/2022**	**04/03/2023**	**04/24/2023**	**05/02/2023**	**07/03/2023**
Expected life of the options	3 years	3 years	3 years	3 years	3 years	3 years	3 years
Share price on the grant date (BRL)	25.96	23.36	9.00	4.79	5.29	5.26	8.58

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

	Options
Balances on December 31, 2022	**356,395**
Granted during year	1,634,739
Expired during year	(76,805)
Balances on December 31, 2023	**1,914,329**

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, 2023, the expense recorded in the result was BRL 2,534 in the Parent Company and BRL 3,697 in Consolidated (BRL 1,380 in Parent Company’s and BRL 2,501 in the Consolidated on December 31, 2022).

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

The table below shows the assumptions used for determining the fair value of the option on the grant date for the options granted in the year ended December 31, 2023:

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

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

	Options
Balances on December 31, 2022	**1,010,945**
Granted during year	342,123
Expired during year	(56,525)
Balances on December 31, 2023	**1,296,543**

20 Earnings per share

a. (Loss) basic earnings per share

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

	2023	**2022**
(Loss) earnings attributable to the Company's shareholders	(73,735)	28,273
Weighted average number of common shares outstanding – in thousands	589,501	588,400
(Loss) basic earnings per share – BRL	**(0.13)**	**0.05**

b. (Loss) diluted earnings per share

(Loss) diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding, to assume the conversion of all potential diluted common shares, referring to stock options, and the dilutive potential of these options is represented for 5,785 thousand shares on December 31, 2023 (8,948 thousand shares in 2022).

	2023	**2022**
(Loss) earnings attributable to the Company shareholders	(73,735)	28,273
Weighted average number of shares including potential dilution – in thousands	589,501	597,348
(Loss) diluted profit per share – BRL	**(0.13)**	**0.05**

21 Net operating revenue

<u>Accounting policy</u>

(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	
	2023	**2022**	**2023**	**2022**
Gross operating revenue	**402,522**	**393,471**	**1,423,875**	**1,264,178**
BeOnline & SaaS	402,522	393,471	462,240	475,484
Commerce	-	-	961,635	788,694
Discounts and rebates	**(6,515)**	**(17,852)**	**(9,565)**	**(19,609)**
BeOnline & SaaS	(6,515)	(17,852)	(6,640)	(18,037)
Commerce	-	-	(2,925)	(1,572)
Income taxes	**(32,128)**	**(33,614)**	**(121,554)**	**(109,178)**
BeOnline & SaaS	(32,128)	(33,614)	(38,067)	(40,746)
Commerce	-	-	(83,487)	(68,432)
Net operating revenue	**363,879**	**342,005**	**1,292,756**	**1,135,391**
BeOnline & SaaS	363,879	342,005	417,533	416,701
Commerce	-	-	875,223	718,690

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	
	2023	**2022**	**2023**	**2022**
Salaries, charges, and benefits	(108,529)	(112,220)	(514,337)	(475,469)
Advisory and consultancy services	(25,350)	(21,614)	(43,022)	(48,535)
Depreciation and amortization	(46,939)	(40,718)	(118,147)	(102,950)
Installations	(11,627)	(10,643)	(15,634)	(14,485)
Communication and telecommunications	(2,791)	(2,517)	(4,061)	(3,704)
Collection services	-	-	(66,202)	(53,590)
Domains and website hosting	(52,438)	(52,533)	(65,151)	(91,621)
Maintenance of servers and equipment	(3,093)	(2,674)	(3,356)	(3,354)
Software license rental	(43,722)	(45,425)	(76,633)	(68,658)
Other operating costs	(9,042)	(5,055)	(89,966)	(53,639)
Provision for loss due to impairment	(1,834)	(297)	(8,817)	(3,703)
Marketing	(20,980)	(21,100)	(139,939)	(130,941)
Stock option plan	(11,574)	(10,915)	(15,702)	(13,596)
Tax expenses	(12,944)	(379)	(29,882)	(12,905)
Other general and administrative expenses	(9,935)	(5,261)	(29,073)	(14,919)
Total	**(360,798)**	**(331,351)**	**(1,219,922)**	**(1,092,069)**
Cost of services provided	(268,139)	(248,190)	(694,846)	(624,201)
Sales expenses	(49,828)	(59,424)	(263,661)	(248,230)
Loss due to impairment	(1,834)	(297)	(8,817)	(3,704)
General and administrative expenses	(40,997)	(23,440)	(252,598)	(215,934)
Total	**(360,798)**	**(331,351)**	**(1,219,922)**	**(1,092,069)**

