Infracommerce CXaaS S.A.

Interim financial statements at March 31, 2021

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

KPDS 850304

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1Q21
Earnings
Results

Infracommerce Announces Net Revenue Growth of 69% in 1Q21

São Paulo, May 17th, 2021: Infracommerce CXaaS S.A., "Infracommerce" (B3:IFCM3), the best digital solutions company for e-commerce in Brazil in terms of service level, announces today its results for the First Quarter of 2021 ("1Q21"). The following financial information, unless stated otherwise, is presented in Brazilian reais (R$) and in accordance with Brazilian and International accounting standards (IFRS - International Financial Reporting Standards).

Financial and Operational Highlights

Infracommerce integrated digital ecosystem is based on a Customer Experience as a Service - CXaaS business model, which combines omnichannel technology and BI, with fintech and fulfillment solutions.

The Company was founded on the principle that, to be successful in e-commerce, brands need an integrated solution to solve the complexity of managing more than 20 suppliers and 40 systems, albeit on a billion-dollar scale, and independently.

See below the highlights of Infracommerce's 1Q21:

- Total GMV of R$1,381 million in 1Q21, 42% increase compared to 1Q20. This is a record first quarter volume for Infracommerce.
- TPV increased 65% year over year, a total of R$132.3 million in 1Q21.
- Net revenue totaled R$72.8 million, up from R$43.1 million in 1Q20, representing an increase of 69% year over year.
- Gross profit increased from R$21.0 million in 1Q20 to R$33.6 million in 1Q21, with a gross margin of 46%.
- Adjusted EBITDA for non-recurring events totaled R$1.5 million, up 21% compared to 1Q20, representing a margin of 2% in 1Q21.

Highlights (R$ million)	1Q21	1Q20	%∆
GMV	**1,380.7**	**971.6**	**42.1%**
TPV	**132.3**	**80.3**	**64.8%**
Net revenue	**72.8**	**43.1**	**68.7%**
Gross profit	**33.6**	**21.0**	**60.4%**
Gross margin	*46.2%*	*48.6%*	*-2.4 p.p.*
Adjusted EBITDA*	**1.5**	**1.3**	**20.9%**
Adjusted EBITDA margin*	*2.1%*	*2.9%*	*-0.8 p.p.*
Net income	**3.9**	**(7.9)**	**n.a.**
Net margin	*5.3%*	*-18.3%*	*n.a.*

** Adjusted for non-recurrent events totaling a gain of R$12.6 million in 1Q21 and an expense of R$0.1 million in 1Q20. For more information, see page 8.*

- Infracommerce delivered 14.3 million products in the quarter, an increase of 49% over 1Q20.

- The Company obtained an average take rate of 5.3%, a 20% growth compared to 1Q20.
- Net income totaled R$3.9 million compared to a net loss of R$7.9 million in 1Q20.
- Support to #PANELACHEIASALVA movement through a website programmed and managed by Infracommerce, developed to raise donations at a national level. This project aims to combat hunger in Brazilian local communities, an initiative of three Brazilian NGOs: CUFA (BR) - Central Única das Favelas, Gerando Falcões and the National Anti-Racist Front, with the support of União SP and cooperation from UNESCO.

Recent Developments

- On May 4th, we concluded our initial public offering ("IPO"), pursuant to the CVM Instruction 476, offering 54,375,000 common shares, resulting in R$831 million of net resources to Infracommerce.
- In April we launched our first Guide Shop with Armani Exchange, located at Morumbi Shopping in São Paulo. Our integrated ecosystem of digital solutions, with omnichannel, fulfillment and fintech technology, allows the customer to have a broad view of their business, offering an exceptional customer experience. Our Guide Shop integrates the physical and digital worlds.
- Infra.shop B2B platform launch of two innovative modules for sales via WhatsApp and B2B hub.
- Introduction of Pix payment in B2B stores, in addition to more than 20 B2C stores, placing Infracommerce once again as a pioneer in the introduction of this payment method.
- Brandlive starts to operate in Peru, in addition to Argentina, Colombia and Chile.

Management Comments

The year of 2021 seems to become be another very special year in the history of Infracommerce. The IPO on May 4th, 2021 represented a very important chapter to our mission of bringing Customer Experience as a Service for brands and industries. Through the consolidation of a digital white label ecosystem, we aim to change the digitalization of Latin American supply chain.

I am deeply grateful to our #Infras team for their dedication in taking care of our clients' customers every day. I am very proud of what we have built since our foundation in 2012, with a significative growth pace year after year. Even more important is to see the development of the people who took part of this journey, in different activities, cultivating “Our Way” Culture and the focus on excellence and innovation.

We started this year committed to our strategy of expansion with excellence in the customer experience. The digital market continues to grow and evolve, and we are recognized as specialists for digitalization and disintermediation of the go-to-market journey of brands and industries, and passionate about Customer Experience as a Service (CXaaS).

In the first quarter of 2021, our net revenue totaled R$72.8 million, an increase of 69% compared to the same period of last year, due to the 42% expansion of GMV in the period. Our average take rate was 5.3% in 1Q21, compared to 4.4% in 1Q20.

Our fintech remains a pioneer in the adoption of Pix, now also available in B2B customers’ stores, in addition to more than 20 B2C stores that already have this modality, many of them since the end of last year. Our solution for payment and credit has a purpose of solving real problems of our clients, exceeding excellence in the customer experience. As a result, we recorded a TPV increase of 65% in this quarter, which totaled R$132.3 million.

Our gross profit increased from R$21.0 million in 1Q20 to R$33.6 million in 1Q21, with a gross margin of 46%.

On January 29th, 2021, we formally acquired the control of New Retail, a company that has operations in Argentina, Colombia, Chile and Peru, under the brand Brandlive, following our strategy of consolidating our leadership position in Latin America. Our presence in Latin America meets the growing demand from our clients, placing us as a digitalization partner for the entire region.

Throughout the quarter, we evolved with Pier8 incorporation, a company we acquired in December 2020. This M&A brought us a qualified team, gains in scale and cost, in addition to revenue synergies, complementing our client portfolio by offering access to a base of medium-sized customers, in which we have already started cross-sales movements between our omnichannel, fulfillment and fintech solutions. We have also added new distribution centers, such as the one located in Vitória - ES, which was already part of our logistic expansion map.

