



## Infracommerce's Adjusted EBITDA grows fivefold in the quarter, expanding the EBITDA margin from 4% to 11%

São Paulo, November 10, 2022: Infracommerce CXaaS S.A., "Infracommerce" or "Company" (B3:IFCM3), elected in 2020 as the best digital solutions company for e-commerce in Brazil in terms of service level, announces its results for the third quarter of 2022 ("3Q22"). The financial information presented below, except where otherwise indicated, is in accordance with Brazilian and IFRS (International Financial Reporting Standards) accounting standards and is reported in Brazilian reais (R\$).

### Financial Highlights

- GMV of R\$3.2 billion in 3Q22, a growth of 85% compared to 3Q21.
- Net revenue increased to R\$214.6 million, compared to the R\$105.1 million reported in 3Q21, an increase of 104% in the period. Organic revenue growth was 24% in the period, more than 10x the growth of the Brazilian e-commerce market in the same period<sup>1</sup>.
- In Brazil, revenues of the B2C and B2B solutions increased by 148% and 65%, respectively, both compared to the same period of the previous year.
- In Latin America (ex-Brazil), revenue grew by 47% YoY in 3Q22, accounting for 21% of the Company's total revenue.
- The average take rate increased by 0.6 percentage points in the period, from 6.0% in 3Q21 to 6.7% in 3Q22.
- Strong performance of Infra.pay, with a 220% growth in TPV, which totaled R\$883,4 million in 3Q22.
- Gross Profit of R\$87.7 million in 3Q22, with a gross margin of 41%, in line with the last few quarters, but down from 2021, due to the mix of B2B and B2C.
- Adjusted EBITDA of R\$24.6 million in 3Q22, with an Adjusted EBITDA margin of 11.4%, a profitability growth of 2.8x compared to an Adjusted EBITDA margin of 4.1% reported in 3Q21.
- Conclusion of the private capital increase of R\$400.8 million, approved in October (subsequent event) to improve the capital structure.
- Record 628 customers in the ecosystem, compared to 433 in 3Q21 and 597 in 2Q22.
- We processed 29.5 million products this quarter.
- We ended the quarter with 4,174 #Infras<sup>2</sup>.

Highlights (R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
GMV	3,226	1,741	85.3%	9,145.4	4,664	96.1%
TPV	883.4	275.7	220.4%	2,462.9	623.3	295.1%
Net revenue	214.6	105.1	104.1%	629.5	257.0	144.9%
Gross profit	87.7	52.2	68.0%	260.9	122.2	113.5%
Gross margin	40.9%	49.6%	-8.8 p.p.	41.4%	47.5%	-6.1 p.p.
Adjusted EBITDA <sup>3</sup>	24.6	4.4	463.6%	60.0	8.0	653.6%
Adjusted EBITDA <sup>3</sup> margin	11.4%	4.1%	+7.3 p.p.	9.5%	3.1%	+6.4 p.p.

<sup>1</sup>According to NielsenIQ estimates.

<sup>2</sup>Does not include temporary and third parties from Brazil and Latam.

<sup>3</sup>Adjusted by non-recurring events. For additional information, see page 9.



## Message from Management

We closed another strong quarter at Infracommerce. Despite the challenging macroeconomic scenario, the Company organically grew by more than 10x the growth reported in Brazilian e-commerce.

Such growth shows the strength of our business model, which not only proved resilient during the pandemic but became an important ally of industries and important brands that accelerate the digitalization of the sales channels to recover the chain margin and reach final consumers.

The company recorded year-over-year growths of 104% in Net Revenue and 85% in GMV. Adjusted EBITDA grew by 464%, with a margin expansion of 8,5% in 3Q22, reaching 11.4%, as a result of our strategy to focus on profitability and margin expansion.

We closed the quarter with 628 customers, due to the acquisition of 50 new customers in 3Q22, where the evolution of commercial performance continues to progress with the modularization and multi-country sales strategy. Specifically, regarding services provided to Nike Brasil, we emphasize that the transition of the platform to Grupo SBF in 3Q22 had no impact on other services rendered, and, despite that, our organic growth remains above the market's growth.

The quarter was also marked by the private capital increase at the Company, which reached its maximum issue limit of R\$400.8 million. The current shareholders' interest in subscribing beyond their pro-rata interest shows that we are on the right track and fully confident in those who know us and understand that our business model follows solid execution. On the other hand, we entered a partnership with Nike to operate in Argentina, showing the confidence of the client in Infracommerce.

As part of our strategy to strengthen cash, we disclosed the renegotiation of the deferred installments of the M&A transactions with all former shareholders, who also participate as shareholders and are fully aligned with Infracommerce's success.

