

Boa Vista Serviços S.A.

**Condensed interim financial
information as of and for three-
and six-month periods ended
June 30, 2020**

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KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

Independent auditor's report on review of condensed interim financial information

The Board of Directors and Shareholders
of Boa Vista Serviços S.A.
Barueri - SP

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Boa Vista Serviços S.A. ("Company") as at June 30, 2020, and the condensed statements of profit or loss and comprehensive income for the three and six-month periods then ended and the condensed statements of changes in equity and cash flows for the six-month period then ended, and the notes to the condensed interim financial information, including significant accounting policies and other explanatory information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB and CPC 21(R1) Technical Pronouncement – Interim Financial Statements. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with international and Brazilian review standards (ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the three and six-month period ended June 30, 2020 is not prepared, in all material respects, in accordance with IAS 34, issued by IASB and CPC 21 (R1).

**Other matters - Statement of added value**

The condensed interim statement of added value for the six-month period ended June 30, 2020, prepared under the responsibility of the Company's management, was submitted to review procedures together with the review of the Company's condensed interim financial information. In order to form our conclusion, we evaluated whether this statement is reconciled to the Company's condensed interim financial information and accounting records, as applicable, and whether its form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim statement of added value is not prepared, in all material respects, in accordance with the condensed interim financial information taken as a whole.

São Paulo, July 24, 2020

KPMG Auditores Independentes
CRC 2SP014428/O-6

Giuseppe Masi
Contador CRC 1SP176273/O-7

Boa Vista Serviços S.A.

Condensed statements of financial position

(In thousands of Reais - R\$)

Assets	Note	06/30/2020	12/31/2019	Liabilities and shareholders' equity	Note	06/30/2020	12/31/2019
Current assets				Current liabilities			
Cash and cash equivalents	5	139,188	56,847	Suppliers	9	36,525	40,714
Accounts receivable	6	84,940	100,131	Loans and financing and loans with related parties	10.a)	147,947	69,160
Prepaid expenses		20,725	14,465	Lease liability	10.b)	7,217	6,562
Recoverable taxes 1.)		5,498	1,431	Debentures	11	64,342	65,479
Other assets		2,708	1,334	Labor obligations, vacation and social security charges	12	34,935	29,747
Total current assets		253,059	174,208	Related parties	13	119	-
Non-current assets				Advances from clients	14	3,519	4,811
Accounts receivable	6	16,036	6,912	Provisions and taxes payable	15	8,422	12,172
Judicial deposits	15.i)	9,513	8,637	Dividends payable	16.b)	20,537	20,537
Deferred income tax and social contribution	17.c)	20,363	18,945	Other accounts payable		2,077	2,362
Property, plant and equipment	7	30,861	27,706	Total current liabilities		325,640	251,544
Intangible assets	8	543,653	542,007	Non-current liabilities			
Total non-current assets		620,426	604,207	Loans and financing and loans with related parties	10.a)	36,598	10,410
				Lease liability	10.b)	13,672	14,188
				Debentures	11	93,701	124,880
				Provisions and taxes payable	15	29,742	26,449
				Total non-current liabilities		173,713	175,927
				Shareholders' equity			
				Capital	16.a)	202,129	202,129
				Capital reserves	16.b)	139,992	140,344
				Profit reserves	16.b)	8,471	8,471
				Income for the period		23,540	-
				Total shareholders' equity		374,132	350,944
Total assets		<u>873,485</u>	<u>778,415</u>	Total liabilities and shareholders' equity		<u>873,485</u>	<u>778,415</u>

See the accompanying notes to the condensed interim financial information.

Boa Vista Serviços S.A.

Condensed statements of profit or loss

For the three- and six-month periods ended June 30

(In thousands of Reais - R\$, except basic and diluted earnings per share)

		Three-month periods ended		Six-month periods ended	
	Note	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Net revenue from services	19	138,591	162,478	302,903	315,917
Cost of services rendered	20	(87,842)	(88,029)	(169,736)	(171,660)
Gross income		50,749	74,449	133,167	144,257
Operating expenses					
Selling expenses	20	(11,743)	(15,993)	(26,508)	(29,459)
General and administrative expenses	20	(28,902)	(24,007)	(57,948)	(53,363)
Impairment losses on accounts receivable	6	983	426	56	244
Operating income before financial income (expense)		11,087	34,875	48,767	61,679
Financial income (expense)					
Financial income	21	832	1,428	1,662	3,352
Financial expense	21	(5,682)	(7,231)	(11,585)	(15,761)
Income before income tax and social contribution		6,237	29,072	38,844	49,270
Income tax and social contribution					
Current and deferred	17	(1,941)	(9,509)	(15,304)	(17,311)
Net income for the period		4,296	19,563	23,540	31,959
Earnings per share					
Basic earnings per share - R\$	22	0.01150	0.05236	0.06301	0.08554
Diluted earnings per share - R\$	22	0.01022	0.04666	0.05597	0.07623

See the accompanying notes to the condensed interim financial information.

Boa Vista Serviços S.A.

Condensed statements of comprehensive income

For the three- and six-month periods ended June 30, 2020

(In thousands of Reais - R\$)

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Net income for the period	4,296	19,563	23,540	31,959
Comprehensive income for the period	<u>4,296</u>	<u>19,563</u>	<u>23,540</u>	<u>31,959</u>

See the accompanying notes to the condensed interim financial information.

Boa Vista Serviços S.A.

Condensed statements of changes in equity

For the six-month period ended June 30

(In thousands of Reais - R\$)

	Note	Capital	Capital reserves		Profit reserves			Total
			Goodwill and fair value of business combinations	Share-based payment plan	Legal reserve	Profit retention	Retained earnings	
Balances at December 31, 2018		202,129	136,330	3,796	4,749	34,796	-	381,800
First-time adoption of CPC 06 (R2)/IFRS 16		-	-	-	-	(1,053)	-	(1,053)
Share-based payment plan	25	-	-	109	-	-	-	109
Net income for the period		-	-	-	-	-	31,959	31,959
Balances at June 30, 2019		202,129	136,330	3,905	4,749	33,743	31,959	412,815
Balances at December 31, 2019		202,129	136,330	4,014	8,471	-	-	350,944
Share-based payment plan	25	-	-	(352)	-	-	-	(352)
Net income for the period		-	-	-	-	-	23,540	23,540
Balances at June 30, 2020		202,129	136,330	3,662	8,471	-	23,540	374,132

See the accompanying notes to the condensed interim financial information.

Boa Vista Serviços S.A.

Condensed statements of cash flows

For the six-month periods ended June 30, 2020

(In thousands of Reais - R\$)

	Note	06/30/2020	06/30/2019
Net income		23,540	31,959
Adjustments to reconcile net income with the net cash generated by operating activities:			
Depreciation and amortization	20	79,717	73,445
Financial expense on loans, financing and debentures	10 and 11	10,086	12,836
Transaction costs on loans and debentures	10 and 11	1,204	1,136
Impairment of accounts receivable	6	56	244
Provisions and taxes payables	15	6,292	7,167
Accrued interest and penalties related to provision for contingencie:	15	333	405
Judicial deposits in income for the year		219	
Monetary correction of legal deposits		(139)	(136)
Stock option plan	25	(352)	109
Income tax and social contribution - current and deferred		15,304	17,854
Changes in operating assets:			
Accounts receivable		6,011	(11,482)
Judicial deposits		(956)	(1,408)
Prepaid expenses		(6,260)	(4,286)
Deferred income tax and social contribution		-	(543)
Recoverable taxes		(4,067)	594
Other assets		(1,374)	1,565
Changes in operating liabilities:			
Suppliers		(4,189)	(973)
Labor obligations, vacation and social security charges:		5,188	(3,357)
Taxes payable		(3,750)	(9,486)
Related parties		119	(971)
Advances from clients		(1,292)	(9,611)
Other accounts payable		(305)	(496)
Provisions and taxes payables	15	(3,333)	(3,809)
Cash generated by operating activities		122,052	100,756
Interest and costs paid on loans, financing and debentures	10 and 11	(9,165)	(9,715)
Income tax and social contribution paid		(14,776)	(1,261)
Net cash generated by operating activities		98,111	89,780
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	7	(6,528)	(2,146)
Acquisitions of intangible assets	8	(79,962)	(72,415)
Net cash used in investing activities		(86,490)	(74,561)
CASH FLOW FROM FINANCING ACTIVITIES			
Funding of loans, financing, debentures and related parties	10 and 11	149,754	333
Payment of loans, financing, debentures and related parties	10 and 11	(79,034)	(47,398)
Dividends paid	16.b)	-	(11,184)
Net cash generated by (used in) investing activities		70,720	(58,249)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		82,341	(43,030)
Cash and cash equivalents at the beginning of the six-month period	5	56,847	118,085
Cash and cash equivalents at the end of the six-month period	5	139,188	75,055
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		82,341	(43,030)

See the accompanying notes to the condensed interim financial information.

Boa Vista Serviços S.A.