Our white-label ecosystem of innovative digital solutions continues to expand, providing new possibilities, sales channels and experience to our clients. A great example of this is the opening of our first Guide Shop solution, a physical store that brings together technology, payment and fulfillment. At the store, selected products are available to our client's customer try and see, with a sensorial experience that e-commerce today cannot provide. After the purchase, the chosen product can be delivered to the customer's home, through the existing structure of e-commerce, or the customer can choose to withdraw it directly at the Guide Shop. This set of possibilities make Guide Shops great solutions for our customers to grow in the physical world, with lower need of capital and space to storage.

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This is our first earnings release after our IPO on May 4th, 2021, with the listing on the Novo Mercado B3 segment, the highest level of corporate governance of the Brazilian stock exchange. We are very happy to share this important moment of our history with all our stakeholders.

I often say that, just as climbers on their way to the peak of Mount Everest celebrate their arrival at the base camp one and use this moment to strengthen themselves and go higher, the IPO is an important achievement in our journey of bringing Customer Experience as a Service for B2C and B2B brands and industries in Latin America.

I would like to thank all our partners, especially our clients, for their trust over these years. At Infracommerce, we dedicate ourselves 24 hours a day, 7 days a week, carrying on our chest the mantra “always deliver more than expected”, to guarantee that our clients always succeed and enchant their customers.

Finally, I would also like to thank our shareholders for their continued support. We entered 2021 dedicated to deliver consistent results, and to offer an excellent customer experience to our clients.

#GoInfra #CXaaS

Kai Schoppen, CEO of Infracommerce CXAAS S.A.

Financial performance

The following revised income statement and operating data should be read in conjunction with the quarterly results comments presented below. All data are compared to the same period of last 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)	1Q21	1Q20	% Δ
Net revenue	**72.8**	**43.1**	**68.7%**
Cost of services provided	(39.1)	(22.2)	76.5%
Gross profit	**33.6**	**21.0**	**60.4%**
Gross margin	*46.2%*	*48.6%*	*-2.4 p.p.*
Administrative and selling expenses	(45.7)	(24.1)	89.2%
Other operating income	18.5	1.7	968.1%
Profit before financial results and equity in earning (losses) of investees	**6.5**	**(1.4)**	**n.a.**
Financial expenses	(4.3)	(6.5)	-33.2%
Financial income	1.7	0.0	n.a.
Net financial results	**(2.6)**	**(6.5)**	**-59.4%**
Interest in earning (losses) of associates	0.1	0.0	244.4%
Net Income (loss) before tax	**3.9**	**(7.9)**	**n.a.**
Income tax	(0.1)	--	n.a.
Net Income (loss) for the year	**3.9**	**(7.9)**	**n.a.**
Net margin	*5.3%*	*-18.3%*	*n.a.*

Net revenue

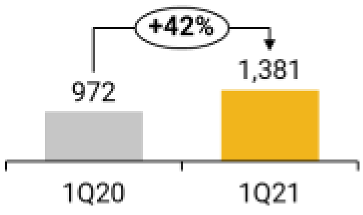
In 1Q21, Infracommerce reported net revenue of R$72.8 million, an increase of 68.7% in relation to the net revenue of R$43.1 million registered in the first quarter of 2020, due to: (i) the number of customers growth, from 52 in 1Q20 to 239 in 1Q21; (ii) the 42% increase in GMV, driven mainly by the increase in the number of transactions carried out in our ecosystem; and (iii) the 20% growth in the Company's average take rate.

Our B2C solutions registered an 83% year over year increase in revenue, while B2B solutions presented a revenue growth of 31%. In the first quarter of 2021, we had a record of prospecting new B2B clients, with six new stores entering our ecosystem, with a total of 18 clients in B2B solutions. These six new accounts have a potential annual GMV generation of R$2 billion, after the ramp up period.

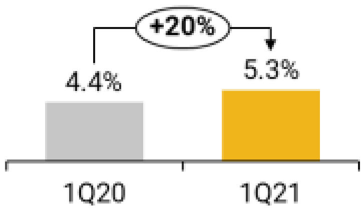
In this quarter, the Company's two largest clients accounted together for 28% of our net revenue, a reduction of 14 percentage points compared to 42% in the same period last year, following our strategy of diversifying our customer base.

Operational highlights	1Q21	1Q20	%∆
GMV (R$ million)	1,380.7	971.6	42.1%
TPV (R$ million)	132.3	80.3	64.8%
Take Rate	5.3%	4.4%	20.5%
Total clients	239	52	359.6%
Full-time-equivalent employees	1,163	967	20.3%
Units of products shipped (million)	14.3	9.6	48.8%

GMV
(R$ million)



Take Rate



Operating costs and expenses

Costs and expenses (R$ million)	1Q21	1Q20	%∆
Cost of services provided	(39.1)	(22.2)	76.5%
Administrative and selling expenses	(45.7)	(24.1)	89.2%
Other operating income	18.5	1.7	968.1%
Total costs and expenses	**(66.3)**	**(44.6)**	**48.7%**

Operating costs and expenses increased 48.7% in 1Q21 over 1Q20, mainly due to:

- Costs of services provided totaled R$39.1 million, an increase of 76.5% in the quarter compared to the same period in 2020 due to the increase in the number of orders and sales, with a higher expense with marketplace, logistics and technology.
- Administrative and selling expenses totaled R$45.7 million, an increase of 89.2% in 1Q21 compared to 1Q20, related to the reinforcement of the commercial and administrative teams, due to higher customers and sales volume, as well as the creation of new areas in the Company, which essentially are focused to prepare Infracommerce for this new wave of growth that will come with the IPO use of proceeds. Non-recurring expenses related to the acquisition of an additional stake in New Retail, and expenses with the IPO, also contributed with this variation.
- Other operating income (expenses) totaled a gain of R$18.5 million, mainly related to the non-recurring gain generated with the remeasurement of the investment made in the acquisition of an additional stake in New Retail.

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Financial Result

Net financial results (R$ million)	1Q21	1Q20	%∆
Financial expenses	(4.3)	(6.5)	-33.2%
Financial income	1.7	0.0	n.a.
Net financial results	**(2.6)**	**(6.5)**	**-59.4%**

The financial result totaled a loss of R$2.6 million in 1Q21, 59.4% lower compared to the loss of R$6.5 million in 1Q20, due to the equalization of the exchange rate variation between revenues and expenses, reduction in fees and increased revenue from financial investments, more than offsetting the additional interest expense related to the increase of debt in the period.