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

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Income from unrealized liabilities	-	-	3,926	-
Fixed asset disposals	78	145	199	222
Gain (Losses) from investment	-	203	-	200
Other income (expense), net of tax (i)	6,383	146	9,504	1,775
Total	**6,461**	**494**	**13,629**	**2,197**

(i) In 2023, eventual revenue from suppliers and partners based on performance

23 Net financial income (expenses)

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	
	2023	**2022**	**2023**	**2022**
Financial revenues				
Income from financial investments	135,567	174,432	154,423	183,319
Interest	1,448	1,067	1,771	1,331
Other financial revenues	2,253	3,462	5,513	5,176
	139,268	**178,961**	**161,707**	**189,826**
Financial expenses				
Debt cost	-	(534)	(44)	(729)
Banking service fees (i)	(2,722)	(2,744)	(12,095)	(10,337)
Exchange variation	(114)	(141)	(671)	(582)
Lease interest	(5,106)	(5,323)	(5,899)	(5,901)
IOF	(6,705)	(8,662)	(8,512)	(10,078)
Receivables management fees	(1)	(2)	(52,765)	(45,020)
Remeasurement of contingent consideration	(169,688)	(136,814)	(272,982)	(97,890)
Other financial expenses	(969)	(855)	(4,855)	(4,737)
	(185,305)	**(155,075)**	**(357,823)**	**(175,274)**
Net financial income	**(46,037)**	**23,886**	**(196,116)**	**14,552**

(i) 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, Wake (Fbits), Cyberweb, IT Capital (Delivery Direto), Ideris, Melhor Envio, Vindi Tecnologia, Vindi Pagamentos, Connectplug, 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 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**	
	2023	**2022**	**2023**	**2022**
Assets				
Provision for profit sharing	3,698	2,093	10,375	5,646
Lease (CPC 06)	22,929	23,345	26,305	26,134
Provision for lawsuits	1,044	152	1,317	639
Other provisions	4,447	1,765	16,839	5,998
Remeasurement fair value of contingent consideration	109,758	28,545	134,305	41,869
Intangible assets identified in a business arrangement	29,626	19,552	36,551	23,481

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Assets				
Tax loss	-	9,113	12,072	9,530
Liabilities				
Asset law	(7,918)	(4,911)	(20,000)	(12,964)
Goodwill	(13,334)	(12,576)	(13,798)	(12,576)
Right of use (CPC 06)	(19,987)	(20,796)	(23,191)	(23,402)
Provision of services to be rendered	(50)	-	(3,970)	-
Total deferred income tax and social contribution	**130,213**	**46,282**	**176,805**	**64,355**