Condensed statements of added value

For the six-month period ended June 30, 2020

(In thousands of Reais - R\$)

	Note	06/30/2020	06/30/2019
Income			
Revenue from services, sales of goods, products and services	19	341,646	355,847
Provision for expected credit losses	6	56	244
		<u>341,702</u>	<u>356,091</u>
Inputs acquired from third parties			
Cost of products, goods and services		(50,489)	(65,501)
Third party services		(31,990)	(26,304)
Materials, energy and others		(326)	(393)
Auditing, consulting and advisory		(11,877)	(14,784)
Traveling		(792)	(1,281)
Insurance		(73)	(66)
Other costs and administrative expenses		<u>(1,449)</u>	<u>(1,365)</u>
		<u>(96,996)</u>	<u>(109,694)</u>
Gross added value		<u>244,706</u>	<u>246,397</u>
Depreciation and amortization	20	<u>(79,717)</u>	<u>(73,445)</u>
Net added value produced by the Entity		<u>164,989</u>	<u>172,952</u>
Added value received as transfer			
Financial income	21	1,662	3,352
Other		<u>(2,193)</u>	<u>(746)</u>
Total added value payable		<u>164,458</u>	<u>175,558</u>
Distribution of added value			
Personnel	20	<u>67,883</u>	<u>64,058</u>
Direct remuneration		48,230	43,840
Benefits		7,460	7,829
FGTS		12,193	12,389
Taxes, duties and contributions		<u>54,047</u>	<u>57,240</u>
Municipal		6,944	7,036
Federal		47,103	50,204
Third-party capital remuneration		<u>18,988</u>	<u>22,301</u>
Interest		11,584	15,761
Rentals		4,241	4,146
Other		3,163	2,394
Remuneration of own capital		<u>23,540</u>	<u>31,959</u>
Income for the period		<u>23,540</u>	<u>31,959</u>
Distributed added value		<u>164,458</u>	<u>175,558</u>

See the accompanying notes to the condensed interim financial information.

Notes to the condensed interim financial information

(Amounts expressed in thousands of reais – R\$, unless otherwise indicated)

1 Operations

Boa Vista Serviços S.A. ("Company") is a privately held company, headquartered at Avenue Tamboré, 267 - 11º to 15º and 24º floors, Barueri. It was founded on March 4, 2010 and began operations on November 1, 2010 as a continuation of a credit protection service present for more than 60 years in the Brazilian market. Based on data collected over the years, the Company has developed infrastructure and methodologies that consolidate and transform the data into information on individuals and legal entities, generating value-added knowledge, aiming at enabling our clients to make better decisions. The Company provides a complete range of analytical solutions, including the preparation of reports, credit scoring, credit recovery services, client prospection, among other.

The Company also offers data analysis services, which has grown rapidly due to the need for companies to have access to an increasing amount of data in a more organized and customized way. The Company adds value by offering services that combine analytical intelligence with applied technology, transforming raw data into structured solutions to help its clients meet their market challenges.

The Company operates in the Brazilian market, aiming to reduce information asymmetry, making customer prospecting, credit analysis and recovery more secure and accessible. The regulatory environment in which it operates is still subject to major changes, including changes in the legal regime of the "Cadastro Positivo", a database holding information on the payment history of a broad base of consumers and companies.

The Company has a national geographical presence and is present in all Brazilian states. Its revenues are concentrated in the Southeast and South, the richest regions of the country and where most of the national GDP is concentrated.

Impacts from COVID-19

In view of the current scenario prevailing in Brazil due to the coronavirus (COVID-19) pandemic, the Company's Management has assessed its capacity to remain as a going concern, in order to evaluate the effects therefrom on this interim financial information, considering the possible impacts from COVID-19 on the Company's financial position. The assessment by Management took into consideration significant assumptions, such as, for instance, estimated revenue from services based on demand for information on credit reports and other businesses, daily volumes, pipeline of new sales and recurring service agreements.

Decrease in the daily volume of data consultation, given the economic recession that impacted mainly the retail and service sectors. Many of our service agreements include fixed monthly payments which have historically provided the Company with a steady flow of cash receipts and there has been no relevant loss of customers until the date of issue of this interim financial information..

Accordingly, we have revised our estimates of revenues and operating cash flows for 2020, concluding that there is no need to recognize impairment of assets as of June 30, 2020.

Nevertheless, Boa Vista cannot predict the extent and duration of the measures adopted by the government and, consequently, cannot predict the direct and indirect impacts of the coronavirus pandemic on its future businesses and financial conditions.

- Main measures implemented to protect our business
 - A daily committee (Commercial, Products and Finance) was created to deal with client requests for renegotiation individually. This committee analyzes the potential of the client or group of clients to meet their demands
 - The Company adopted the strategy of strengthening the cash flow, through raising funds for working capital in the second quarter of 2020, protecting us against the uncertainty of the future economic scenario.
 - Pursuant to Provisional Executive Act 927/2020 enacted by the government, we postponed the payment of FGTS (severance pay fund) for April of 2020, May of 2020 and June of 2020 to the second half of the year, as indicated in the Provisional Act.
 - We have launched products to face the pandemics, which aim to understand the new needs of our customers in face of changes in consumer behavior as a result of the crisis. We launched four solutions to mitigate risk in periods of crisis and have already introduced three enhancements in these products in order to increase the accuracy both for the analysis of individuals and companies.
 - Our commercial teams started operating remotely and continue developing new opportunities and closing new contracts.

The staff is working at the same levels as before the pandemic, there is no area with activities interrupted and there was no interruption in the continuity in the delivery of our products and services. In addition, we stress that we continue with our cloud migration and digital transformation plan, preparing our Company for the future economic upturn.

- Main measures implemented to protect our people
 - We implemented activities on a home office basis for almost all our employees, except those engaged in essential activities;
 - We provided a laptop to all employees, respecting social distancing and reinforcing the concern with the well-being of our employees and the continuity of our business;
 - International travels and physical visits to clients and suppliers have been interrupted.
 - The Company has not taken any action to reduce the number of personnel.

Taking into account all the above factors, Management concluded that there are no relevant facts related to the Company's ability to continue as a going concern, therefore, the interim financial information for the three and six-month period ended June 30, 2020 is prepared on a going concern basis.

2 Preparation basis and presentation of condensed interim financial information

Statement of compliance (in relation to IFRS standards and CPC standards)

The condensed interim financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”) and Technical Pronouncement CPC 21 (R1) - Interim Financial Statements, issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Brazilian Securities and Exchange Commission (“CVM”) and should be read together with the Company’s Financial Statements for the year ended December 31, 2019 (last annual financial statements). The condensed interim financial information does not include all information required for a complete set of financial statements prepared in accordance with IFRS and accounting practices adopted in Brazil (BR GAAP). However, the condensed interim financial information contains explanatory notes that explain the events and transactions that are significant to an understanding of the changes that have occurred in the Company’s financial position and performance since its last annual financial statements.

All information that is material and relevant to the condensed interim financial information, and only this information, is being disclosed, and corresponds to that used by Management in the management of the business.

The issue of this condensed interim financial information was authorized by the Executive Board on July 24, 2020.

3 Use of judgments and estimates

In the preparation of this condensed interim financial information, Management used judgments and estimates that affect the application of accounting policies of the Company, and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty are the same as those disclosed in the last annual financial statements.

4 Significant accounting policies

The accounting policies used in this condensed interim financial information are the same as those applied in the last annual financial statements.

5 Cash and cash equivalents

	06/30/2020	12/31/2019
Cash	11	1
Banks checking accounts	9,743	12,243
Other financial assets (*)	129,434	44,603
Total	139,188	56,847

- (*) Represent investments in Bank Deposit Certificates - CDBs and in non-exclusive fixed income funds, including remuneration linked to the Interbank Deposit Certificate - CDI, for the six-month period ended June 30, 2020 with an average yield of 101.96% of CDI (December 31, 2019 - 68.75% of CDI), with no risk of significant change in value and with immediate liquidity.

6 Accounts receivable

	06/30/2020	12/31/2019
Customer receivables for services provided	97,513	104,188
Accounts receivable - Related parties (*)	6,706	6,154
Provision for expected credit losses	(3,243)	(3,299)
Total	100,976	107,043
Current	84,940	100,131
Non-current (**)	16,036	6,912
Total	100,976	107,043

- (*) Amounts from the provision of data consultation services to shareholders.

- (**) Mainly due to information service providing agreement, signed in November 2019, which has long term installments.

The breakdown of accounts receivable by maturity date and the analysis of provision for expected credit losses are presented in table below:

Default	Credit recovery score	Aging of receivables	06/30/2020			12/31/2019		
			Average rate of expected loss	Gross book balance	Provision for expected credit losses	Average rate of expected loss	Gross book balance	Provision for expected credit losses
Clients past due up to 90 days	High/low score	Falling due	1.47%	92,556	1,365	0.30%	89,095	270
		Overdue 1-30 days	5.32%	2,218	118	5.44%	3,916	213
		Overdue 31-60 days	16.98%	424	72	18.01%	422	76
		Overdue 61-90 days	27.41%	270	74	29.54%	413	122
Overdue for more than 90 days	High score		12.25%	7,968	976	11.58%	15,672	1,815
	Low score		81.48%	783	638	97.45%	824	803
Total				104,219	3,243		110,342	3,299

Due to the possible impacts of default derived from the COVID-19 pandemic, the Company revised the provision metrics for expected credit losses. Initially there was an increase in overdue payments. In some cases the Company renegotiated payment terms. These clients are presented as 'falling due' in the table above if the renegotiated amounts have not yet fallen due.