Liquidity and net debt

Liquidity (R$ million)	1Q21	1Q20	%∆	4Q20	%∆
Cash	39.8	20.5	93.9%	67.3	-40.8%
Loans and financing	(80.1)	(6.8)	1078.9%	(71.9)	11.4%
Net debt	**(40.3)**	**13.7**	**n.a.**	**(4.7)**	**764.8%**

On March 31th, 2021, Infracommerce's net debt totaled R$40.3 million, R$35.6 million higher compared to R$4.7 million recorded on December 31, 2020, as a result of new debts made to finance the purchase of Pier8, the additional stake in New Retail, and for working capital.

Capex

In 1Q21, the Company's total capex was R$14.3 million, an increase of 63.7% over 1Q20, mainly related to the investment in technology projects of R$10.0 million, and investment in infrastructure of R$4.3 million in the period, for expand and automate our distribution centers.

Capex (R$ million)	1Q21	1Q20	%∆
Technology	10.0	6.2	60.7%
Infrastructure	4.3	2.5	71.1%
Total Capex	**14.3**	**8.7**	**63.7%**

EBITDA Reconciliation

EBITDA Reconciliation (R$ million)	1Q21	1Q20	%∆
Profit (loss) for the year	**3.9**	**(7.9)**	**n.a.**
Depreciation	7.6	2.6	196.9%
Net financial results	2.6	6.5	-59.4%
Income tax	0.1	--	n.a.
EBITDA	**14.2**	**1.1**	**1138.5%**
EBITDA margin	*19.5%*	*2.6%*	*+16.8 p.p.*
Expenses related to M&A	(15.0)	--	n.a.
Expenses related to long-term incentive programs	2.0	0.1	1552.8%
Expenses related to the IPO	0.4	--	n.a.
Non-recurring events	**(12.6)**	**0.1**	**n.a.**
Adjusted EBITDA	**1.5**	**1.3**	**20.9%**
Adjusted EBITDA margin	*2.1%*	*2.9%*	*-0.8 p.p.*

EBITDA consists of net income added by current and deferred income tax and social contribution expense, 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.

Relationship with independent auditors

According to the CVM Instruction no. 381/03, we inform that the Company consulted the KPMG Independent Auditors in order 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 the 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.

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Conference Call Details

Monday, May 17th, 2021

11:00am (EST) | 12:00pm (BRT)

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Brazil: +55 11 3181 8565 | +55 11 4210 1803

Access code: Infracommerce

Webcast: ir.infracommerce.com.br

Replay:

+55 11 3193 1012 | +55 11 2820 4012

Access code: Infracommerce

About Infracommerce

Infracommerce is a company that provides solutions for digital businesses and focuses on the concept of Customer Experience as a Service (CXaaS). With a focus on the consumer journey, the Company offers solutions that simplify the digital operations of B2C or B2B companies, maintaining an exceptional level of service in the consumer experience. Responsible for managing the e-commerce of several brands - from the luxury market to large retailers, multi-brands and industries - the Company has technology and structure to meet the needs of any type of business. With a presence in Mexico, Colombia, Chile and Argentina, more than 1,000 employees and 83 thousand m² of owned warehouses and dark stores strategically located in the country, Infracommerce was awarded the Best Logistics Operation, by E-commerce Brasil; Best Digital Solutions Company, by ABCOMM; Best Company to Work for, by GPTW; and Best Full Service Company, by Eawards. For more information, visit ir.infracommerce.com.br.

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Balance Sheet

(R$ million)	1Q21	1Q20	%Δ	4Q20	%Δ
Assets					
Current					
Cash and equivalents	39.8	20.5	93.9%	67.3	-40.8%
Receivables	118.2	60.4	95.6%	99.8	18.4%
Advances from supplies	42.8	57.7	-25.8%	38.2	12.0%
Other current tax receivable	23.5	16.3	44.7%	13.1	79.9%
Income tax receivable	3.7	1.6	132.5%	5.8	-34.9%
Prepaid expenses	5.9	1.0	502.7%	0.8	671.4%
Other accounts receivable	1.0	2.0	-53.1%	6.6	-85.5%
Total current assets	**234.9**	**159.5**	**47.3%**	**231.5**	**1.5%**
Non current					
Other non-current tax receivable	34.1	5.0	582.7%	26.5	28.4%
Judicial deposits	0.1	0.1	41.9%	0.1	25.7%
Equity-acconunted investees	0.5	7.9	-94.0%	7.9	-93.9%
Property, plant and equipment	25.4	13.7	85.0%	22.0	15.6%
Intangible assests and goodwill	239.8	30.4	688.2%	106.0	126.2%
Right-of-use assets	42.1	28.7	46.3%	26.9	56.2%
Total non current assets	**341.8**	**85.9**	**298.1%**	**189.4**	**80.5%**
Total assets	**576.8**	**245.4**	**135.0%**	**420.9**	**37.0%**
Liabilites					
Current					
Suppliers	127.6	113.1	12.8%	161.2	-20.8%
Confirming	28.7	--	n.a.	--	n.a.
Advances from costumers	0.2	--	n.a.	0.8	-78.6%
Salaries and wages	28.3	13.9	103.5%	16.6	70.4%
Tax liabilities	16.7	4.5	272.7%	8.1	106.6%
Loans and borrowings	42.1	6.8	520.2%	30.3	39.2%
Leases	11.7	4.6	152.1%	7.9	48.8%
Loan payable to related parties	--	8.9	n.a.	8.5	n.a.
Accounts payable for business combination	12.0	--	n.a.	6.0	100.0%
Other accounts payable	13.5	3.5	279.3%	0.1	24831.5%
Total current liabilites	**280.7**	**155.4**	**80.6%**	**239.4**	**17.3%**
Non current					
Loans and borrowings	38.0	--	n.a.	41.6	-8.9%
Leases	26.4	26.3	0.6%	23.9	10.7%
Accounts payable for business combination	54.8	--	n.a.	23.0	138.5%
Other accounts payable	34.2	--	n.a.	26.6	28.3%
Provisions for legal proceedings	8.2	7.8	5.3%	7.4	11.6%
Deferred tax liabilities	4.4	--	n.a.	--	n.a.
Financial instruments	50.9	--	n.a.	--	n.a.
Total non current liabilities	**216.9**	**34.1**	**536.4%**	**122.5**	**77.1%**
Net parent investiment	**79.1**	**55.9**	**41.5%**	**59.0**	**34.0%**
Total liabilities and net parent investiment	**576.8**	**245.4**	**135.0%**	**420.9**	**37.0%**