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

	Consolidated 12/31/2023			
	Assets	**Liabilities**	**Net assets**	**Net liabilities**
Locaweb Serviços de Internet S.A.	130,213	-	130,213	-
Yapay Pagamentos Online Ltda.	13	4,048	-	4,035
Tray Tecnologia em Ecommerce Ltda.	1,920	1,405	515	-
Wake Commerce Ltda	5,133	-	5,133	-
IT Capital Serviços de Tecnologia Ltda. (Delivery Direto)	172	-	172	-
Cyberweb Networks Ltda.	592	-	592	-
Melhor Envio Ltda.	1,418	-	1,418	-
Ideris Tecnologia da Informação Ltda.	16	-	16	-
Locaweb Commerce Holding Ltda.	27,608	-	27,608	-
Etus Social Network Brasil Ltda	173	-	173	-
Organisys Software Ltda.	3,118	-	3,118	-
Credisfera Serviços Financeiros Ltda.	-	259	-	259
Octadesk Desenvolvimento de Software Ltda.	591	-	591	-
Pagcerto Instituição de Pagamento Ltda.	33	-	33	-
Samurai Experts Desenvolvimento de Software Ltda.	37	-	37	-
Squid Digital Media Channel Ltda.	6,755	-	6,755	-
Vindi Tecnologia e Marketing Ltda.	5,671	-	5,671	-
Connectplug Desenvolvimento de Software Ltda.	216	-	216	-
Bagy Sul Soluções de Comércio Digital Ltda.	126	-	126	-
Bagy Soluções de Comércio Digital Ltda.	46	-	46	-
Organisys Payments Holding Financeira Ltda.	-	1,708	-	1,708
Síntese Soluções Produtizadas Ltda.	374	-	374	-
Total	**184,225**	**7,420**	**182,807**	**6,002**

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, 2023.

The breakdown of deferred taxes is shown below:

Parent company **Nature**	**Balance** **12/31/2022**	**Income** **Gains/(losses)**	**Balance** **12/31/2023**
Tax benefit on tax loss and negative basis	9,113	(9,113)	-
Tax benefit on goodwill	(12,576)	(758)	(13,334)

Temporary differences	49,745	93,802	143,547
Total	**46,282**	**83,931**	**130,213**

Consolidated **Nature**	**Balance** **12/31/2022**	**Income** **Gains/(losses)**	**Balance** **12/31/2023**
Tax benefit on tax loss and negative basis	9,530	2,542	12,072
Tax benefit on goodwill	(12,576)	(1,222)	(13,798)
Temporary differences	67,401	111,130	178,531
Total	**64,355**	**112,450**	**176,805**

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**	
	2023	**2022**	**2023**	**2022**
Income before income tax and social contribution	(121,616)	53,320	(109,653)	60,071
Income tax and social contribution at the combined rate of 34%	41,349	(18,129)	37,282	(20,424)
Adjustments for effective rate demonstration				
Effects of taxation by presumed profit	-	-	-	(166)
Equity income method effect	(18,285)	16,875	-	-
Stock option plan calculation effect	(2,315)	(2,889)	(2,315)	(2,891)
Effect of depreciation of officers' vehicles and other expenses with officers	(267)	(164)	(280)	(186)
Unrecorded deferred tax on tax loss	-	-	(4,456)	(15,937)
Deferred tax from previous years	23,557	(754)	(339)	150
Asset law	4,341	4,007	11,807	11,075
Gifts	(239)	(158)	(777)	(623)
Earning (loss) on investments	10	(23,488)	10	(2,298)
Others	(270)	(347)	(5,014)	(498)
Income tax and social contribution recorded in income for the year	47,881	(25,047)	35,918	(31,798)
	39.37%	**46.97%**	**32.76%**	**52.93%**

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) Wake Commerce Ltda. (“Wake”), (iv) Ideris Tecnologia da Informação Ltda.(“Ideris”), (v) Melhor Envio Ltda. (“Melhor Envio”), (vi) Vindi Tecnologia e Marketing Ltda. (“Vindi”), (vii) Bagy Sul Soluções de Comércio Digital Ltda. (“Bagy Sul”), (viii) Credisfera Serviços Financeiros Ltda. (“Credisfera”), (ix) Samurai Experts Desenvolvimento de

Software Ltda. ("Samurai"), (x) Organisys Software Ltda. ("Bling"), (xi) Pagcerto Soluções em Pagamento Ltda. ("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