The lengthening of the deferred installments of the M&As is only one of the initiatives to alleviate cash and strengthen our balance sheet. Although not having a short-term bank debt profile, we also want to announce the lengthening of debt by using part of the credit lines approved with several banks, with very favorable conditions, reflecting the risk reduction led by the capital increase.

The confidence of the stakeholders in our work is not only a pride for me as the founder but also for all employees who make it happen through their daily hard work.

The strengthening of our cash and balance sheet allows us to further focus on capturing the synergies of the M&As. The margin expansion recorded in the quarter already reflects that, although we believe that most of the synergies are still to come with the elimination of licenses and support teams of legacy systems that will be terminated, as well as increased productivity with the rationalization of the tools and processes implemented.

After the end of the quarter, we entered a partnership with:

- Aliexpress – a long-term partnership on different fronts where we will support its expansion strategy in Brazil and Latin America, both in local and cross-border sellers' operations, providing them with our consolidated ecosystem in the region; and



The partnerships closed and the company's achievements prove the size and sustainability of our business. We have increasingly strengthened our business to continue delivering our work with excellence and professionalism.

Finally, I would like to emphasize that as of November 07, the Company is no longer restricted to qualified investors (ICVM476). We can now accept any type of investor and are very glad to include in our shareholder base all individuals investing in the capital markets. We are very pleased to reach these individuals, who are increasingly standing out in the Brazilian stock market and represent millions of end consumers who are daily assisted through our solutions.

The prospects for Infracommerce continue very positively, mainly with the contribution of our more than 4 thousand #Infras. Our employees' engagement encourages us to increasingly grow and be proud of our history.

I would like to thank the support and collaboration of all of those who are part of Infracommerce's history and make our daily routine to be increasingly enjoyable and the reason for our pride. Our trademark is to always deliver beyond expected, and this is how we will continue this path.

*#GoInfra #CXaaS #AlwaysDeliverMoreThanExpected*

**Kai Schoppen, Founder and CEO of Infracommerce CXaaS S.A.**



## ESG Initiatives

- Launch of the **Infra Code Academy**, an in-house project that aims at developing our professionals on SAC, logistics, phone sales, and transportation by promoting technical training in front-end technology software development. In addition to being trained after completing the program, our professionals will have the opportunity to change areas and take future vacancies, taking their first professional step in technology. This initiative not only aims at reducing the gaps caused by the lack of this type of professionals in the market but also allows their families to improve.
- Within the **Diversity Program**, this quarter we opened positions for women in the technology area. The initiatives of the program aimed at increasing the share of women and other minorities in our staff, especially in technology, an important area for our company.
- We held the **Infra Kids Solidária** initiative, which offered joy, leisure, and fun to children in the social vulnerability of the Marcos Freire community, in the neighborhoods of Pimentas/Guarulhos in São Paulo, counted with the participation of more than 40 Infracommerce volunteers, in a partnership with the Salve Quebrada Institute.
- In September, we held emotional self-knowledge and mental health actions, lectures, and activities for our employees, with topics focused on self-care and how to manage emotions, promoting the **Yellow September** campaign in our community.
- We included **ESG** matters in the standard draft of our **contracts** with new customers and suppliers, containing specific clauses on human rights, such as diversity, repudiation of child and slave labor, and topics on fighting climate change and preserving the environment.
- We revised and unified our **Infracommerce Ethics Channel**, which is an exclusive portal for receiving reports of non-compliance with legislation or inappropriate and unethical conduct that could affect Infracommerce's image, financial result, and work environment.
- We elected the members of the Infracommerce **People and Sustainability Committee** and held the first meeting in October, whose main objectives were the applicability of the long-term compensation plan, stock options plan, and ESG Program.



## Synergies

We saw several synergy gains from the M&As in the quarter, which helped us expand our EBITDA margin, mainly through the dilution of fixed costs, including the reduction of payroll due to the optimization of the staff, as seen in the drop of SG&A expenses, with an improvement of the SG&A/Net Revenue ratio from 59% to 49%.

The interaction plan continues progressing as expected by the Company and will be extended until the second quarter of 2023 when we will conclude the migration of all systems. We have currently concluded 36,3% of the Post Merger Integration (PMI) project.

The total potential of synergy estimated is between R\$60 and R\$80 million, which will be captured gradually in the next few quarters, through the main following fronts:

- Unification of systems and tools, with a reduction of more than 120 licenses used in the legacy systems of the acquired companies.
- Permanent cost reduction with supporting teams and improvement for the systems, focusing efforts only on the progress and maintenance of the systems that will remain - reducing not only OPEX but also CAPEX.
- Increased productivity through the adoption of the processes and flows implemented in the first half, such as the SAC system, transportation management, management of customers' financial flows, and logistics processes such as inventory, picking, and packing.
- Final consolidation of the distribution centers, reducing not only rental costs but also other related costs (cleaning, security, and monitoring, among others).