Cash Flow Statement

(R$ million)	1Q21	1Q20	%∆
Cash flow from operating activities			
Loss for the year	3.9	(7.9)	n.a.
Non-cash adjustments:			
Depreciation of fixed assets	0.9	0.4	104.4%
Amortization of intangible assets	3.6	1.0	265.5%
Depreciation of the right-of-use	3.1	1.1	172.8%
Interest on the right-of-use	1.0	0.1	740.2%
Result from sale of property, plant and equipment	(0.1)	(0.0)	n.a.
(Revoveries) provisions for legal proceedings	1.0	0.0	2793.9%
Interest on loans and borrowings	0.7	0.1	768.4%
Present value adjustment	0.1	--	n.a.
Post-merger remuneration	3.5	--	n.a.
Share-based payment transactions, settable in shares	0.8	0.1	577.2%
Not realized exchange variation	1.3	--	n.a.
Result on investment remeasurement	(18.6)	--	n.a.
Total non-cash adjustments:	**1.2**	**(5.0)**	**n.a.**
Accounts receivable	23.5	29.2	-19.5%
Advances from suppliers	(4.6)	(20.6)	-77.8%
Income tax receivable and other taxes receivables	(6.1)	(0.6)	926.9%
Other accounts receivable	9.2	(0.8)	n.a.
Prepaid expenses	(5.1)	(0.3)	1799.3%
Judicial deposits	(0.0)	0.1	n.a.
Suppliers	(76.2)	(2.6)	2879.3%
Payable confirming	28.7	--	n.a.
Advances from customers	(0.7)	(4.5)	-85.1%
Salaries and wages	11.7	4.1	183.3%
Taxes liabilities	8.6	(2.3)	n.a.
Other accounts payable	6.1	0.5	1176.9%
Payment for legal proceedings	(0.1)	(0.2)	-39.0%
Interest on leases	(1.0)	(0.1)	740.2%
Interest on the loan and borrowings paid	(0.6)	(0.2)	255.9%
Net cash flow (used in) operating activities	**(5.4)**	**(3.1)**	**n.a.**
Cash flow from investing activities			
Acquisition of fixed assets	(4.3)	(2.5)	71.1%
Acquisition of intangible assets	(10.0)	(6.2)	60.7%
Acquisition of non-controlling interest	(11.3)	--	n.a.
Cash flow used in investing activities	**(25.6)**	**(8.7)**	**192.9%**
Cash flow from financing activities			
Capital increase	9.9	23.2	-57.1%
Loans and borrowing raised	20.0	3.5	473.7%
Repayment of principal on loan and borrowings	(11.9)	(12.4)	-4.3%
Borrowing with related parties	--	4.2	n.a.
Payment with related parties	(2.6)	--	n.a.
Principal payment on leases	(11.9)	(1.3)	800.8%
Net cash flow from financing activities	**3.6**	**17.1**	**-79.2%**
Net increase (decrease) in cash and cash equivalents	**(27.4)**	**5.2**	**n.a.**
Cash and cash equivalents on January 1	67.3	15.3	339.3%
Cash and cash equivalents as of December 31	39.8	20.5	93.9%
Net increase (decrease) in cash and cash equivalents	**(27.4)**	**5.2**	**n.a**

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Glossary

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 clients relationship channels.

GMV (Gross Merchandise Volume): Total volume of all transaction 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.

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

This document may contain certain statements and information relating to Infracommerce CXAAS S.A., alone or together with the other companies in its economic group ("Company"), that reflect the current views and/or expectations, estimates or projections of the Company and its management with respect to its performance, its business and future events. Forward-looking statements include, without limitation, any statements that have a prediction, indication or estimate and projections about future results, performance or objectives, as well as words such as "believe", "anticipate", "expect", "estimate" and "project", among other words of similar meaning. Although the Company and its management believe that such forward-looking statements are based on reasonable assumptions, they are subject to risks, uncertainties and future events and are issued in light of information that is currently available as of the date they are issued. Such forward-looking statements speak only as of the date they are issued, and the Company undertakes no obligation to publicly update or revise them after the distribution of this document for any reason, including as a result of new information or future events.
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Market and competitive position information, including any market projections quoted throughout this document, has been obtained from internal research, market surveys, public domain information and corporate publications. While we have no reason to believe that any of this information or reports are inaccurate in any material respect, such information has not been independently verified. The Company is not responsible for the accuracy of such information.
Certain percentages and other figures included in this document have been rounded to facilitate their presentation. The scales of the graphics of the results may appear in different proportions to optimize the presentation. Therefore, the figures and graphics presented may not represent the arithmetic sum and the appropriate scale of the figures that precede them, and may differ from those presented in the financial statements.
The quarterly information was prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in accordance with accounting practices adopted in Brazil (BR GAAP).

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Report on review of the interim financial statement

To the Shareholders and Board of Directors of
Infracommerce CXaaS S.A.
São Paulo - SP

Introduction
We have reviewed the accompanying individual and consolidated interim financial information of Infracommerce CXaaS S.A. ("Company"), contained in the Quarterly Information Form – ITR for the quarter ended March 31, 2021, which comprises the statements of financial position as of March 31, 2021 and the respective statements of profit and loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of the individual interim financial information in accordance with Technical Pronouncement CPC 21 (R1) and the consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) and the International Standards IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board – IASB, as well as for presenting this information in a manner consistent with standards issued by the *Comissão de Valores Mobiliários*, applicable to the preparation of the Quarterly Information – ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

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

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Conclusion on the individual interim information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1), applicable to the preparation of the Quarterly Information - ITR and presented in accordance with the standards issued by the *Comissão de Valores Mobiliários*.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of the Quarterly Information - ITR and presented in accordance with the standards issued by the *Comissão de Valores Mobiliários*.

Other matters

Statements of added value

The individual and consolidated interim financial information referred to above include the statements of added value (DVA) for the three-month period ended March 31, 2021, prepared under responsibility of the Company's Management and presented as supplementary information for IAS 34 purposes. These individual and consolidated financial information have been subject to review procedures jointly performed with the review of the interim financial information in order to conclude that they are reconciled with the interim financial information and accounting records, as applicable, and whether their format and content are in accordance with the criteria determined in the Technical Pronouncement CPC 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that these statements of added value were not prepared, in all material respects, in accordance with the criteria determined in this Technical Pronouncement and consistently with respect to the overall individual and consolidated interim financial information.

São Paulo, May 17, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
José Carlos da Costa Lima Junior
Accountant CRC 1SP243339/O-9

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Infracommerce CXaaS S.A.