	2023			2022		
	BeOnline & SaaS	**Commerce**	**Consolidated**	**BeOnline & SaaS**	**Commerce**	**Consolidated**
Gross operating revenue, net of rebates	**455,600**	**958,710**	**1,414,310**	**457,447**	**787,122**	**1,244,569**
Levied taxes	(38,067)	(83,487)	(121,554)	(40,746)	(68,432)	(109,178)
Net operating revenue	**417,533**	**875,223**	**1,292,756**	**416,701**	**718,690**	**1,135,391**
Cost of services provided	(275,067)	(419,779)	(694,846)	(278,394)	(345,807)	(624,201)
Gross profit	**142,466**	**455,444**	**597,910**	**138,307**	**372,883**	**511,190**
Sales expenses	(66,783)	(196,878)	(263,661)	(76,479)	(171,751)	(248,230)
General and administrative expenses	(91,860)	(160,738)	(252,598)	(76,425)	(139,509)	(215,934)
Gain/Loss due to impairment	(1,884)	(6,933)	(8,817)	(350)	(3,354)	(3,704)
Other operating revenues	6,820	6,809	13,629	898	1,299	2,197
Income before financial expenses and income	**(11,241)**	**97,704**	**86,463**	**(14,049)**	**59,568**	**45,519**
Operating expenses included in Costs and Expenses:						
Depreciation and amortization expenses	81,312	36,835	118,147	74,786	28,164	102,950
Stock option plan	12,120	3,583	15,703	11,396	2,200	13,596

b. Main assets and liabilities of the segments

	2023			2022		
	BeOnline & SaaS	**Commerce**	**Consolidated**	**BeOnline & SaaS**	**Commerce**	**Consolidated**
Accounts receivable	25,399	682,157	707,556	25,497	647,670	673,167
Property, plant, and equipment	67,835	21,596	89,431	71,519	24,997	96,516
Intangible assets	265,686	2,022,462	2,288,148	261,802	2,020,655	2,282,457
Total main assets	**358,920**	**2,726,215**	**3,085,135**	**358,818**	**2,693,322**	**3,052,140**
Loans and financing	-	60	60	-	421	421
Services payable	62,902	34,786	97,688	57,274	29,872	87,146
Receivables transferable	87	559,575	559,662	105	536,992	537,097
Total main liabilities	**62,989**	**594,421**	**657,410**	**57,379**	**567,285**	**624,664**

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 liabilities.

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

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

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

Type	Evaluation technique	Unobservable significant inputs	Relationship between significant unobservable inputs and fair value measurement
Contingent consideration	Operating multiples: the valuation model considers the present value of an earn-out estimate, based on operating revenue projections and discounted by a rate adjusted to the cost of capital.	• Operating revenue projections for acquired companies (December 31, 2023: BRL 756,606). • Discount rate adjusted to cost of capital (December 31, 2023: 14.31%).	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		
	2023		
	Book value	**Fair value**	**Fair value hierarchy**
Financial assets			
Amortized cost			
Accounts receivable	21,817	21,817	-
Fair value through profit or loss			
Cash and cash equivalents	949,130	949,130	Level 2
Total	**970,947**	**970,947**	
Financial liabilities			
Other financial liabilities			
Suppliers	25,207	25,207	
Lease liabilities	67,439	67,439	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	572,664	572,664	Level 3
Total	**665,310**	**665,310**	

	Consolidated		
	2023		
	Book value	**Fair value**	**Fair value hierarchy**
Financial assets			
Amortized cost			
Accounts receivable	707,556	707,556	
Fair value through profit or loss			
Cash and cash equivalents	1,181,406	1,181,406	Level 2
Restricted financial investment	16,617	16,617	Level 2
Total	**1,905,579**	**1,905,579**	
Financial liabilities			
Other financial liabilities			
Loans and financing	60	60	Level 2
Suppliers	45,575	45,575	
Lease liabilities	77,369	77,369	Level 2
Receivables transferable	559,662	559,662	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	761,204	761,204	Level 3
Total	**1,443,870**	**1,443,870**	

	Parent company		
	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		
	2022		
	Book value	**Fair value**	**Fair value hierarchy**
Financial assets			
Amortized cost			
Accounts receivable	673,167	-	
Fair value through profit or loss			
Cash and cash equivalents	1,448,231	1,448,231	Level 2
Restricted financial investment	13,381	13,381	Level 2
Total	**2,134,779**	**1,461,612**	
Financial liabilities			
Other financial liabilities			
Loans and financing	421	421	Level 2
Suppliers	51,304	-	
Lease liabilities	76,870	76,870	Level 2
Receivables transferable	537,097	537,097	Level 2
Fair value through profit or loss			
Obligation with investment acquisitions	855,402	855,402	Level 3
Total	**1,521,094**	**1,469,790**	

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

d. Purpose of using a derivative financial instrument

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

On December 31, 2023, the operation with Forward Currency Contracts was fully settled.