## Subsequent Events

### Capital increase approval

On October 04, 2022, we approved Infracommerce's private capital increase, at the maximum amount established by the Company of R\$400.8 million. The capital increase was supported by renowned investors from our shareholder base (R\$170 million), which strengthens their reliability in the company, and other shareholders' demand for subscriptions exceeded the limit defined by Management.

Until September 30, we recorded a partial inflow of the capital increase proceeds, totaling R\$234 million, given that the last tranche was on October 04. On that date, the remaining amount of R\$166.8 million was recorded in the Company's cash. Part of the proceeds was used for the partial payment of the deferred installments of the M&As, totaling R\$121.6 million.

### Aliexpress Marketplace Out Partnership

In October 2022, Infracommerce entered a Full-Commerce partnership with AliExpress and Cainiao, a company belonging to the Alibaba group.

The project provides Brazilian brands with special conditions to manage inventory, storage, methods of payment, software, marketing tools, and deliveries throughout the country. Infracommerce's participation allows its customers to register their stores on Aliexpress' platform.

Moreover, Infracommerce will also offer a fulfillment solution for the platform's sellers and manage their last mile, shipping products on the same day they are sold on AliExpress' platform, reducing delivery times, given that Brazilian and foreign sellers' products will be available for shipping in Infracommerce's distribution centers.

The partnership will be gradually implemented over the next few years, evolving into three distinct models (marketplace out, fulfillment, master seller), and is expected to expand in the next few years not only in Brazil, where it started but also in Latin America.



## Financial Performance

The following income statement and operating data should be read in conjunction with the quarterly results comments presented below. All numbers are compared to the same period of the previous year and have been rounded to the nearest thousand, however, they may differ when compared to the financial statements due to the decimal places.

P&L (R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
<b>Net revenue</b>	<b>214.6</b>	<b>105.1</b>	<b>104.1%</b>	<b>629.5</b>	<b>257.0</b>	<b>144.9%</b>
Cost of services provided	(126.9)	(52.9)	139.7%	(368.6)	(134.8)	173.3%
<b>Gross profit</b>	<b>87.7</b>	<b>52.2</b>	<b>68.0%</b>	<b>260.9</b>	<b>122.2</b>	<b>113.5%</b>
<i>Gross margin</i>	40.9%	49.6%	-8.8 p.p.	41.4%	47.5%	-6.1 p.p.
Administrative and selling expenses	(105.6)	(61.6)	71.5%	(327.9)	(158.8)	106.5%
Other operating income	0.5	0.1	245.6%	8.7	18.6	-53.3%
<b>Profit before financial results and equity in earning (losses) of investees</b>	<b>(17.4)</b>	<b>(9.3)</b>	<b>88.1%</b>	<b>(58.3)</b>	<b>(18.0)</b>	<b>224.5%</b>
Financial expenses	(66.7)	(9.9)	571.2%	(164.9)	(22.0)	650.0%
Financial income	12.2	15.8	-22.9%	31.1	25.5	22.0%
<b>Net financial results</b>	<b>(54.5)</b>	<b>5.9</b>	<b>-1025.4%</b>	<b>(133.7)</b>	<b>3.5</b>	<b>-3879.6%</b>
Interest in earning (losses) of associates	--	0.1	-100.0%	--	0.2	-100.0%
<b>Net Income (loss) before tax</b>	<b>(71.9)</b>	<b>(3.3)</b>	<b>2063.4%</b>	<b>(192.0)</b>	<b>(14.2)</b>	<b>1251.0%</b>
Income tax	(1.0)	(0.5)	97.3%	(1.5)	(0.4)	269.4%
<b>Net Income (loss) for the year</b>	<b>(72.9)</b>	<b>(3.8)</b>	<b>1813.6%</b>	<b>(193.5)</b>	<b>(14.6)</b>	<b>1224.6%</b>
<i>Net margin</i>	-34.0%	-3.6%	-30.3 p.p.	-30.7%	-5.7%	-25.1 p.p.
Non-recurring events	9.1	2.4	277.9%	22.3	(3.0)	+2525.1 p.p.
Non-operating expenses (amortization of added value - M&As)	10.6	0.0	n.a.	38.0	0.0	n.a.
Non-recurring financial expenses	14.7	0.0	n.a.	31.3	0.0	n.a.
<b>Adjusted net income (loss) for the year</b>	<b>(38.5)</b>	<b>(1.4)</b>	<b>2649.8%</b>	<b>(101.9)</b>	<b>(17.6)</b>	<b>-8437.8 p.p.</b>
<i>Adjusted net margin</i>	-17.9%	-1.3%	+12.5 p.p.	-16.2%	-6.8%	-9.4 p.p.