Statement of financial position march 31, 2021 and December 31, 2020

(In thousands of reais)

Assets	Note	Parent company 03/31/2021	Parent company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Current					
Cash and cash equivalents	5	8	-	39,803	67,250
Accounts receivable	6	-	-	118,195	99,804
Advances from suppliers	7	-	-	42,822	38,241
Other current tax receivable	8	-	-	23,543	13,086
Income tax receivable		-	-	3,743	5,752
Prepaid expenses		735	-	5,870	761
Other accounts receivable		-	-	956	6,600
Total current assets		743	-	234,932	231,494
Non-current					
Loans receivable from related parties	24	2,306	-	-	-
Other non-current tax receivable	8	-	-	34,074	26,533
Judicial deposits		-	-	88	70
Equity-accounted investees	9b	-	-	479	7,914
Investments in subsidiaries	9a	177,307	59,038	-	-
Property, plant and equipment	10	-	-	25,388	21,962
Intangible assets	11	-	-	239,763	106,011
Right-of-use assets	12	-	-	42,051	26,918
Total non-current assets		179,613	59,038	341,843	189,408
Total assets		180,356	59,038	576,775	420,902

Liabilities	Note	Parent company 03/31/2021	Parent company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Current					
Suppliers	13	817	6	127,592	161,171
Reverse factoring	18	-	-	28,688	-
Advance from customers		-	-	180	843
Salaries and wages		-	-	28,275	16,598
Tax liabilities		35	-	16,693	8,081
Loans and borrowings	14	-	-	42,135	30,262
Leases	12	-	-	11,712	7,873
Loan payable to related parties		-	-	-	8,492
Accounts payable for business combination	16	-	-	12,000	6,000
Other accounts payable	17	2,323	-	13,463	54
Total current liabilities		3,175	6	280,738	239,374
Non-current					
Loans and borrowings	14	-	-	37,959	41,647
Leases	12	-	-	26,422	23,864
Deferred tax liality		-	-	4,443	-
Financial instruments	24	50,938	-	50,938	-
Accounts payable for business combination	16	34,834	-	54,771	22,964
Other accounts payable	17	-	-	34,183	26,645
Provision for uncovered liability of associates	9a	12,319	-	-	-
Provisions for legal proceedings	15	-	-	8,231	7,376
Total non-current liabilities		98,091	-	216,947	122,496
Equity					
Capital	19	72,130	81,705	72,130	81,705
Capital reserve		3,685	(25,373)	3,685	(25,373)
Equity valuation adjustment		(440)	-	(440)	-
Retained earnings		3,715	2,700	3,715	2,700
Total equity		79,090	59,032	79,090	59,032
Total liabilities and equity		180,356	59,038	576,775	420,902

See the accompanying notes to the interim financial information.

Infracommerce CXaaS S.A.

Statements of profit or loss

Periods ended March 31, 2021 and 2020

(In thousands of reais)

	Note	Parent company	Consolidated	
		03/31/2021	**03/31/2021**	**12/31/2021**
Net revenue	20	-	72,755	43,138
Cost of services provided	21	-	(39,145)	(22,181)
Gross profit		-	33,610	20,957
Selling expenses	21	(3)	(1,057)	(812)
Administrative expenses	21	(769)	(44,605)	(23,321)
Other operating income (expenses), net	21	18,624	18,521	1,734
Profit (loss) before net financial expenses and taxes		17,852	6,469	(1,442)
Financial expenses	22	(1,530)	(4,323)	(6,468)
Financial income	22	-	1,703	7
Net financial loss		(1,530)	(2,620)	(6,461)
Interest in earnings (losses) of subsidiaries and associates	9	(12,455)	93	27
Profit (loss) before taxes		3,867	3,942	(7,876)
Income taxes		-	(75)	-
Profit (loss) for the period		3,867	3,867	(7,876)
Earnings (losses) per share - basic and diluted	26	0.01627	0.01627	(0.03314)

See the accompanying notes to the interim financial information.

Infracommerce CXaaS S.A.

Statements of comprehensive income

Periods ended March 31, 2021 and 2020

(In thousands of reais)

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**12/31/2021**
Profit (loss) for the period	3,867	3,867	(7,876)
Items that may be reclassified to profit or (loss)			
Foreign currency translation effects	(440)	(440)	36
Comprehensive profit (loss) for the period	3,427	3,427	(7,840)

See the accompanying notes to the interim financial information.

Infracommerce CXaaS S.A.

Statements of changes in equity

Periods ended March 31, 2021 and 2020

(In thousands of reais)

	Note	Capital	Capital reserve	Retained earning	Total net assets	Other components of equity	Total equity
Balance at January 01, 2020		**-**	**-**	**-**	**40,646**	**(87)**	**40,559**
Loss for the period		-	-	-	(7,876)	-	(7,876)
Foreign currency translation effects		-	-	-	-	36	36
Total comprehensive income for the period		-	-	-	(7,876)	36	(7,840)
Shareholder contributions		-	-	-	-	-	-
Capital increase		-	-	-	23,182	-	23,182
Balance at March 31, 2020		**-**	**-**	**-**	**55,952**	**(51)**	**55,901**
Balance at December 31, 2020		**81,705**	**(25,373)**	**2,700**	**-**	**-**	**59,032**
Profit for the period		-	-	3,867	-	-	3,867
Foreign currency translation effects		-	-	-	-	(440)	(440)
Total comprehensive income for the period		-	-	3,867	-	(440)	3,427
Changes in capital reserve	19	(25,373)	25,373	-	-	-	-
Share-based payment transactions, payable in equity securities		-	833	-	-	-	833
Transfer of share-based payment plan	1,2	-	2,852	(2,852)	-	-	-
Capital increase - through debt	1.2 / 19	5,860	-	-	-	-	5,860
Capital increase - through cash	1.2 / 19	9,938	-	-		-	9,938
Balance at March 31, 2021		**72,130**	**3,685**	**3,715**	**-**	**(440)**	**79,090**

See the accompanying notes to the interim financial information.

Infracommerce CXaaS S.A.