Changes in provision for expected credit losses are as follows:

	<u>2020</u>	<u>2019</u>
Balance at January 1	3,299	2,732
Formation of provision (a)	2,946	1,757
Use of provision (b)	(1,506)	(1,438)
Reversal of provision (c)	(1,496)	(563)
Balance at June 30	<u>3,243</u>	<u>2,488</u>

(a) Formation of provision for expected credit losses in the six-month periods ended June 30, 2020 and 2019;

(b) Write-off of accounts receivable and the associated provision;

(c) Reversal of provision considering payments received from clients.

7 Property, plant and equipment

Changes in property, plant and equipment are as follows:

<u>Costs</u>	<u>Leasehold improvements</u>	<u>Machinery and equipment</u>	<u>Facilities</u>	<u>Furniture and fixtures</u>	<u>IT equipment</u>	<u>Right-of-use of real estate</u>	<u>Total property, plant and equipment</u>
Balance at December 31, 2018	3,892	1,212	441	1,913	20,671	-	28,129
First-time adoption of CPC 06 (R2)/IFRS 16	-	-	-	-	-	15,527	15,527
Acquisitions	-	28	1	11	2,057	49	2,146
Write-offs	-	(52)	-	-	(560)	-	(612)
Balance at June 30, 2019	3,892	1,188	442	1,924	22,168	15,576	45,190
Balance at December 31, 2019	3,892	1,176	481	1,924	26,435	17,248	51,156
Acquisitions	1,354	67	5	103	1,811	3,188	6,528
Write-offs	-	(5)	(1)	(10)	(3,513)	-	(3,529)
Balance at June 30, 2020	5,246	1,238	485	2,017	24,733	20,436	54,155

Boa Vista Serviços S.A.
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as of and for the three- and six-month periods
ended June 30, 2020

Depreciation	Leasehold improvements	Machinery and equipment	Facilities	Furniture and fixtures	IT equipment (a)	Right-of-use of real estate	Total property, plant and equipment
Balance at December 31, 2018	(664)	(556)	(138)	(1,046)	(13,723)	-	(16,127)
First-time adoption of CPC 06 (R2)/IFRS 16	-	-	-	-	-	(3,614)	(3,614)
Depreciation	(154)	(63)	(22)	(96)	(1,403)	(799)	(2,537)
Write-offs	-	52	-	-	560	-	612
Balance at June 30, 2019	(818)	(567)	(160)	(1,142)	(14,566)	(4,413)	(21,666)
Balance at December 31, 2019	(973)	(626)	(185)	(1,238)	(15,138)	(5,290)	(23,450)
Depreciation	(204)	(59)	(22)	(99)	(1,826)	(1,163)	(3,373)
Write-offs	-	5	1	10	3,513	-	3,529
Balance at June 30, 2020	(1,177)	(680)	(206)	(1,327)	(13,451)	(6,453)	(23,294)
Total net as of June 30, 2019	3,074	621	282	782	7,602	11,163	23,524
Total net as of June 30, 2020	4,069	558	279	690	11,282	13,983	30,861

8 Intangible assets

Changes in intangible assets are as follows:

Costs	Database (a)	Trademarks, rights, patents and others	Software	Goodwill in business combinations (b)	Software and client portfolio identified in business combinations	New products (c)	Intangible assets in progress	Total
Balance at December 31, 2018	675,196	130	36,891	110,182	27,313	-	4,953	854,665
Acquisitions	68,334	-	533	-	-	-	14,388	83,255
Write-offs	(48,577)	-	(13,985)	-	-	-	-	(62,562)
Transfers	-	-	747	-	-	-	(747)	-
Balance at June 30, 2019	694,953	130	24,186	110,182	27,313	-	18,594	875,358
Balance at December 31, 2019	731,951	130	23,015	110,182	27,313	-	34,208	926,799
Acquisitions	58,231	-	16,782	-	-	1,777	3,172	79,962
Write-offs	(68,313)	-	(5,177)	-	-	-	-	(73,490)
Transfers (*)	-	-	20,592	-	-	8,675	(29,267)	-
Balance at June 30, 2020	721,869	130	55,212	110,182	27,313	10,452	8,113	933,271

(*) Refers to investments in the software used for the Positive Data (“Cadastro Positivo”).

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Amortization	Database (a)	Trademarks, rights, patents and others	Software	Goodwill in business combinations (b)	Software and client portfolio identified in business combinations	New products (c)	Intangible assets in progress	Total
Balance at December 31, 2018	(311,527)	-	(24,673)	-	(21,241)	-	-	(357,441)
Amortization	(67,661)	-	(2,439)	-	(1,256)	-	-	(71,356)
Write-offs	48,577	-	13,985	-	-	-	-	62,562
Balance at June 30, 2019	(330,611)	-	(13,127)	-	(22,497)	-	-	(366,235)
Balance at December 31, 2019	(347,286)	-	(13,754)	-	(23,752)	-	-	(384,792)
Amortization	(72,868)	-	(3,648)	-	(1,256)	(544)	-	(78,316)
Write-offs	68,313	-	5,177	-	-	-	-	73,490
Balance at June 30, 2020	(351,841)	-	(12,225)	-	(25,008)	(544)	-	(389,618)
Total net as of June 30, 2019	364,342	130	11,059	110,182	4,816	-	18,594	509,123
Total net as of June 30, 2020	370,028	130	42,987	110,182	2,305	9,908	8,113	543,653

- (a) It refers to acquisitions of information to increment and develop databases used in the consultations of the services provided by the Company, and which are capitalized and amortized within the period corresponding to the use of this five-year information.
- (b) Goodwill from business combination - Goodwill is represented by the positive difference between the amount paid and the net fair value of assets and liabilities assumed from the spin-off portion of Equifax do Brasil Ltda. on May 31, 2011. The purpose of the acquisition was to expand the Company's database on companies, to capture synergies and expand offered services and solutions to support the Company's clients' decisions in all stages of their business cycle. Goodwill is tested at the Company level, since the Company is defined as a single CGU.
- (c) New products related mostly to the Positive Data (Cadastro Positivo).

9 Accounts payable to suppliers

The accounts payable to suppliers as of June 30, 2020, in the amount of R\$ 36,525 (R\$ 40,714 as of December 31, 2019) arise from the purchase of services as part of the Company's normal activities, e.g. acquisition of goods, mailing services, maintenance of software and hardware and sundry consulting services, among others. Accounts payable to suppliers is a financial instrument classified at amortized cost.

10 Loans and financing, loans with related parties and lease liability

	<u>06/30/2020</u>	<u>12/31/2019</u>
Loans and financing (a)		
With third parties (i)	164,484	79,570
With related parties (ii)	20,061	-
	<u>184,545</u>	<u>79,570</u>
Lease liability (b)	20,889	20,750
	<u>205,434</u>	<u>100,320</u>
Current	155,164	75,722
Non-current	50,270	24,598
	<u>205,434</u>	<u>100,320</u>

a. Loans and financing

(i) With third parties

Operation	Contracting date	Average interest rate	<u>06/30/2020</u>	<u>12/31/2019</u>
Credit line - BNDES (*)	2015	50% SELIC + 3.15% p.a. TLP + 3.95 % p.a. CDI + 2.27%	6,820	8,602
Working capital (**)	2019/2020	p.a./CDI + 3.87% p.a.	157,664	70,968
		Total	<u>164,484</u>	<u>79,570</u>
		Total current	147,947	69,160
		Total non-current	16,537	10,410
		Total	<u>164,484</u>	<u>79,570</u>

(*) As of March 3, 2014, BNDES approved a credit line in the amount of R\$ 36,175 for investments in technological and operational renewal through the BNDES Prosoft program. This loan commitment has a term of 72 months, with a 24-month grace period followed by 48 monthly installments. On June 19, 2015, a loan totaling R\$ 10,484 was made available and on May 16, 2016 a further tranche in the amount of R\$ 12,001 was made available. Due to the review of the initially approved project, the Company did not request disbursements of the remaining balance of the credit line. There is no financial covenant or guarantee of assignment of notes and credit rights of the information supply agreement signed with Itau Unibanco S.A. which is the trustee of the operation

(**)Working capital loans, are loans and financing to meet the Company's cash requirements. There are no financial covenant. Credit rights of clients were pledged in the amount of R\$ 1,320 in the period ended June 30, 2020 and the year ended December 31, 2019.

In June 2020, a working capital loan of R\$13,200 from Banco Santander Brasil S.A. matured and was settled by the Company. In the same month a new financing of R\$ 10,618, maturing in October 2022, was obtained from Banco Santander Brasil S.A.