Operational highlights	3Q22	3Q21	% Δ	9M22	9M21	% Δ
GMV (R\$ million)	3,226.0	1,740.6	85.3%	9,145.4	4,663.6	96.1%
TPV (R\$ million)	883.4	275.7	220.4%	2,462.9	623.3	295.1%
Take Rate	6.7%	6.0%	+0.6 p.p.	6.9%	5.5%	+1.4 p.p.
Total clients	628	433	45.0%	628	433	45.0%
Full-time-equivalent employees	4,174	2,445	70.7%	4,174	2,445	70.7%
Units of products shipped (million)	29.2	23.0	27.0%	88.5	56.9	55.6%



## Net Revenue

In 3Q22, Infracommerce reported net revenue of R\$214.6 million, a growth of 104.1% over the R\$105.1 million reported in 3Q21, with organic growth of 24% in the quarter. This performance is related to (i) the increase in the number of customers, from 433 in 3Q21 to 628 in 3Q22; (ii) the increase in the number of transactions in our ecosystem, which led to an 85.3% growth in GMV in the period; and (iii) the 0.6 percentage point growth in the Company's average take rate, as a result of the cross-selling strategy and the M&As. The compound annual growth rate (CAGR) between 3Q20 and 3Q22 was 86%.

In 9M22, net revenue totaled R\$629.5 million, compared to the R\$257.1 million reported in 9M21. The 144.9% growth represents an increase in the number of customers and growths of GMV and take rate.

Considering the gradual revenue being recognized from new contracts, revenue performance in 3Q22 does not reflect the addition of 50 new customers into our ecosystem, who will contribute revenue over the coming months after the *go-live* is achieved for each project. In 3Q22, the company recorded a churn rate of only 0.4% in terms of revenue.

### Revenue Growth by Business Unit

- (i) The Business Unit B2C Brazil reported a YoY growth of 148.3%.
- (ii) The B2B Brazil unit reported an increase of 64.9% in the period.
- (iii) Latam recorded a YoY growth of 47.0%.

## Operating Costs and Expenses

Costs and expenses (R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
Cost of services provided	(126.9)	(52.9)	139.7%	(368.6)	(134.8)	173.3%
Administrative and selling expenses	(105.6)	(61.6)	71.5%	(327.9)	(158.8)	106.5%
Other operating income	0.5	0.1	245.6%	8.7	18.6	-53.3%
<b>Total costs and expenses</b>	<b>(232.0)</b>	<b>(114.4)</b>	<b>102.8%</b>	<b>(687.7)</b>	<b>(275.0)</b>	<b>150.1%</b>

Operating costs and expenses increased by 102.8% YoY in 3Q22, mainly due to:

- The cost of services rendered, totaling R\$126.9 million in 3Q22 and R\$52.9 million in 3Q21, representing an increase of 139.7% in the period, due to the higher volume of orders.
  - As a percentage of net revenue, the cost of services rendered accounted for 59.1% in 3Q22 and 50.4% in 3Q21, and the increase was mainly due to (i) the profile of the customers that came from the acquired companies, more concentrated in B2C, who tend to contract the full services of our verticals; and (ii) the 148.3% increase in B2C revenue, which has a lower margin.
- The selling and administrative expenses totaled R\$105.6 million, a YoY growth of 71.5%, mainly related to (i) the increase in commercial and administrative teams due to the growth in the number of customers and sales volume; and (ii) the absorption of employees that came from the acquired companies.
  - The operational efficiency continues improving quarter after quarter, mainly in terms of dilution of SG&A expenses, which, excluding depreciation, amortization, and non-recurring expenses for the period, fell from 54.7% of net revenue to 38.7%. Thus, we began to observe a dilution of our





fixed costs, a trend that should continue in the coming quarters, as seen in the section about Synergies.

- The variation was also impacted by **non-recurring expenses of R\$9.1 million** related to the recognition of:
  - M&As Synapcom: Subscription warrants totaling R\$5.2 million, **non-cash**
  - M&A Brandlive Colombia: Earn-out share of R\$0.7 million, **non-cash**
  - M&A Tevec: Benefit of R\$1.9 million from the remaining installments referring to the earn-out renegotiated in September 2022 between Infracommerce and the selling shareholders, classified as contingent remuneration, **non-cash**
  - Legal Services: Expenses related to M&As of R\$2.9 million
  - Others: R\$2.2 million (**R\$1.0 million non-cash**)

## Gross Profit

Infracommerce's gross profit was R\$87.7 million in 3Q22, compared to the R\$52.2 million reported in 3Q21, a YoY increase of 68%. YoY, the gross margin fell from the 49.6% reported in 3Q21 to 40.9% in 3Q22. These variations were mainly caused by the service mix contracted by the B2C customers that came from the acquisitions made in the period.