Statements of cash flows

Periods ended March 31, 2021 and 2020

(In thousands of reais)

		Parent company	Consolidated	
	Note	**31/03/2021**	**31/03/2021**	**31/03/2020**
Cash flow from operating activities				
Profit (loss) for the period		3,867	3,867	(7,876)
Adjustments for:				
Depreciation of property, plant and equipment	10	-	883	432
Amortization of intangible assets	11	-	3,593	983
Depreciation of right-of-use	12	-	3,118	1,143
Lease interest	12	-	1,025	122
Interest in earnings (losses) of subsidiaries and associates	9	12,455	(93)	(27)
(Reversals) provisions for contingencies	15	-	955	33
Interest on loans and borrowings	14	-	660	76
Adjustment to present value		-	98	-
Post-combination compensation	2,1	654	3,528	-
Share-based payment transactions, payable in equity securities	27	833	833	123
Unrealized exchange rate change		1,325	1,325	-
Income from investment remeasurement	21	(18,624)	(18,624)	-
		510	1,168	(4,991)
Changes in operating assets and liabilities				
Accounts receivable		-	23,476	29,166
Advances to suppliers		-	(4,581)	(20,647)
Income tax, social contribution and other recoverable taxes		-	(6,100)	(594)
Other accounts receivable		-	9,202	(780)
Prepaid expenses		(735)	(5,109)	(269)
Judicial deposits		-	(18)	113
Suppliers		811	(76,210)	(2,558)
Reverse factoring		-	28,688	-
Advance from clients		-	(663)	(4,464)
Salaries and wages		-	11,677	4,122
Tax liabilities		35	8,612	(2,261)
Other accounts payable		2,323	6,129	480
Payment of contingencies	15	-	(100)	(164)
Cash generated (used in) operating activities		2,944	(3,829)	(2,847)
Other cash flows from operating activities				
Interest paid on leases	12	-	(1,025)	(122)
Interest paid on loans and borrowings	14	-	(577)	(162)
Cash flow generated (used in) operating activities		2,944	(5,431)	(3,131)
Cash flow from investment activities				
Acquisition of property, plant and equipment	10	-	(4,309)	(2,518)
Acquisition of intangible assets	11	-	(9,985)	(6,212)
Loans granted to related party		(2,306)	-	-
Acquisition of interest in subsidiary	2,1	(16,428)	(11,276)	-
Net cash flow used in investment activities		(18,734)	(25,570)	(8,730)
Cash flow from financing activities				
Capital increase	19	9,938	9,938	23,182
Loans and borrowings	14	-	20,000	3,486
Payment of principal on loans	14	-	(11,898)	(12,439)
Funding of loans with related parties		5,860	-	4,167
Payment of loan with related parties		-	(2,632)	-
Payment of principal for leases	12	-	(11,854)	(1,316)
Net cash flow from financing activities		15,798	3,554	17,080
Net increase (decrease) in cash and cash equivalents		8	(27,447)	5,219
Cash and cash equivalents at the beginning of the period		-	67,250	15,308
Cash and cash equivalents at the end of the period		8	39,803	20,527
Net increase (decrease) in cash and cash equivalents		8	(27,447)	5,219

See the accompanying notes to the interim financial information.

Infracommerce CXaaS S.A.

Statements of added value

Periods ended March 31, 2021 and 2020

(In thousands of reais)

Revenues	Parent company 31/03/2021	Consolidated 31/03/2021	Consolidated 31/03/2020
Gross revenue	18,624	129,345	58,241
	18,624	**129,345**	**58,241**
Inputs acquired from third parties			
Cost of outsourced services and other	(799)	(43,406)	(21,973)
Gross added value	**17,825**	**85,939**	**36,268**
Depreciation and amortization for the year	-	(7,594)	(2,558)
Net added value produced	**17,825**	**78,345**	**33,710**
Financial revenues and exchange-rate changes	-	1,703	7
Interest in earnings (losses) of subsidiaries and associates	(12,455)	93	27
Total added value payable	**5,370**	**80,141**	**33,744**
Distribution of added value			
Labor	**(9)**	**34,891**	**21,141**
Direct remuneration	(9)	25,489	15,272
Benefits	-	4,172	4,898
Severance pay fund (FGTS)	-	1,084	800
Other	-	4,146	171
Taxes, fees and contributions	**-**	**36,896**	**13,928**
Federal	-	23,718	5,016
State	-	11,843	8,315
Municipal	-	1,335	597
Third parties' capital remuneration	**1,512**	**4,487**	**6,551**
Rentals	-	164	83
Financial expenses	1,512	4,323	6,468
Equity remuneration	**3,867**	**3,867**	**(7,876)**
Retained earnings (losses) for the period	3,867	3,867	(7,876)
Distributed added value	**5,370**	**80,141**	**33,744**

See the accompanying notes to the interim financial information.

Notes to the interim financial statements

(In thousands of reais– R$)

1 Operational context

Infracommerce CXaaS S.A. ("IFC" or "Company") is a public listed company headquartered in the city of São Paulo, which was incorporated on September 15, 2020. The Company's corporate purpose is to hold interest in e-commerce companies and other services related to e-commerce. The Company proposes to offer digital solutions for brands and industries to lead their digitalization journeys. Based on a digital white label ecosystem, the Company supports companies at different levels of maturity in the digital journey, helping them to rise to the next level of digitalization of their businesses. This ecosystem consists of three major blocks:

(i) Omnichannel technology;

(ii) Fulfillment; and

(iii) Fintech.

Our technology has an ecosystem centered on the user experience, based on integrated solutions and flexible platforms according to the needs of our clients at each level of their respective digital journeys. Our integrated digital solutions offered to our clients comprise, but are not limited to, the following activities:

(i) E-commerce platforms for B2C and B2B, with sales intelligence, omnichannel solutions, social commerce, and marketplace;

(ii) A set of logistics intelligence solutions within our fulfillment service ("fulfillment 3.0") composed of multiple distribution centers and dark stores, order tracking, and freight management;

(iii) Payment management through our fintech, where our clients benefit from a PCI-certified payment gateway, with process management for accounts receivable and commercial financing.

All these components are part of the offer of integrated solutions for e-commerce, making up our digital white label ecosystem.

COVID-19 impacts on our activities

With the spread of COVID-19 in early 2020, business and economic activities were affected on a global scale. In this scenario of great uncertainty, the Company established an internal Contingency Committee to monitor the evolution of the pandemic and make important decisions, with the definition of three priorities: the health and safety of our employees, the continuity of our operation and the maintenance of jobs. Within these three pillars chosen to face the crisis, the Company has taken the following short-term measures:

(a) All employees of the office and the call center started working on their Home Office from March 16, 2020, with no date set for returning to the office;

(b) Logistics employees, where the need to handle products and goods requires physical presence, have now followed a detailed safety protocol;

(c) The Company made hand sanitizers available in all rooms and corridors, both in the Warehouse (WH) and in the Infracommerce offices;

(d) Temperature measurement equipment was installed for all professionals before entering the WH and the office;

(e) The Company has instructed its employees not to visit the office except in cases where strictly necessary;

(f) The Company intensified its office and WH cleaning activity, even with the reduction in the number of employees, always using alcohol in different formats to ensure the maximum hygiene of the facilities.