A loan with Banco do Brasil was obtained in December 2019 in foreign currency - USD, whose balance as of June 30, 2020 in the Company's functional currency was R\$ 30,787 equivalent to USD 7,320 (R\$ 29,794 equivalent to USD 7,320 as of December 31, 2019). As of June 30, 2020, the Company had a swap to hedge the possible changes deriving from exchange rate change on working capital loan in foreign currency. The details of the swap are described in Note 23 (ii).

The amount of R\$ 56,000 was obtained from Banco do Brasil S.A., of which R\$ 19,000 in April 2020 and R\$ 37,000 in June 2020 with maturities in March, May and June 2021, respectively.

The amount of R\$ 20,000 was obtained from Banco Fibra S.A., of which R\$ 10,000 in May and R\$ 10,000 in June 2020, maturing in November 2021 and June 2022, respectively.

In June 2020, R\$ 10,000 was obtained from Banco Safra S.A., maturing in June 2021.

Also in June 2020, the debt previously obtained in Euro was settled through Banco Votorantim, with another funding with the same financial institution in the amount of R\$ 30,000, maturing in June 2021.

As of June 30, 2020 and December 31, 2019, the balance of non-current loans and financing is presented by year of maturity as follows:

Maturity	06/30/2020	12/31/2019
2021	8,984	6,774
2022	7,553	3,636
Total	16,537	10,410

Changes in loans and financing are as follows:

	2020	2019
Opening balance at January 1	79,570	75,536
New loans and financing	126,565	-
Payment of principal	(43,693)	(45,688)
Interest payment	(4,951)	(3,455)
Accrued interest	6,386	3,345
Transaction costs appropriated in profit or loss	607	602
Closing balance at June 30	164,484	30,340

(ii) With related party

Operations	Contracting date	Interest rate	06/30/2020	12/31/2019
Loan agreement (*)	2020	CDI + 4.00% p.a.	20,061	-
		Total	20,061	-
		Total current	-	-
		Total non-current	20,061	-
		Total	20,061	-

(*) This loan was raised with Associação Comercial de São Paulo (controlling shareholder of the Company) in June 2020, the interest of the loan agreement is paid on a monthly basis, described in Note 13.

As of June 30, 2020 the balance of non-current loan agreement with related parties is presented by year of maturity as follows:

Maturity	06/30/2020	12/31/2019
2021	20,061	-
Total	20,061	-

Changes in loan agreement with related parties are as follows:

	2020	2019
Opening balance at January 1	-	-
New loans	20,000	-
Accrued interest	61	-
Closing balance at June 30	20,061	-

b. Lease liability

Operations	Interest rate	06/30/2020	12/31/2019
Leasing - Banco IBM (*)	CDI + 0.92% p.a.	4,478	6,967
Rent contract (**)	IGPM + 3.70% p.a.	16,411	13,783
	Total	20,889	20,750
	Total current	7,217	6,562
	Total non-current	13,672	14,188
	Total	20,889	20,750

(*) Acquisition of software through a financing from IBM Bank refers to financial lease.

(**) Refers to the lease of the property related to the Company's headquarters, in which a right-of-use asset is recorded.

As of June 30, 2020 and December 31, 2019, the balance of non-current lease liability is presented by year of maturity as follows:

Maturity	06/30/2020	12/31/2019
2021	1,210	3,810
2022	2,575	1,933
2023	2,798	2,104
2024	3,039	2,291
2025	2,494	2,494
2026	1,556	1,556
Total	13,672	14,188

Changes in lease liability are as follows:

	2020	2019
Opening balance at January 1	20,703	-
New lease (*)	3,189	9,819
Recognition of lease liability on adoption of CPC 06 (R2)/IFRS 16	-	13,511
Payment of principal	(3,675)	(1,710)
Interest payment	(191)	-
Accrued interest	863	565
Closing balance at June 30	20,889	22,185

(*) In March 2020, the Company leased another floor to expand its operations in its headquarters located in Alphaville and in May 2019 acquisition of software through a financing from IBM Bank.

11 Debentures

Debentures issued are comprised as follows:

Operation	Charges	06/30/2020	12/31/2019
Debentures	CDI + 3.70 p.a.	158,334	190,000
(-) Issuance cost to amortize		(2,274)	(2,761)
Interest on principal		1,983	3,120
Total		158,043	190,359
Current		64,342	65,479
Non-current		93,701	124,880

As of June 30, 2020 and December 31, 2019, the balance of non-current debentures is presented by year of maturity as follows:

Year	06/30/2020	12/31/2019
2021	31,666	63,333
2022	63,334	63,334
Total	95,000	126,667
Transaction costs	(1,299)	(1,787)
Closing balance for the period	93,701	124,880

Changes in debentures are as follows:

	2020	2019
Opening balance at January 1	190,359	186,786
Payment of principal – 3 rd issue	(31,666)	-
Interest payment	(3,913)	(6,143)
Accrued interest	2,776	9,214
Transaction costs	(110)	(117)
Transaction costs appropriated in profit or loss	597	529
Closing balance at June 30	158,043	190,269

As of December 31, 2019, the Company complied with the covenants on these debentures. The debt covenants require an annual evaluation of compliance which will be performed in conjunction with year-end reporting.

Debentures are financial instruments classified as amortized cost.

12 Labor obligations, vacation and social security charges

	06/30/2020	12/31/2019
Provision for vacation and charges on vacations	8,249	6,287
Provision for 13 th salaries and charges	3,586	-
Profit sharing program (PPR)	13,207	20,511
Social charges	7,289	2,298
Other	2,604	651
Total	34,935	29,747

13 Related parties

The majority of balances with related parties derive from transactions with the Company's shareholders that were carried out at market prices. All outstanding balances with related parties are on market terms and no balance has guarantees. No expense has been recognized during the periods for non-collectible debts or expected credit losses in relation to values due from related parties.

According to the definition used for the "change in control event" clause in the Company's Shareholders' Agreement, the controlling shareholders are: *Associação Comercial de São Paulo* and *TMG II Fundo de Investimento em Participações - Multiestratégia* and the minority shareholders are: *Associação Comercial do Paraná*, *Câmara dos Dirigentes Lojistas de Porto Alegre*, *Clube dos Diretores Lojistas do Rio de Janeiro*, and *Equifax Holdings do Brasil Ltda.*

The *Associação Nacional dos Bureaus de Crédito (ANBC)* is a related party to the Company since a key member of its management is also a member of the key management personnel of the entity (member of the Board of Directors). Such key member of management has also a participation in the share-based payment plan, as mentioned in note 25.

		Statement of financial position - Assets	
		06/30/2020	12/31/2019
Company	Nature	Accounts receivable	
Associação Comercial de São Paulo	(a)	152	133
Associação Comercial do Paraná	(a)	718	818
Câmara dos Dirigentes Lojistas de Porto Alegre	(a)	1,367	1,452
Clube dos Diretores Lojistas do Rio de Janeiro	(a) / (b)	4,469	3,751
Total		6,706	6,154

		Statement of financial position - Liabilities	
		06/30/2020	12/31/2019
Company	Nature	Suppliers	
Associação Comercial de São Paulo	(c)	119	-
Total		119	-

		Statement of financial position - Liabilities	
		06/30/2020	12/31/2019
Company	Nature	Loans and financing	
Associação Comercial de São Paulo	(d)	20,061	-
Total		20,061	-

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Company	Nature	Statements of profit or loss							
		Three-month period ended				Six-month period ended			
		06/30/2020		06/30/2019		06/30/2020		06/30/2019	
		Operating income	Costs and expenses	Operating income	Costs and expenses	Operating income	Costs and expenses	Operating income	Costs and expenses
Câmara dos Dirigentes Lojistas de Porto Alegre	(a)	2.541	(362)	1,933	(805)	5,332	(586)	3,694	(1,058)
Associação Comercial do Paraná	(a)	1.277	-	1,282	(54)	2,958	-	2,391	(134)
Clube dos Diretores Lojistas do Rio de Janeiro	(a)	-	(459)	903	(17)	320	(436)	1,625	(165)
Associação Comercial de São Paulo	(a) / (c)	206	(312)	187	(346)	387	(678)	333	(714)
Total		<u>4,024</u>	<u>(1,133)</u>	<u>4,305</u>	<u>(1,222)</u>	<u>8,997</u>	<u>(1,700)</u>	<u>8,043</u>	<u>(2,072)</u>

- (a) Relates to the rendering of data consultation services.
- (b) Refers to the civil claims return rights agreement entered into with the Associação Comercial de São Paulo at the moment the Company was founded in November 2010.
- (c) Refers to amounts due for rent and utilities on the floors occupied by the Company in a building which belongs to the Associação Comercial de São Paulo.
- (d) Refers to loan as per note 10.(a (ii)).

13.1a Management remuneration

In the six-month periods ended June 30, 2020 and 2019, short-term benefits were paid to Directors, whose expense was presented in “General and Administrative Expenses”.

Each year, at the Annual Shareholders’ Meeting, the total amount of the Directors’ fees and the remuneration of the Board members are established according to the Company’s Bylaws.