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 first-tier institutions, whose risk rating is low credit risk assigned by reference rating agencies, using exclusively financial instruments and fixed-income investment funds, classified as investment grade, high quality and 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, 2023 (9% as of December 31, 2022). The maximum exposure to credit risk as of December 31, 2023 is the amount shown on the balance sheet.

The Company's exposure is shown below:

	Parent company		**Consolidated**	
	2023	**2022**	**2023**	**2022**
Cash and cash equivalents (Note 6)	949,283	1,309,361	1,188,223	1,448,231
Accounts receivable from customers (Note 7)	21,817	22,729	707,556	673,167
	971,100	**1,332,090**	**1,895,779**	**2,121,398**

(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:

	Book Value	Financial flow	Less than 3 months	3 to 12 months	Over 1 year	Total
December 31, 2023						
Other accounts payable	28,262	28,262	26,770	-	1,492	28,262
Suppliers	45,575	45,575	45,575	-	-	45,575
Loans and financing	60	62	34	28	-	62
Lease liabilities	77,369	88,786	4,517	13,203	71,066	88,786
Receivables transferable	559,662	559,662	559,662	-	-	559,662
Obligation with investment acquisitions	761,204	800,863	1,968	574,353	224,542	800,863
	1,472,132	**1,523,210**	**638,526**	**587,584**	**297,100**	**1,523,210**

	Book Value	Financial flow	Less than 3 months	3 to 12 months	Over 1 year	Total
December 31, 2022						
Other accounts payable	9,231	9,231	5,115	-	4,116	9,231
Suppliers	51,304	51,304	51,304	-	-	51,304
Loans and financing	421	421	203	177	41	421
Lease liabilities	76,870	97,382	4,309	12,686	80,387	97,382
Receivables transferable	537,097	537,097	537,097	-	-	537,097
Obligation with investment acquisitions	855,402	855,402	3,539	308,334	543,529	855,402
	1,530,325	**1,550,837**	**601,567**	**321,197**	**628,073**	**1,550,837**

(iii) Exchange risk

Exchange risk refers to the risk of future cash flows from borrowings in foreign currency and financial instruments due to changes in exchange rates. Exchange rate risk can impact the Company's financial results and, in order to manage this risk, the Company may use derivative financial instruments (NDFs) with a financial institution considered to be of first class standing. In this context, the Company is protected against the exchange rate variation of its suppliers with foreign currency exposure.

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

(iv) Interest rate risk

The associated risk arises from the possibility of the Company incurring losses due to fluctuations in interest rates that increase the financial expenses related to loans and financing obtained in the market. On December 31, 2023, the Company had a maximum exposure of BRL 68,817, 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, 2023, the Company was exposed in the Interbank Deposit Certificate (CDI), which indexes the yield on financial investments, and the exchange rate variation in dollars. In order to verify the sensitivity of these indices, three different scenarios were defined for exposure in CDI and for exposure in foreign currency.