In addition to these short-term measures, the Company, based on CVM/SNC Circular Letters 02 and 03/2020, analyzed the main risks and uncertainties arising from Covid-19 regarding its interim financial statements. We list the main analyzes performed below:

(a) Trade accounts receivable and provision for expected credit loss: the Company’s accounts receivable from sales of products via e-commerce are represented mainly by sales financed by credit card operators. The Management considers the default risk low, since sales to end consumers is the procedure adopted by the Company to process sales orders only after approval and/or confirmation of payment by the credit card operators or payment of printed bills. and

(b) Impairment of non-financial assets: as of March 31, 2021, the Company did not identify any signs of impairment.

The government has been taking steps to stem the spread of the virus since the second half of March 2020. The recommended social isolation, the mandatory closing of stores, and the consequent reduction in consumption in physical stores started to be widely adopted as of April 2020 and contributed to boosting online sales, leveraging the Company’s revenue and the number of users of the e-commerce service.

1.1 Corporate restructuring

On September 15, 2020, Infracommerce CXaaS S.A was incorporated for the purpose of being the non-operating holding company that consolidated the results of the entire Group. Previously, Infracommerce Ltd, located in the Cayman Islands, operated as a non-operating holding company for the Group's companies. On the same date, the direct subsidiary of Infracommerce Ltd, referred to as Infracommerce LLC, assigned to the Company 100% of the investments in the companies:

(i) Infracommerce Negócios e Soluções em Internet Ltda.;

(ii) Inframedia Soluções em Informática Ltda – EPP;

(iii) Infracommerce Varejo e Distribuição Digital Ltda.;

(iv) Infracommerce Negocios y Soluciones en Internet MX;

(v) Infrashop Negócios e Soluções em Internet Ltda;

(vi) Finago Administração de Pagamentos Ltda.; and

(vii) New Retail Limited, keeping the Group now unchanged.

This corporate restructuring did not impact:

- The control group: since the shareholders who directly controlled Infracommerce Ltd before the corporate restructuring maintained this control (indirectly by Infracommerce CXaaS) after the corporate restructuring;

- The operating activities of Infracommerce Ltda (a company that represents 90% of the Group) continued to operate in the same way, immediately before and after the corporate restructuring.

In February 2021, the Company completed the last stage of the Group's restructuring, where Infracommerce CXaaS S.A. incorporated entities IFC LLC, IFC Holding, and IFC Ltd, becoming the holding company that consolidates the entire Group from then on.

The criterion used to evaluate the net assets of the Merged Companies was the equity value of assets, rights, and obligations, declared in the balance sheet.

The balances of the merged companies on the merger date were R$ 8,183 for related parties, R$ 2,323 for other accounts payable, and R$ 9,938 for cash. The amount of R$ 5,860 for related parties and R$ 9,938 for cash were used to increase the Company's capital as shown in the change in equity. The remaining balances were incorporated and are presented in the Company's balance sheet (R$ 2,323 in other accounts payable, R$ 2,313 in loan receivable from related parties, R$ 10 in cash, and R$ 2,852 in the share-based compensation plan).

Description	**Amount**
CXaaS' equity before the merger	59,032
Increase through capital contribution	9,938
Increase in CXaaS' equity through reverse merger	5,860
CXaaS' equity after the merger	**74,830**

2 List of consolidated entities

The following list describes all the relevant entities of the Company, including subsidiaries and non-subsidiaries.

				Ownership interest		
Subsidiaries	**Abbreviation**	**Country**	**Interest**	**Parent company**	**2021**	**2020**
Infracommerce Negócios e Soluções em Internet Ltda.	IFC Ltda.	Brazil	Direct	IFC	100%	100%
Inframedia Soluções em Informática Ltda – EPP	Inframedia	Brazil	Direct	IFC	100%	100%
Infracommerce Varejo e Distribuição Digital Ltda.	IFC Retail	Brazil	Direct	IFC	100%	100%
Infracommerce Negocios Y Soluciones en Internet MX	IFC MEX	Mexico	Direct	IFC	100%	100%
Infrashop Negócios e Soluções em Internet Ltda.	IFS Ltda	Brazil	Direct	IFC	100%	100%
Finago Administração de Pagamentos Ltda.	Finago	Brazil	Direct	IFC	100%	100%
Pier 8 Serviços de Varejo Ltda.	Pier 8	Brazil	Indirect	IFC Ltda	100%	100%
Armazens Gerais Furusho & Salzano Ltda.	Warehouse	Brazil	Indirect	IFC Ltda	100%	100%
New Retail Limited (a)	New Retail	Cayman	Direct	IFC	61.44%	-
New Retail LLC (a)	NR LLC	Delaware	Indirect	New Retail	100%	-
Brandlive Argentina S.A. (a)	Brandlive	Argentina	Indirect	New Retail	99%	-
BL 360 S.A. (a)	BL 360	Argentina	Indirect	Brandlive	100%	-
Interest in non-subsidiary						
New Retail Limited (a)	New Retail	Cayman	Direct	IFC	-	21.44%
Brandlive Colômbia SAS (a)	BL Colombia	Colombia	Indirect	Brandlive	40%	-

(a) Companies that had a change in equity interest in the period, as acquired on January 29, 2021, as detailed in note 2.1.ii.

2.1 Acquisition of subsidiaries

Business combinations are accounted for using the acquisition method. The consideration transferred in the acquisition is generally measured at fair value, as are the net assets acquired and liabilities assumed. All goodwill generated by the expectation of future profitability is tested annually for impairment purposes. The transaction costs are recorded as they occur directly in the income statement, except if related to the issuance of debts or shares.

Contingent consideration will be considered depending on the achievement of goals within a fixed period. Estimates of future performance are required to calculate obligations at the time of acquisition and on each subsequent reporting date. In addition, estimates are necessary to assess the assets and liabilities acquired in business combinations. Intangible assets, such as client portfolio, are commonly an essential part of an acquired business, as they allow us to obtain more value than would be possible.

Measurement of fair value
In measuring fair value, valuation techniques were used considering market prices for similar assets, discounted cash flow, among others. Actual rates were used in the projections made.