## EBITDA

EBITDA (R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
<b>Profit (loss) for the year</b>	<b>(72.9)</b>	<b>(3.8)</b>	<b>1813.6%</b>	<b>(193.5)</b>	<b>(14.6)</b>	<b>1224.7%</b>
Depreciation	32.9	11.2	194.7%	95.9	28.7	234.7%
Net financial results	54.5	(5.9)	-1025.5%	133.7	(3.5)	-3879.6%
Income tax	1.0	0.5	97.4%	1.5	0.4	n.a.
<b>EBITDA</b>	<b>15.5</b>	<b>1.9</b>	<b>693.0%</b>	<b>37.7</b>	<b>10.9</b>	<b>245.0%</b>
<i>EBITDA margin</i>	<i>7.2%</i>	<i>1.9%</i>	<i>+5.4 p.p.</i>	<i>6.0%</i>	<i>4.2%</i>	<i>+1.7 p.p.</i>
Expenses related to M&A	6.5	1.4	371.2%	16.6	(9.9)	-268.2%
Expenses related to long-term incentive programs	0.3	0.2	96.1%	1.8	4.4	-60.4%
Expenses related to the IPO	--	0.9	-100.0%	--	2.5	-100.0%
Others	2.3	--	n.a.	4.0	--	n.a.
<b>Non-recurring events</b>	<b>9.1</b>	<b>2.4</b>	<b>277.9%</b>	<b>22.3</b>	<b>(3.0)</b>	<b>-853.3%</b>
<b>Adjusted EBITDA</b>	<b>24.6</b>	<b>4.4</b>	<b>463.6%</b>	<b>60.0</b>	<b>8.0</b>	<b>653.5%</b>
<i>Adjusted EBITDA margin</i>	<i>11.4%</i>	<i>4.1%</i>	<i>+7.3 p.p.</i>	<i>9.5%</i>	<i>3.1%</i>	<i>+6.4 p.p.</i>

EBITDA consists of net income added by current and deferred income tax and social contribution expenses, net financial result, and expenses with depreciation and amortization. Adjusted EBITDA represents a non-accounting measurement that corresponds to EBITDA less non-recurring expenses, such as those related to mergers and acquisitions, expenses with long-term incentive programs, and extraordinary expenses related to the IPO.

In 3Q22, Infracommerce reported an Adjusted EBITDA of R\$24.6 million, a YoY increase of R\$463.6%. The adjusted EBITDA margin in the period was 11.4%, 7.3 percentage points higher than the adjusted EBITDA margin reported in 3Q21.



## Financial Result

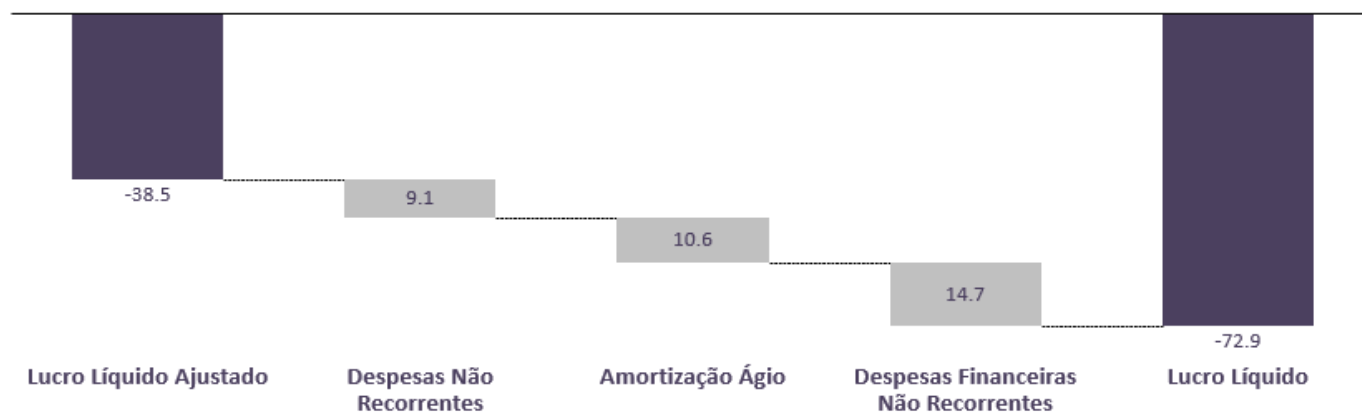
Net financial results (R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
Financial expenses	(66.7)	(9.9)	571.2%	(164.9)	(22.0)	650.0%
Financial income	12.2	15.8	-22.9%	31.1	25.5	22.0%
<b>Net financial results</b>	<b>(54.5)</b>	<b>5.9</b>	<b>-1025.4%</b>	<b>(133.7)</b>	<b>3.5</b>	<b>-3879.6%</b>

The financial result of 3Q22 was comprised of a financial expense of R\$66.7 million, related mainly to expenses with interest on debentures, loans, exchange variations, and financial expenses of Infra.Pay; and financial revenue of R\$12.2 million, mainly due to exchange variation and income from financial investments.