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Annual fixed remuneration	949	990	1,904	1,928
Variable remuneration	-	-	5,371	895
Total remuneration	<u>949</u>	<u>990</u>	<u>7,275</u>	<u>2,823</u>

13.1b Stock options plan

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Stock option (*)	247	45	495	76
Total	<u>247</u>	<u>45</u>	<u>495</u>	<u>76</u>

(*) Expenses related to Stock Option Plan to the Directors recorded in profit or loss. See note 25 for further information.

14 Advances from clients

Refers to the amounts paid in advance by clients for the future utilization of services over a certain period of time. Revenue from these contracts will be recognized as the use of products / services provided occurs.

	2020	2019
Opening balance at January 1	<u>4,811</u>	<u>15,742</u>
Additions	2,727	7
Utilization (*)	<u>(4,019)</u>	<u>(9,615)</u>
Closing balance at June 30	<u>3,519</u>	<u>6,134</u>

(*) When the customer uses the services, the Company derecognize the advances from clients and recognizes revenue from services.

15 Provisions and taxes payable

	06/30/2020	12/31/2019
Taxes payable (a)	29,499	31,052
Provision for tax, civil and labor risks (b)	8,665	7,569
	38,164	38,621
Current	8,422	12,172
Non-current	29,742	26,449
Total	38,164	38,621

a. Taxes payable

Current	06/30/2020	12/31/2019
PIS and COFINS payable	6,109	2,772
Withholding income tax (IRRF)	1,124	2,192
IRPJ and CSLL payable	-	5,449
Service tax (ISS) payable	1,104	1,645
Other taxes payable	85	114
Subtotal	8,422	12,172
Non-current	06/30/2020	12/31/2019
INSS on Severance pay	4,387	4,246
ISS - PIS and COFINS basis	10,283	9,487
Deductibility - SEBRAE/INCRA and FNDE	6,407	5,148
Subtotal	21,077	18,881
Total taxes payable	29,499	31,053

There were no significant changes regarding the progress of these lawsuits on the payment of certain taxes from that disclosed in the latest annual financial statements.

Changes in tax liabilities subject to legal proceedings:

	INSS on severance pay	ISS - PIS and COFINS basis	Deductibility - SEBRAE/INCRA and FNDE	Total
Balance at January 1, 2020	4,246	9,487	5,148	18,881
Principal additions	75	639	1,156	1,870
Interest additions	66	157	103	326
Balance at June 30, 2020	4,387	10,283	6,407	21,077

b. Provision for tax, civil and labor risks

The Company is party to lawsuits and administrative proceedings arising from the normal course of its operations.

Provision for probable losses arising from these lawsuits is estimated by the Company, taking into account the opinion of its legal advisors.

	<u>06/30/2020</u>	<u>12/31/2019</u>
Civil	3,835	3,086
Tax	776	769
Labor	4,054	3,714
Total	<u>8,665</u>	<u>7,569</u>
Current	-	-
Non-current	8,665	7,569

There were no significant changes regarding the progress of these lawsuits from that disclosed in the latest annual financial statements.

Changes in provisions for tax, civil and labor risks are as follows:

	<u>Civil</u>	<u>Tax</u>	<u>Labor</u>	<u>Total</u>
Balance at January 1, 2020	3,086	769	3,714	7,569
Additions	3,399	-	1,023	4,422
Payments	(2,650)	-	(683)	(3,333)
Interest and fines	-	7	-	7
Balance at June 30, 2020	<u>3,835</u>	<u>776</u>	<u>4,054</u>	<u>8,665</u>

Contingent liabilities

There were no significant changes regarding the progress of tax, , civil and labor liabilities with possible risks, totaling R\$ 63,119 as of June 30, 2020 (R\$ 61,831 as of December 31, 2019).

(i) Judicial deposits

The Company granted collateral for civil, labor and tax lawsuits, as follows:

	<u>06/30/2020</u>	<u>12/31/2019</u>
Civil contingencies	1,512	1,732
Labor contingencies	1,720	1,887
Tax liabilities (a)	6,281	5,018
Total	<u>9,513</u>	<u>8,637</u>

- (a) Judicial deposits made in connection with the writ of mandamus filed aimed to procure the recognition of the unconstitutionality of the Contributions to INCRA (Instituto Nacional de Colonização e Reforma Agrária), SEBRAE (Serviço Brasileiro de Apoio às Micro e Pequenas Empresas) and FNDE (Fundo Nacional de Desenvolvimento da Educação).

Guarantee insurance

In 2017 the Company took out guarantee insurance with a coverage limit of R\$ 2,401, made in 2017, in relation to Tax foreclosure of the Municipality of Campinas derived from assessment notice 002298/2013, filed by the Public Treasury of the Municipality of Campinas against Boa Vista Serviços S.A.

On June 30, 2020, the Company renewed a guarantee insurance policy in the amount of R\$ 3,694, with a total expense of R\$ 8, effective until 07/10/2024, referring to the Assessment Notices issued by the Municipality of São Paulo, related to the alleged underpayment of ISS tax levied on the digital certificate issuance activity, as well as a fine for non-compliance with the ancillary obligation.

These tax charges were challenged in a writ of mandamus filed by the Company before the São Paulo Public Finance Forum.

16 Shareholders' equity

a. Capital

As of June 30, 2020 and December 31, 2019, the capital of R\$ 202,129 is represented by 373,605,000 common shares, nominative and with no par value.

The Company's capital as of June 30, 2020 and December 31, 2019 is shown in the table below:

Shareholders	Capital	%
Associação Comercial de São Paulo - ACSP	105,032	52%
TMG II Fundo de Investimento em Participações - Multiestratégia (*)	60,748	30%
Equifax do Brasil Ltda.	28,644	14%
Associação Comercial do Paraná, Clube dos lojistas do Rio de Janeiro and Câmara dos Dirigentes Lojistas de Porto Alegre	7,705	4%
Total	202,129	100%

(*) On July 29, 2019, Bureau de Crédito do Brasil Participações S.A. was replaced by TMG II Fundo de Investimento em Participações – Multiestratégia (“FIP”) due to corporate reorganization.

b. Capital reserves, profit reserves and minimum mandatory dividend

On April 5, 2019, the Company paid to its shareholders the minimum mandatory dividend in the amount of R\$ 11,184.

The Company paid dividends in advance in November 2019 based on the result up to the period ended September 30, 2019. The Company proposed complementary dividends for the year in the amount of R\$ 20,537.

There were no significant changes regarding capital and profit reserves as disclosed in the latest annual financial statements.

17 Income tax and social contribution

a. Amounts recognized in profit or loss for the year

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Current income tax and social contribution expense	(6,503)	(8,076)	(16,722)	(11,837)
Deferred income tax and social contribution expense				
Temporary differences	4,562	(1,433)	1,418	(5,474)
Deferred income and social contribution tax expense	4,562	(1,433)	1,418	(5,474)
Total income tax and social contributions expense	<u>(1,941)</u>	<u>(9,509)</u>	<u>(15,304)</u>	<u>(17,311)</u>

b. Tax expense reconciliation

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Profit before income tax and social contribution	6,237	29,072	38,844	49,270
Nominal rates	34%	34%	34%	34%
Income tax and social contribution at nominal rates	(2,121)	(9,884)	(13,207)	(16,752)
Permanent (additions) exclusions:				
Tax incentives (a)	117	144	309	214
Non-deductible expenses	57	(282)	(2,418)	(785)
Other	6	513	12	12
Total income tax and social contribution expense	<u>(1,941)</u>	<u>(9,509)</u>	<u>(15,304)</u>	<u>(17,311)</u>
Effective rate	31.1%	32.7%	39.4%	35.1%

(a) Refers to Rouanet Law, 'Lei do Bem' and Workers' Meal Program - PAT.

c. Changes in balances of deferred tax assets and liabilities

	Balances at	Recognized in profit or loss		Balances at
	12/31/2019	Additions	Write-offs	06/30/2020
Sundry provisions (i) and deferred revenues	22,203	1,148	-	23,351
Deferred income tax and social contribution assets	22,203	1,148	-	23,351
Amortization of client portfolio (Equifax) (ii) and revenues from invoices	(2,851)	-	671	(2,180)
Finance lease	(407)	(401)	-	(808)
Deferred income tax and social contribution liabilities	(3,258)	(401)	671	(2,988)
Net deferred tax assets	18,945	747	671	20,363

- (i) Sundry provisions consist of provisions for communication, electricity, water, building expenses, PPR, allowance for doubtful accounts, services provided, onleading's, social charges and benefits to employees.
- (ii) Amortization of client portfolio relates mainly to deferred income and social contribution tax liabilities on identifiable intangible assets acquired in the business combination with Equifax do Brasil Ltda.

Term for realization of deferred tax assets

Deferred tax assets arising from temporary differences will be used as the respective differences are settled or realized.

The Company analyzed the recoverability of the deferred tax asset based on estimates of future tax income, considering growth projections that reflect the most recent trends. Actual income tax inflow and outflow may differ from estimates made by the Company, as a result of changes in tax law or of future unforeseen transactions that may affect tax balances. Management's expectation is that the full value of net deferred tax assets (R\$ 20,363) will be realized in the year ending December 31, 2020.