For the probable scenario, according to an assessment prepared by Management, an increase of 5% was considered in the case of the CDI variation. Additionally, two other scenarios (A and B) are demonstrated. The Company assumed an decrease of 25% (scenario A) and 50% (scenario B - extreme situation scenario) in the projections. The sensitivity analysis for each type of risk considered relevant by Management is presented in the table below:

Transaction	**Risk**	**Balance on December 31, 2023**	**Losses - Consolidated** Probable	Scenario A	Scenario B
Financial investments indexed to CDI	CDI drop	1,181,406	(6,882)	(34,408)	(68,817)
CDI (fall scenario)		11.65%	11.07%	8.74%	5.83%

For the fair values of contingent consideration, possibly reasonable changes at the reporting date in one of the significant unobservable inputs, and holding the other inputs constant, would have the following effects:

Contingent consideration

	Results Increase	**Decrease**
December 31, 2023		
Discount rate (10%)	(2,655)	2,733
Projected Revenue (10%)	20,419	(20,419)

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:

	2023	**2022**
Loans and financing	60	421
Obligation with investment acquisitions	761,204	855,402
(+) Lease liabilities	77,369	76,870
(-) Cash and cash equivalents	(1,188,223)	(1,448,231)
(=) Net debt	**(349,590)**	**(515,538)**
(+) Net equity	2,882,146	2,975,579
(=) Net equity and net debt	**2,532,556**	**2,460,041**

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 2023, the company had no amounts outstanding.

h. Change in liabilities from financing activities

	Parent company					
	2023			2022		
	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
Derivative financial instruments - beginning of the year	-	-	-	-	-	(8,745)
(=) Debt to market, net of derivative instruments	**-**	**-**	**-**	**-**	**-**	**19,207**
(+) Interest, exchange variation, and accrued derivatives	-	-	-	-	392	392
(-) Principal amortized in the year	-	-	-	(18,956)	-	(18,956)
(-) Interest, exchange variation, and derivatives paid	-	-	-	(791)	-	(791)
(+-) Mark-to-Market of Derivatives	-	-	-	-	148	148
(=) Debt to market, net of derivative instruments	**-**	**-**	**-**	**(19,747)**	**540**	**-**
Loans and financing - end of year	-	-	-	-	-	-
Derivative financial instruments - end of year	-	-	-	-	-	-

	Consolidated					
	2023			2022		
	Cash effect transactions	Transactions without cash effect	Total	Cash effect transactions	Changes without cash effect	Total
Loans and financing - beginning of the year	-	-	421	-	-	29,041
Derivative financial instruments - beginning of the year	-	-	-	-	-	(8,745)
(=) Debt to market, net of derivative instruments	**-**	**-**	**421**	**-**	**-**	**20,296**
(+) Interest, exchange variation, and accrued derivatives	-	44	44	-	720	720
(-) Principal amortized in the year	(370)	-	(370)	(19,662)	-	(19,662)
(-) Interest, exchange variation, and derivatives paid	(35)	-	(35)	(1,081)		(1,081)
(+-) Mark-to-Market of Derivatives	-	-	-	-	148	148
(=) Debt to market, net of derivative instruments	**(405)**	**44**	**60**	**(20,743)**	**868**	**421**
Loans and financing - end of year	-	-	60	-	-	421
Derivative financial instruments - end of year	-	-	-	-	-	-

i. Hedge Accounting

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

In December 2023, the Company settled the entire balance payable under forward currency contracts.

27 Transactions that did not affect cash

In the year ended December 31, 2023 and 2022, the Company recorded transactions related to the acquisition of machinery and equipment for fixed assets and right-of-use asset additions that did not affect cash, as shown below:

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Acquisition of machinery and equipment (i)	7,115	2,703	7,286	2,321
Acquisition right-of-use asset	6,173	9,489	13,454	13,291
	13,288	**12,192**	**20,740**	**15,612**

(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 year, totaled:

	Consolidated	
	2023	**2022**
Vehicles	12,488	11,631
Business (real estate and assets)	414,548	414,548
Civil liability of management	80,000	60,000
Civil liability	3,000	3,300
	510,036	**489,479**

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

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

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

Declaration of Officers on the financial statements

In compliance with the provisions of CVM Instruction No. 480/09, the Board of Executive Officers declares that it discussed, reviewed and agreed with the financial statements for the year ended December 31, 2023

São Paulo, March 19, 2024.