## Net Income/Loss

In 3Q22, the Company reported a Net Loss, adjusted for the non-recurring events listed below and non-operating expenses, mainly related to the amortization of the M&As added value, of R\$10.6 million. Adding the factors listed above, the Net Loss for the period was R\$72.9 million.

The breakdown of Adjusted Net Income to Total Net Income is as follows:



- Non-Recurring Expenses: as detailed in the Operating Costs and Expenses field above.
- Amortization of Identifiable Assets M&As (**non-cash**): Amortization of Identifiable Assets (M&As) referring to the brand (R\$2.5 million) and customer portfolio (R\$8.1 million).
- Non-recurring Financial Expenses: monetary adjustments and interest costs on the bank guarantee relating to the M&As (R\$14.7 million).



## Liquidity and Net Debt

Liquidity (R\$ million)	3Q22	3Q21	% Δ	4Q21	% Δ
Cash	262.1	611.0	-57.1%	210.0	24.8%
Loans and financing	(478.3)	(17.9)	2570.3%	(268.2)	78.4%
<b>Net debt</b>	<b>(216.2)</b>	<b>593.1</b>	<b>-136.5%</b>	<b>(58.1)</b>	<b>271.9%</b>

Infracommerce closed the quarter with a cash position of R\$262.1 million, down from the figure reported in 3Q21, given that the company had recently held its IPO and had not yet realized the acquisition of Synapcom. Net debt for the quarter was R\$216.2 million, as a result of the acquisitions made.

At the end of 3Q22, Infracommerce's cash position and net debt did not fully comprise the amounts referring to the fundraising held in the third quarter, which was concluded in early October. In September 30 only R\$234.0 million, of the R\$400.8 million, was incorporated and the difference (R\$166.8 million) entered the Company's cash on October 4.

## Capex

The company's capex totaled R\$46.4 million in 3Q22, mainly due to investments in:

- Technology, mainly the investment in our omnichannel platform, in addition to other investments totaling R\$43.4 million.
- Infrastructure, of R\$3 million, once was possible to evolve with the consolidation of the logistic grid in the first semester of the year, focusing now on efficiency.

Capex (R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
Infrastructure	(3.0)	(9.8)	-69.7%	(39.0)	(19.1)	7.5%
Technology	(43.4)	(13.5)	221.0%	(124.1)	(36.3)	548.7%
<b>Total Capex</b>	<b>(46.4)</b>	<b>(23.4)</b>	<b>98.6%</b>	<b>(163.2)</b>	<b>(55.4)</b>	<b>194.4%</b>



## Relationship with Independent Auditors

According to the CVM Instruction 381/03, we inform that the Company consulted the KPMG Independent Auditors to ensure compliance with the rules issued by the Authority, as well as the Law governing the accounting profession, established by Decree Law 9,295/46 and subsequent amendments.

Compliance with the regulations governing the exercise of professional activity by the Federal Accounting Council (CFC) and the technical guidelines issued by the Institute of Independent Auditors of Brazil (IBRACON) was also observed.

The Company adopted the fundamental principle of preserving the independence of the auditors, guaranteeing that they would not be influenced by auditing their own services, nor that they participated in any management function at the Company.

KPMG Independent Auditors was hired to perform audit services for the current year and to review the quarterly information for the same year.



# Earnings Conference Call

Friday, November 11, 2022

1:00 p.m. (Brasília) | 11:00 p.m. (EST)

Webcast: [ri.infracommerce.com.br](https://ri.infracommerce.com.br)

## About Infracommerce

Infracommerce is a white-label digital ecosystem that operates on the concept of Customer Experience as a Service (CXaaS). The Company offers digital solutions from platform and data to logistics and payments that simplify digital operations for companies of any type of business, from luxury market to large retailers and industries. With a presence in Brazil, Mexico, Colombia, Peru, Chile, Argentina, and Uruguay, and about 4,000 employees, the Company was awarded the Best Digital Solutions Company by the Brazilian Association of E-Commerce. For more information, visit [ri.infracommerce.com.br](https://ri.infracommerce.com.br).