18 Operating segment

The company has one operating segment in the six-month period ended June 30, 2020.

Geographic segments

The Company has not earned revenues abroad in the three- and six-month periods ended June 30, 2020 and 2019.

Major client

In the three- and six-month periods ended June 30, 2020 and 2019 revenues related to the Company's major client (economic group) represented 18.8% (14.7% in 2019) and 14.6%, (14.6% in 2019), respectively, of the total Company's net revenue from services. There are no other clients representing more than 10% of total revenue in the periods.

19 Net revenue from services

We present below the reconciliation between gross revenue for revenue tax purposes and the revenue presented in the condensed statement of profit or loss:

	<u>Three-month period ended</u>		<u>Six-month period ended</u>	
	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2020</u>	<u>06/30/2019</u>
Gross revenue from services	156,158	183,002	341,646	355,847
Services taxes (PIS/COFINS/ISS)	<u>(17,567)</u>	<u>(20,524)</u>	<u>(38,743)</u>	<u>(39,930)</u>
Total	<u>138,591</u>	<u>162,478</u>	<u>302,903</u>	<u>315,917</u>

Breakdown of revenue from contracts with clients

The table below shows the details of revenue from contracts with clients by main lines of services and timing of recognition of revenue. It also includes the reconciliation of the detailed breakdown of revenue from the reportable segments of the Company (see note 18).

<i>In thousands of Reais</i>	<u>Three-month period ended</u>		<u>Six-month period ended</u>	
For the three- and six-month period ended June 30, 2020	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2020</u>	<u>06/30/2019</u>
Main products / lines of services				
Decision services				
Risk analytics	67,018	66,260	151,793	126,778
Legacy data report	36,992	52,950	80,903	103,627
Marketing services	7,593	10,892	18,674	21,628
Consumer services	5	-	17	-
Recovery services				
Digital solutions	11,814	8,892	24,022	14,677
Legacy recovery services	15,169	23,484	27,494	49,207

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<i>In thousands of Reais</i>	Three-month period ended		Six-month period ended	
For the three- and six-month period ended June 30, 2020	06/30/2020	06/30/2019	06/30/2020	06/30/2019
	138,591	162,478	302,903	315,917
Timing of revenue recognition				
Services transferred at point in time	138,591	162,478	302,903	315,917
Revenue from contracts with clients	138,591	162,478	302,903	315,917
Revenue as reported in note 18	138,591	162,478	302,903	315,917

Contract liabilities refer mainly to the advance of the consideration received from clients to render services for decision-making. As of June 30, 2020, the amount of advances from clients was R\$ 3,519 (R\$ 4,811 as of December 31, 2019), which will be recognized as revenue as the services are used by the client. The amount of R\$ 1,034 (R\$ 4,019) was recognized as revenue in the three and six-month period ended June 2020, respectively. For further details see note 14.

Seasonality of operations

The Company is not subject to significant seasonal fluctuations in its earnings.

20 Costs of services rendered, selling expenses and general and administrative expenses by nature

We present below the details of expenses by nature:

Three-month period ended							
06/30/2020				06/30/2019			
Cost of services rendered	Selling expenses	General and administrative expenses	Total	Cost of services rendered	Selling expenses	General and administrative expenses	Total
Letters - printing & mailing	(12,209)	-	(12,209)	(16,646)	-	-	(16,646)
Database	(4)	-	(4)	71	-	-	71
Other variable costs	(2,632)	-	(2,632)	(1,413)	-	-	(1,413)
Personnel	(11,116)	(7,744)	(32,999)	(12,298)	(8,359)	(11,406)	(32,063)
Remuneration entities	-	(1,905)	(1,905)	-	(2,638)	-	(2,638)
Commission - representative and partners	-	122	122	-	(1,703)	-	(1,703)
Rendering of services	(14,203)	(463)	(16,687)	(13,606)	(543)	(2,146)	(16,295)
Maintenance	(7,033)	(80)	(7,829)	(6,993)	(52)	(786)	(7,831)
Consulting, auditing and advisory	(13)	(13)	(937)	(35)	(16)	(2,000)	(2,051)
Legal	-	-	(4,347)	-	(2)	(5,458)	(5,460)
Advertising and promotion	(22)	(495)	(281)	(49)	(634)	(152)	(835)
Events	(5)	(40)	3	-	(29)	(52)	(81)
Buildings & utilities	(910)	(232)	(698)	(778)	(407)	(942)	(2,127)
Telephone	(714)	(60)	(822)	(904)	(84)	(21)	(1,009)
Travel, locomotion, daily rates	(11)	(88)	(58)	(60)	(602)	(125)	(787)
Consumption material, office and other	(41)	-	(68)	(38)	(12)	(91)	(141)
Telesales	-	(744)	(744)	-	(905)	-	(905)
Call center	(108)	-	(492)	(9)	-	(353)	(362)
Actual losses of clients	-	-	116	-	-	(742)	(742)
Depreciation & amortization	(38,824)	-	(40,458)	(35,268)	-	(1,493)	(36,761)
Other	3	(1)	(3,623)	(3)	(7)	1,760	1,750
Total	(87,842)	(11,743)	(128,487)	(88,029)	(15,993)	(24,007)	(128,029)

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	Six-month period ended							
	06/30/2020				06/30/2019			
	Cost of services rendered	Selling expenses	General and administrative expenses	Total	Cost of services rendered	Selling expenses	General and administrative expenses	Total
Letters - printing & mailing	(20,789)	-	-	(20,789)	(34,709)	-	-	(34,709)
Database	(1)	-	-	(1)	11	-	-	11
Other variable costs	(4,267)	-	-	(4,267)	(2,287)	-	-	(2,287)
Personnel	(24,109)	(15,625)	(28,149)	(67,883)	(24,420)	(14,208)	(25,430)	(64,058)
Remuneration entities	-	(3,782)	-	(3,782)	-	(5,285)	-	(5,285)
Commission - representative and partners	-	(1,438)	-	(1,438)	-	(3,299)	-	(3,299)
Rendering of services	(26,838)	(725)	(4,428)	(31,991)	(22,292)	(781)	(3,231)	(26,304)
Maintenance	(14,234)	(157)	(1,761)	(16,152)	(13,617)	(292)	(1,388)	(15,297)
Consulting, auditing and advisory	389	(26)	(4,138)	(3,775)	(53)	(32)	(4,227)	(4,312)
Legal	-	-	(8,452)	(8,452)	-	(2)	(10,569)	(10,571)
Advertising and promotion	(48)	(1,073)	(458)	(1,579)	(57)	(1,232)	(318)	(1,607)
Events	(5)	(1,194)	(18)	(1,217)	-	(616)	(59)	(675)
Buildings & utilities	(1,685)	(516)	(2,040)	(4,241)	(1,511)	(845)	(1,790)	(4,146)
Telephone	(1,377)	(120)	(115)	(1,612)	(2,052)	(159)	(39)	(2,250)
Travel, locomotion, daily rates	(41)	(577)	(175)	(793)	(92)	(984)	(205)	(1,281)
Consumption material, office and other	(45)	(6)	(107)	(158)	(86)	(37)	(156)	(279)
Telesales	-	(1,268)	-	(1,268)	-	(1,679)	-	(1,679)
Call center	(176)	-	(1,005)	(1,181)	(27)	-	(683)	(710)
Actual losses of clients	-	-	(1,506)	(1,506)	-	-	(1,438)	(1,438)
Depreciation & amortization	(76,496)	-	(3,221)	(79,717)	(70,470)	-	(2,975)	(73,445)
Other	(14)	(1)	(2,375)	(2,390)	2	(8)	(855)	(861)
Total	(169,736)	(26,508)	(57,948)	(254,192)	(171,660)	(29,459)	(53,363)	(254,482)

21 Financial income (expense)

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Financial income				
Discounts obtained	-	4	70	30
Interest and fines on accounts receivable	279	139	577	367
Yields from investments	342	1,230	587	2,900
Present value adjustment	211	-	428	-
Other financial income	-	55	-	55
Total financial income	832	1,428	1,662	3,352
Financial expenses				
Discounts granted	(56)	(119)	(167)	(188)
Interest and fines - liabilities	(62)	(4)	(71)	(29)
Interest on leases	(443)	(292)	(863)	(577)
Interest on loans and financing - overdraft account	(1,972)	(1,621)	(3,387)	(4,627)
Interest on debentures	(2,945)	(5,017)	(6,664)	(9,821)
Other financial expenses	(204)	(178)	(433)	(519)
Total financial expenses	(5,682)	(7,231)	(11,585)	(15,761)
Financial income (expense)	(4,850)	(5,803)	(9,923)	(12,409)

22 Basic and diluted earnings per share

(i) *Basic earnings per share for the period*

Calculated based on the weighted average number of common shares as follows:

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Profit for the period attributable to the owners of the Company and used to calculate basic earnings per share	4,296	19,563	23,540	31,959
Weighted average number of common shares for basic earnings per share calculation purposes (*)	373,605,000	373,605,000	373,605,000	373,605,000
Basic earnings per share - R\$	0.01	0.05	0.06	0.09

(*) As approved by the Special Shareholders' Meeting (SSM) held on December 10, 2019, shares were split at a ratio of 1 to 3,000. Accordingly, for the calculation of earnings per share, historic share numbers have been adjusted to reflect this split.