Fernando Biancardi Cirne
Chief Executive Officer

Rafael Chamas Alves
Chief Financial Officer and DRI

Officers' Statement on the Independent Auditor's Report

In compliance with the provisions of CVM Instruction No. 480/09, the Executive Board declares that it discussed, reviewed and agreed with the opinion expressed in the report of the independent auditor, KPMG Auditores Independentes Ltda., on the individual and financial statements for the year ended in December 31, 2023.

São Paulo, March 19, 2024.

Fernando Biancardi Cirne
Chief Executive Officer

Rafael Chamas Alves
Chief Financial Officer and DRI

Audit committee report

The Audit Committee of Locaweb – Serviços de Internet S.A. ("Company") and its subsidiaries is a non-statutory evaluation body for the Board of Directors, operates in accordance with the bylaws and its internal charter approved by the Board of Directors.

The Audit Committee's role is to assist the Board of Directors to oversee the following: (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 carried out by the external and internal auditors and (iv) the quality and effectiveness of the internal control and risk management systems.

For the year ended December 31, 2023, the Committee carried out its activities based on the work plan prepared in accordance with its internal charter, which included the following: (i) interviewing senior management and managers; (ii) overseeing and monitoring the work carried out by the areas responsible for preparing the financial statements, for the internal controls system, risk management activities and the compliance function; (iii) evaluating the planning, scope and effectiveness of the work carried out by the internal audit function; (iv) evaluating the scope, performance, effectiveness and the independence of the independent auditors; (v) evaluating the framework, functioning and effectiveness of the internal controls, compliance and risk management systems; and, (vi) evaluating the quality and integrity of the financial statements.

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

The independent auditor, KPMG Auditores Independentes Ltda., is responsible for examining the financial statements in accordance with Brazilian and international auditing standards and issuing an audit report about the adequate presentation of these financial statements.

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

The Audit Committee carries out its work through meetings and conducting analyses based on documents and information submitted to it, as well as other procedures that it considers necessary. The Audit Committee's evaluations are based on the information received from Management, independent auditors, internal auditors, those in charge of risk management and internal controls, and on its own analyses based on direct observation.

The Audit Committee maintains regular communication channels with the independent auditor. The Committee evaluated the audit plan of the financial statements for the year ended December 31, 2023. The Committee monitored the work carried out and the results achieved and has been made aware of the Independent Auditor's Report issued on this date. Also, the Committee routinely evaluates the independent auditor's adherence to the policies and standards that address the maintenance and monitoring of the objectivity and independence with which these activities are carried out.

The Committee assessed the processes used to prepare the financial statements and discussed with Management and with the independent auditor the significant accounting practices adopted and information disclosed.

The Audit Committee held regular meetings with the Board of Directors, the Senior Management and other Executives of the Company, on which occasions the Committee had the opportunity to present suggestions and recommendations to Management on matters related to its areas of action.

The Committee is not aware of the occurrence of any whistleblowing, violation of rules, lack of control, act or omission by Management or fraud which, as a result of its significance, could affect the Company's ability to continue as a going concern or the reliability of its financial statements.

The audit Committee COAUD was not aware of transactions between related parties that did not comply with strictly commutative conditions (competition, values, terms and average market rates, in force on the respective dates and market conditions) and all were adequately disclosed in an explanatory note to the Financial Statements .

The Audit Committee, having considered its responsibilities and the limitations of the scope and extent of its activities, and based on the documents examined and clarifications provided, understands that accounting governance and the internal control and risk management environment provide transparency and quality to the statements financial statements of the Company, and opines that the aforementioned documents are in a position to be assessed by the Board of Directors, recommends the Board to approve, authorize the issuance and publication of the of the financial statements of Locaweb Serviços de Internet S.A., audited by KPMG Auditores Independentes Ltda, for the year ended December 31, 2023.

São Paulo, March 19, 2024.

CARLOS ELDER MACIEL DE AQUINO	**FLÁVIO BENÍCIO JANSEN FERREIRA**	**FERNANDO DA-RI MÚRCIA**
Audit Committee Coordinator	Audit Committee Member	Audit Committee Member