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## Balance Sheet

(R\$ million)	3Q22	3Q21	% Δ	4Q21	% Δ
<b>Assets</b>					
<b>Current</b>					
Cash and equivalents	240.0	596.5	-59.8%	120.9	98.4%
Financial investments	22.1	14.5	52.7%	89.1	-75.2%
Receivables	480.6	185.6	159.0%	382.8	25.5%
Advances from supplies	114.2	55.4	105.9%	88.2	29.5%
Other current tax receivable	120.4	28.5	323.0%	85.3	41.2%
Income tax receivable	1.2	0.9	36.5%	0.6	86.3%
Prepaid expenses	7.3	2.3	223.6%	2.0	269.3%
Other financial assets	--	1.9	-100.0%	1.5	-100.0%
Other accounts receivable	169.6	15.5	993.4%	50.6	235.0%
Derivative financial instruments	0.9	--	n.a.	--	n.a.
<b>Total current assets</b>	<b>1,156.2</b>	<b>901.0</b>	<b>28.3%</b>	<b>821.0</b>	<b>40.8%</b>
<b>Non current</b>					
Other accounts receivable	75.3	--	n.a.	69.8	n.a.
Other non-current tax receivable	27.6	43.1	-35.8%	46.1	-40.1%
Judicial deposits	132.0	7.7	1619.5%	66.8	97.7%
Equity-accounted investees	--	0.6	-100.0%	0.7	-100.0%
Property, plant and equipment	89.6	39.0	129.6%	57.7	55.3%
Intangible assets and goodwill	1,751.8	438.2	299.8%	1,594.0	9.9%
Right-of-use assets	100.0	73.8	35.4%	91.0	9.8%
<b>Total non current assets</b>	<b>2,176.4</b>	<b>602.4</b>	<b>261.3%</b>	<b>1,926.1</b>	<b>13.0%</b>
<b>Total assets</b>	<b>3,332.6</b>	<b>1,503.5</b>	<b>121.7%</b>	<b>2,747.1</b>	<b>21.3%</b>
<b>Liabilities</b>					
<b>Current</b>					
Loans and borrowings	122.0	12.6	870.4%	13.1	830.7%
Debenture	4.8	--	n.a.	2.3	111.2%
Leases	34.1	23.2	47.2%	28.7	18.6%
Suppliers	525.1	141.8	270.3%	397.0	32.3%
Confirming	77.1	27.7	178.7%	51.9	48.6%
Advances from costumers	0.1	11.5	-99.0%	12.2	-99.1%
Salaries and wages	50.2	31.6	58.7%	41.3	21.5%
Tax liabilities	37.6	14.9	152.5%	37.7	-0.4%
Loan payable to related parties	--	--	n.a.	--	n.a.
Acconunts payable for business combination	142.9	151.4	-5.6%	286.4	-50.1%
Other accounts payable	9.5	12.2	-22.2%	1.6	502.6%
<b>Total current liabilities</b>	<b>1,003.4</b>	<b>426.8</b>	<b>135.1%</b>	<b>872.2</b>	<b>15.0%</b>
<b>Non current</b>					
Loans and borrowings	102.7	5.3	1824.9%	5.3	1847.1%
Debenture	248.7	--	n.a.	247.5	0.5%
Tax liabilities	135.7	4.0	3294.9%	60.9	122.7%
Leases	74.2	55.7	33.1%	67.8	9.5%
Deferred tax liabilities	5.8	3.9	50.4%	3.6	59.6%
Financial instruments	72.3	53.7	34.5%	68.3	5.9%
Acconunts payable for business combination	57.8	--	n.a.	10.6	444.3%
Salaries, charges and provision for holidays	2.3	--	n.a.	--	n.a.
Other accounts payable	34.4	26.2	31.0%	45.0	-23.7%
Provisions for uncovered liabilities	--	--	n.a.	--	n.a.
Provisions for legal proceedings	79.5	6.2	1178.2%	79.8	-0.4%
<b>Total non current liabilities</b>	<b>813.4</b>	<b>155.1</b>	<b>424.5%</b>	<b>588.8</b>	<b>38.1%</b>
<b>Net parent investment</b>	<b>1,515.8</b>	<b>921.5</b>	<b>64.5%</b>	<b>1,286.0</b>	<b>17.9%</b>
<b>Total liabilities and net parent investment</b>	<b>3,332.6</b>	<b>1,503.5</b>	<b>121.7%</b>	<b>2,747.1</b>	<b>21.3%</b>