(ii) Diluted earnings per share for the period

The weighted average number of common shares used to calculate diluted earnings per share is reconciled with the weighted average number of common shares used to calculate basic earnings per share as follows:

	Three-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Profit for the period	4,296	19,563	23,540	31,959
Weighted average number of common shares used to calculate basic earnings per share	373,605,000	373,605,000	373,605,000	373,605,000
Potential increase in common shares on account of the stock option plan (a)	5,646,000	4,326,000	5,646,000	4,326,000
Potential increase in common shares on account of warrants (b)	41,322,000	41,322,000	41,322,000	41,322,000
Weighted average number of common shares for diluted earnings per share calculation purposes	420,573,000	419,253,000	420,573,000	419,253,000
Diluted earnings per share - R\$	0.01	0.05	0.06	0.08

(*) As approved by the SSM held on December 10, 2019, shares were split at a ratio of 1 to 3,000. Accordingly, for the calculation of earnings per share, historic share numbers have been adjusted to reflect this split.

- (a) The quantity used for potential increase in common shares refers to the quantity of vested options of the Stock Option Plan of the Company, considering the active beneficiaries of the plan and maximum amount of bonus per shareholder.
- (b) The quantity used for potential increase in common shares refers to the warrants issued to each shareholder who adhered to the capital increase of the Company in 2016, each of which allows the shareholder to subscribe to up to two times the quantity of subscribed shares, as mentioned in note 16.b.

23 Financial instruments and capital and risk management

Financial instruments

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications.

		06/30/2020			Fair value
		Assets at fair value through profit or loss	Amortized cost	Total	Level 2
Assets, as per the statement of financial position					
Cash and cash equivalents	5	139,188	-	139,188	139,188
Accounts receivable	6	-	100,976	100,976	-
Total		139,188	100,976	240,164	139,188

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		06/30/2020			
		Liabilities at fair value through profit or loss	Amortized cost	Total	Fair value
Liabilities, as per statement of financial position					
Accounts payable to suppliers	9	-	36,525	36,525	-
Loans and financing and loans with related parties and debentures	10 and 11	-	342,252	342,252	-
Loans and financing - derivatives	10 and 11	336	-	336	336
Related parties		-	119	119	-
Dividends payable		-	20,537	20,537	-
Total		336	399,433	399,769	336
		12/31/2019			Fair value
		Assets at fair value through profit or loss	Amortized cost	Total	Level 2
Assets, as per the statement of financial position					
Cash and cash equivalents	5	56,847	-	56,847	56,847
Accounts receivable	6	-	100,131	100,131	-
Total		56,847	100,131	156,978	56,847
		12/31/2019			Fair value
		Liabilities at fair value through profit or loss	Amortized cost	Total	Level 2
Liabilities, as per statement of financial position					
Accounts payable to suppliers	9	-	40,714	40,714	-
Loans and financing and debentures	10 and 11	-	290,679	290,679	-
Loans and financing - derivatives	10 and 11	2,244	-	2,244	2,244
Dividends payable	16.b)	-	20,537	20,537	-
Total		2,244	351,930	354,174	2,244

Measurement of fair value

The Company determined that the book values of accounts receivable, accounts payable to suppliers, and other assets and liabilities are a reasonable approximation of their fair values, mainly due to the short-term maturity of these instruments.

The Company also determined that the book values of loans and financing, loans with related parties and debentures measured at amortized cost are reasonable approximations of their values as most of these instruments were indexed by CDI, which had no significant float in the period ended June 30, 2020.

The method for calculating the fair value of the foreign exchange swap consists of calculating future value based on the contracted conditions and discounting to present value using the market curves extracted from B3 S.A. - Brasil, Bolsa, Balcão.

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk;
- Liquidity risk; and
- Credit risk

(i) Market risk

Market risk is the risk that alterations in market prices, such as foreign exchange, interest rates and prices, will affect the Company's gains or the measurement of its financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time to optimize the return.

The Company uses derivatives to manage exchange-rate change risks.

Foreign exchange risk

The Company is exposed to foreign exchange risk when it holds financial instruments denominated in a currency other than its functional currency. To reduce this exposure, a policy to protect against foreign exchange risk was implemented, establishing exposure levels related to that risk.

The Company is party to foreign exchange swaps to hedge the variability in cash flows on a working capital loan denominated in US Dollars. The loan was obtained from Banco do Brasil at the initial amount of US\$ 7,320 equivalent to R\$ 29,794. The swap's long position (the Company's accounts receivable) is remunerated at Dollar plus 3.42% p.a., and short position is remunerated at 100% of the CDI daily average interest rate plus interest of 1.67% p.a. maturing by 2020 (see note 10).

The individual position of the swap contract as of June 30, 2020 is as follows:

	Valuation			Fair value (market)
	Notional - R\$	Long position	Short position	Amount receivable/(payable)
Maturity of the swap				
12/22/2019 and 07/03/2020	29,794	9,954	10,290	(336)

Interest rate risk

Financial instruments with floating rates expose the Company to risk of variability in cash flows arising from changes in interest rates. The Company's interest rate risk derives from short and long-term financial investments and loans and financing issued at floating rates. The Company's management contracts most of its interest-earning assets and liabilities with floating rates. Financial investments are adjusted at CDI and loans and financing are adjusted at the Long-Term Interest Rate (TJLP) or CDI.

Sensitivity analysis (Market risk)

The Company prepared a sensitivity analysis to evidence the impact of changes in interest rates of financial investments, loans and financing, swap and debentures. Liability financial instruments were segregated into debt remunerated at CDI / SELIC, debt remunerated at the long-term interest rate - TJLP, and debt in US dollars.

As of June 30, 2020, this study has a probable projection scenario as of December 31, 2020: (i) the CDI/SELIC rate at 2.00% p.a. and US dollar rate at R\$ 5.30 based on the projection of the Central Bank of Brazil; the TLP rate at 4.98% p.a. based on information disclosed by the two largest banks in Brazil.

The following table of sensitivity analysis on the impact in income (loss) from exchange-rate change and change in interest rates of Company's financial instruments shows the balances of the main financial assets and liabilities, considering a probable scenario (Scenario I), with appreciation of 25% (Scenario II) and 50% (Scenario III) is as follows:

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Operation	Exposure at 06/30/2020	Risk	Probable rate	Scenario I probable	Scenario II + 25% deterioration	Scenario III + 50% deterioration
Foreign exchange risk						
Swap - Banco do Brasil	29,794	Decrease in USD	R\$ 5.30	(942)	6,271	13,483
Internacional credit - Banco do Brasil	(29,794)	Increase in USD	R\$ 5.30	942	(6,271)	(13,483)
Net effect of exposure	-			-	-	-
Interest rate risk						
Cash equivalents - financial investments	129,434	Decrease in CDI	2.00%	2,589	3,236	3,883
Debentures	(158,043)	Increase in CDI	2.00%	(3,161)	(3,951)	(4,741)
Loans with swap	(29,794)	Increase in CDI	2.00%	(596)	(745)	(894)
Loans/Leases in local currency	(127,870)	Increase in CDI	2.00%	(2,557)	(3,197)	(3,836)
Loan agreement with related parties	(20,061)	Increase in CDI	4.98%	(401)	(502)	(602)
Loans and financing – BNDES	(6,820)	Increase in TLP	4.98%	(340)	(425)	(509)
Net exposure and impact of the interest rate risk from financial instruments	(213,154)			(4,466)	(5,584)	(6,699)

The Company regularly reviews the estimates and assumptions used in the calculations. However, settlement of transactions involving these estimates may result in amounts different from the estimated amounts, as a result of subjectivity inherent in the process used to prepare analyses.

(ii) Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in honoring its payment obligations under financial liabilities. The Company's cash flow and liquidity are monitored on a daily basis so as to ensure that cash generated from operations and other sources of liquidity, as necessary, are sufficient to meet the scheduled payments, thus mitigating liquidity risk for the Company.

Among the alternatives to mitigate the liquidity risk are funding with third parties with long-term maturity, debt restructuring and, if necessary, raising of additional funds from shareholders.