## Cash Flow Statement

(R\$ million)	3Q22	3Q21	% Δ	9M22	9M21	% Δ
<b>Cash flow from operating activities</b>						
Loss for the year	(72.9)	(3.8)	1813.0%	(193.5)	(14.6)	n.a.
<b>Non-cash adjustments:</b>	--	--		--	--	
Depreciation	32.4	11.2	190.1%	95.4	28.7	0.0%
Financial expenses	(0.5)	3.5	-115.7%	44.6	9.4	375.8%
Expenses with M&As	27.7	(1.5)	-1936.2%	35.3	(12.7)	-376.7%
Income on financial investments	(1.0)	0.2	-714.7%	(1.0)	--	0.0%
Others	1.1	0.8	31.5%	2.1	1.9	7.3%
<b>Total non-cash adjustments:</b>	<b>(13.3)</b>	<b>10.3</b>	<b>-229.0%</b>	<b>(17.0)</b>	<b>12.6</b>	<b>-235.0%</b>
Asset variation	(293.2)	(51.0)	475.2%	(144.1)	(60.2)	139.2%
Liability variation	334.8	14.7	2172.0%	216.2	(30.5)	-809.2%
<b>Net cash flow (used in) operating activities</b>	<b>28.3</b>	<b>(25.9)</b>	<b>-209.1%</b>	<b>55.1</b>	<b>(78.1)</b>	<b>-170.6%</b>
<b>Cash flow from investing activities</b>						
Acquisition of fixed assets	(3.0)	(9.8)	-69.7%	(39.0)	(19.1)	103.9%
Acquisition of intangible assets	(48.2)	(13.5)	256.4%	(124.1)	(36.3)	242.1%
Redemption in financial investments	(6.1)	(14.5)	-58.2%	67.9	(14.5)	-569.0%
Loans granted to the related party	--	(9.2)	-100.0%	--	(9.2)	-100.0%
Acquisition of interest in subsidiary	--	(77.8)	-100.0%	(5.1)	(95.1)	-94.6%
<b>Cash flow used in investing activities</b>	<b>(57.3)</b>	<b>(124.8)</b>	<b>-54.1%</b>	<b>(100.4)</b>	<b>(174.2)</b>	<b>-42.4%</b>
<b>Cash flow from financing activities</b>						
Capital increase	234.8	(42.0)	-658.4%	240.4	870.3	-72.4%
Loans and borrowing raised	10.4	1.0	937.9%	317.5	31.0	924.3%
Interest and principal on the loan and borrowings paid	(13.9)	(10.2)	36.5%	(147.6)	(102.2)	44.4%
Payment of principal and interest - lease	(5.1)	(4.0)	28.4%	(25.7)	(17.1)	50.4%
Prepayment of receivables transaction costs	(3.1)	45.3	-106.8%	(58.1)	(0.5)	10924.3%
Acquisition of interest in subsidiary	(162.3)	--	n.a.	(162.3)	--	n.a.
<b>Net cash flow from financing activities</b>	<b>60.7</b>	<b>(9.9)</b>	<b>-711.4%</b>	<b>164.3</b>	<b>781.5</b>	<b>-79.0%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>31.8</b>	<b>(160.7)</b>	<b>-119.8%</b>	<b>119.0</b>	<b>529.3</b>	<b>-77.5%</b>
Cash and cash equivalents at the beginning of the period	208.2	757.3	-72.5%	120.9	67.3	79.8%
Cash and cash equivalents at the end of the period	240.0	596.5	-59.8%	240.0	596.5	-59.8%
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>31.8</b>	<b>(160.7)</b>	<b>-119.8%</b>	<b>119.0</b>	<b>529.3</b>	<b>-77.5%</b>



## Glossary

**ARR (Annual Recurring Revenue):** Annual Recurring Revenue

**B2B (Business-to-business):** Established trade between companies.

**B2C (Business-to-customer):** Trade carried out directly between the producing company, seller, or service provider and the final consumer.

**CAPEX:** Amount invested in the acquisition (or improvements) of capital goods.

**Customer Experience as a Service (CXaaS):** Valuing the customer experience in all our client's relationship channels.

**DTC (Direct-to-customer):** Term used to characterize the direct commercial relationship between the producing company, seller, or service provider and the final consumer.

**FTE (Full Time Equivalent):** Number of employees adjusted by the full-time work.

**GMV (Gross Merchandise Volume):** Total volume of all transactions made through our ecosystem.

**Guide Shops:** Physical stores, with showcases, without storage, in which the customer can make their purchases online, try the products and receive them at home.

**EBITDA:** Operating income before interest, taxes, depreciation, and amortization.

**TAM (Total Addressable Market):** Amount of potential revenue of the entire market, in the Company's operating segment.

**TPV (Total Payment Volume):** Total volume traded by payment solutions.

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