A summary of the maturity profile of financial liabilities and assets that are used to manage liquidity risk is presented below. Financial liabilities are shown at their gross values (not discounted), including principal and future interest payments up to maturity dates. For fixed rate liabilities, interest was calculated based on the rates established in each contract. For liabilities with floating rate, interest was calculated based on market forecast for each period:

	06/30/2020					
	Book value	Contractual flow	Up to 1 year	1-3 years	3-4 years	Over 4 years
Financial assets						
Cash and cash equivalents	139,188	139,188	139,188	-	-	-
Accounts receivable	100,976	100,976	84,940	16,036	-	-
Financial liabilities						
Accounts payable to suppliers	(36,525)	(36,525)	(36,525)	-	-	-
Loans and financing, loans with related parties	(184,545)	(194,966)	(155,941)	(39,025)	-	-
Debentures	(158,043)	(171,074)	(70,659)	(100,415)	-	-
Dividends payable	(20,537)	(20,537)	(20,537)	-	-	-
Subtotal – financial instruments	<u>(159,486)</u>	<u>(182,938)</u>	<u>(59,534)</u>	<u>(123,404)</u>	<u>-</u>	<u>-</u>
Lease liability	(20,889)	(20,889)	(7,217)	(6,583)	(5,533)	(1,556)
Total	<u>(180,375)</u>	<u>(203,827)</u>	<u>(66,751)</u>	<u>(129,987)</u>	<u>(5,533)</u>	<u>(1,556)</u>

The Company ended the six-month period ended June 30, 2020 with a net working capital deficit of R\$ 72,581 (R\$ 77,336 as of December 31, 2019). The Company's Management, based on the recent positive cash generation and together with future operating cash flows, believes that no other measures are necessary to meet the Company's obligations and needs for 2020. However, in case of additional cash needs, the Company has available credit lines with financial institutions that could be used to meet future operational needs.

(iii) Credit risk

Credit risk is the risk of the Company incurring financial losses if a customer or counterparty in a financial instrument fails to comply with its contractual obligations. This risk primarily relates to the Company's accounts receivable and cash and cash equivalents.

The book values of financial assets represent the maximum credit exposure.

Accounts receivable

Credit risk derives from any difficulty in the collection of values due for services provided to the clients. The balance of accounts receivable is in Reais and is distributed among multiple clients.

Credit risk is managed using the Company's own operating model, where almost all sales are made as credit sales with a short maturity for payment and the remainder is made through advance payment. Despite this, periodical analyses of the clients' default level are conducted, and efficient forms of collection are adopted. The credit granting by the Company is made following the criteria defined based on statistical models - score, combined with internal information of our business, as well as internal record of behavioral information of the consumers, and these models are periodically reviewed based on the rates of historical losses of portfolio vintages.

The maximum exposure to credit risk on each reporting date is the book value as shown in the chart of accounts receivable by maturity (see note 6).

The Company recognized a provision for loss that represents its expected credit losses (revised for the impacts of COVID-19) as of June 30, 2020 and as of December 31, 2020, in connection with accounts receivable, see note 6.

Cash equivalents

The credit risk of balances in banks and financial institutions is administered by the Company's Treasury Department. Surplus funds are invested only in approved counterparties which are first rate financial institutions in Brazil, and inside the limit established to each one, to minimize risk concentration and, therefore, mitigate financial loss in case of possible bankruptcy of a counterparty.

Capital management

For the six-month period ended June 30, 2020, there was no change in the objectives, policies or processes of capital management.

The Company includes the following balances in its 'net debt' measure: loans and financing, debentures and derivative financial instruments, less cash and cash equivalents.

Consolidated net indebtedness indices over the Company's shareholders' equity are comprised of the following items:

	06/30/2020	12/31/2019
(-) Cash and cash equivalents (note 5)	(139,188)	(56,847)
(+) Loans and financing, debentures, loans with related parties and lease liability (notes 10 and 11)	363,477	290,679
Net indebtedness	224,289	233,832
Total shareholders' equity	374,132	350,944
Net debt ratio	59.95%	66.63%

24 Insurance coverage

The Company has a risk management program aiming to mitigate risks, seeking coverage compatible with its size and operation in the market. Coverages were contracted to cover possible claims, considering the nature of its activities, risks involved in its operations and the opinion of insurance advisors.

For the six-month period ended June 30, 2020 and the year ended December 31, 2019, the Company had insurance policies with a maximum indemnity of R\$ 125,010, for coverage of electric damages, riots, broken glasses, electronic equipment, fire and qualified robbery and thefts of assets.

Type	Insured amount
Civil liability and D&O	22,700
Specific Risks (fire, windstorm, smoke, electric damage, electronic equipment, theft, and flood)	125,010
Loss of profits	13,200

25 Stock option plan

The Special Shareholders' Meeting held on February 29, 2012 approved a stock option plan for the Company, which granted to the directors and employees in position of command (beneficiaries) the possibility to acquire shares of the Company, observing certain conditions ("Option Plan").

The Option Plan, which is managed by the Company's Executive Committee, aims to provide incentive for the expansion, success and achievement of the Company's corporate goals. The Plan comprises 38 employees, of which 26 employees as of June 30, 2019.

The dates of the 7 grants made at the beginning of the plan until the period ended June 30, 2020 are as follows:

Grant	Month	Year
1 st	February	2012
2 nd	May	2018
3 rd	August	2018
4 th	October	2018
5 th	March	2019
5 th	September	2019
7 th	November	2019

Shares that may be acquired under the option plan will not exceed 10% of Company's total capital, provided that total number of issued shares or shares that may be issued pursuant to the terms of the option plan is always within the capital limit authorized by the Company. The options are settled through equity instruments.

The vesting period for all grants is:

- 1st year acquisition of 5% of rights
- 2nd year acquisition of 10% of rights
- 3rd year acquisition of 15% of rights
- 4th year acquisition of 20% of rights
- 5th year acquisition of 25% of rights
- 6th year acquisition of 25% of rights

The changes in the Share-base payment plan reserve are as follows:

	06.30.2020	12.31.2019
Opening balance	4,014	3,796
Additions	435	259
Write-offs	(787)	(41)
Closing balance	3,662	4,014

The variations in the quantity of outstanding stock options and their weighted average strike prices for the year are presented below:

	06.30.2020		12.31.2019	
	Average strike price per share - reais	Quantity of options	Average strike price per share - reais	Quantity of options
Opening balance	4.44	5,646,000	4.02	4,086,000
Granted	-	-	5.24	1,902,000
Canceled	-	-	3.90	(342,000)
Closing balance	4.44	5,646,000	4.44	5,646,000

Of the 5,646,000 thousand outstanding options (5,646,000 thousand options as of December 31, 2019), 3,700,251 thousand options (3,506,317 thousand options as of December 31, 2019) were exercisable.

The outstanding options at the dates shown below have the following maturities and strike prices:

	06.30.2020		12.31.2019	
	Average strike price per share	Quantity of options	Average strike price per share	Quantity of options
2022	3,90	3,306,000	3,90	3,306,000
2028	5,03	438,000	5,03	438,000
2029	5,24	1,902,000	5,24	1,902,000
Total	4,44	5,646,000	4,44	5,646,000

There were no options granted in the period ended June 30, 2020. The weighted average fair value of the options granted in the period ended December 31, 2019, determined based on the Black-Scholes valuation model, was R\$ 3.01 per share. The significant data included in the grant model related to the period ended December 31, 2019 were: weighted average price of the share of R\$ 6.53 at the grant date, average strike price presented above, volatility of 28.28%, dividend yield of 1.12%, expected life of the option corresponding to 10 years and an annual risk-free interest rate of 6.33%. The volatility was measured using the Company's quarterly EBITDA history. The period of analysis for the volatilities considers the expected time of exercise of each call option. The volatilities were annualized. See note 13.1b for information about the expenses recorded in profit or loss for Stock Option Plan granted to Directors.

In the occurrence of a liquidity event, 50% of the options not exercised will have its vesting periods anticipated. In the Shareholders' Meeting held on December 10, 2019, it was approved that, if the liquidity event is an Initial Public Offering, the vesting period of the options granted will be automatically anticipated, so that 100% of the options granted become vested and exercisable. In addition, it approved the creation of time windows for the exercise of the options (being them for a minimum period of 20 days and twice a year year), the first window being only after 6 months past the process of the Initial Public Offering.

In the same Shareholders' Meeting above, was approved the Restricted Stock Option Plan ("2019 Plan"). The purpose of the plan is to grant the beneficiaries selected by the Committee the opportunity to receive Restricted Shares, aiming to promote: (a) retention of the Beneficiaries; (b) the long-term commitment of the Beneficiaries and the strengthening of the meritocracy culture, and (c) the alignment of interest between the Beneficiaries and the Company's shareholders. Under the article 125 of the Brazilian Civil Code, the effectiveness of the plan is conditional on the liquidation of the Company's Initial Public Offering. During the six-month period ended June 30, 2020 and the year ended December 31, 2019 there were no grants under this plan by the Company.

26 Transactions not involving cash

The Company carried out investment and financing activities not involving cash. Therefore, they are not included in the statements of cash flows:

	<u>06/30/2020</u>	<u>06/30/2019</u>
Acquisition of property, plant and equipment	-	11,913
Acquisition of intangible assets	-	10,840
Leases payable	-	(21,683)
Accounts payable to suppliers	-	(1,070)

27 Subsequent events

On July 1, 2020, the Company obtained a loan in the amount of R\$ 12,000 maturing on January 3, 2022 from Banco Alfa de Investimentos S.A.

On July 2, 2020, the Company obtained a loan in the amount of R\$ 15,000 maturing on June 28, 2021 from Banco Bradesco S.A. On the same date, the company obtained a loan in the amount of R\$ 10,000 maturing on January 3, 2022 from Banco Daycoval S.A.