As it is a preliminary measurement of fair value, if new information obtained within one year, counting from the acquisition date, about the facts and circumstances existing on the acquisition date, indicate adjustments in the aforementioned amounts, or any additional provision that existed on the acquisition date, the acquisition recognition will be reviewed. Management's expectation is that only measurements of intangible assets can have an impact in relation to this preliminary assessment.

(i) Acquisition of Pier 8 and Armazéns
On December 23, 2020, subsidiary IFC Ltda acquired 100% of the shares of Pier 8 Serviços e Varejo Ltda, and Armazéns Gerais Furusho & Salzano Ltda., jointly "Pier 8".

Pier 8 is a Brazilian provider of marketing and logistics services for e-commerce, including multiplatform solutions, business intelligence for client service, storage operation, transportation management, and omnichannel, similar or complementary to those provided by the Group, however meeting a medium-sized client base.

The acquisition provides the Group with greater scale, cost and revenue synergies, access to a smaller client base, and a qualified team. The Group believes that the core business of Pier8 and the Group are similar, significantly reducing operational risks and allowing for a faster expansion of the logistics network, in addition to the benefits listed above.

The fixed acquisition price was R$ 41,190, to be settled under the terms and conditions contained in the acquisition instrument, as shown below. The fixed price will be paid in four installments, as follows:

(i) R$ 23,190 paid as of December 29, 2020;

(ii) R$ 6,000 6 months after the closing date;

(iii) R$ 6,000 12 months after the closing date; and

(iv) R$ 6,000 18 months after the closing date.

Impact on cash flow
The total amount paid up to December 31, 2020 was R$ 23,190.

Pier8's main shareholders and executives will remain in charge of operations for at least one year and will be entitled to an additional amount (Earn-out) according to Pier8's performance in 2021. The earn-out amount depends directly on the company's revenue and profitability and is estimated between R$ 0 and R$ 30,000. The fair value of this contingent consideration, estimated and recorded by the Company, is R$ 23,000. The basis for determining the amount to be paid was the projections of revenue and profitability for 2021, the same used to determine the discounted cash flow from the business combination, which were made using the actual rate as the basis. The Group estimates that compliance with the approved strategic plan will reach the range in which the Group is expected to pay R$ 23,000.

There is a condition for all former shareholders to remain on Pier 8 until December 31, 2021, as executives or providing services as consultants. If any of them leave Pier8 or stop providing services to Pier8, a discount will be applied to the earn-out calculation as follows:

- 50% if any of them leave Pier8 or stop providing services to Pier 8 by March 31, 2021;
- 40% if any of them leave Pier8 or stop providing services to Pier 8 by May 31, 2021;
- 30% if any of them leave Pier8 or stop providing services to Pier 8 by July 31, 2021;
- 20% if any of them leave Pier8 or stop providing services to Pier 8 by September 30, 2021; and
- 10% if any of them leave Pier8 or stop providing services to Pier 8 by December 31, 2021;

Part of the earn-out is related to the compensation to be paid to the former owners of the acquiree to provide services to Pier8 during this period, since the earn-out will be partially lost if any of them leaves or fails to provide services to Pier8 as described above. Therefore, the Company considered, under CPC 15 (R1)/IFRS 3 - Business combination, the amount of R$ 11,500 of this contingent consideration to be recognized as part of the business combination and R$ 11,500 as a separate transaction represented by compensation for post-combination services, to be recognized as compensation cost during the period from January 1, 2021, to December 31, 2021, monthly. In the interim financial statements of March 31, 2021, the effect recorded in the income statement under the administrative expenses item was R$ 2,874.

a. Consideration transferred

Fixed amount	41,190
Earn-out payment	10,964
Total consideration transferred	**52,154**

b. Identified assets and liabilities assumed

The Company presented the allocation of fair value in 2020 as follows:

	Pier8 Group - Consolidated
	December 23, 2020
Assets	12,609
Liabilities	(10,630)
Net value of identified assets	**1,979**

	On the acquisition date
Cash and cash equivalents	76
Accounts receivable	976
Other assets	194
Right-of-use	5,024
Property, plant and equipment	1,151
Intangible asset (a)	5,188
Suppliers	(1,370)
Leases	(5,024)
Loans and financing	(2.047)
Other liabilities	(2.189)
Net value of assumed assets (i)	**1,979**

(i) As the company acquired 100% of the voting rights, the incorporation of operations in the future is under the control of the company. The Company intends to incorporate the operations to take advantage of the tax benefit resulting from this operation. Therefore, for this reason, no deferred income tax was recognized.

The consolidated income statements include, since the respective acquisition date, net revenues and non-significant profits of the subsidiaries since the acquisition date was close to the end of the year.

If the acquired subsidiaries were consolidated since January 1, 2020, the consolidated income statement for the period ended March 31, 2020, would have a net revenue of R$ 51,575 and a loss of R$ 859.

c. Goodwill

The fair value on the date of acquisition of the goodwill consists of:

Consideration transferred	52,154
Net value of assets acquired at fair value (a)	1,979
Goodwill – Note 11	**50,175**

The goodwill calculated on the acquisition totals R$ 50,175, which comprises the amount of the difference paid by the Company in relation to the fair value of the equity of the acquired companies.

The goodwill is mainly attributable to the skills and relationships with clients that the acquired companies have in the medium-sized market and the synergies that are expected to be achieved with the integration of the companies in the Group's businesses.

(a) The valuation technique used to measure the fair value of the main asset acquired, which is the client portfolio, follows the method of exceeding profit for several periods. This method considers the present value of the net cash flows that are expected to be generated by the relationship with clients, excluding any cash flows related to contributory assets.

(ii) New Retail Acquisition

On January 29, 2021, the Company acquired an additional 40% interest in New Retail Company. The Company already owned 21.44% of it, so the Company now totals 61.44%. The acquisition of this additional interest brings control to the Company over New Retail.

The acquisition provides the Group with greater scale in Latin America, cost and revenue synergies, access to a client base, and a qualified team, generating internal and external growth.

The fixed acquisition price was US$ 9,000 thousand (equivalent to R$ 49,283), to be settled in 3 installments according to the terms and conditions established in the purchase instrument, as follows:

(i) USD 3,000 thousand (equivalent to R$ 16,428) paid on the closing date of the transaction;

(ii) USD 3,000 thousand (equivalent to R$ 16,428) to be paid in March 2022;

(iii) USD 3,000 thousand (equivalent to R$ 16,428) to be paid in March 2023.

According to the clause of the purchase and sale agreement, the amount of the third installment must be paid in advance and paid together with the second installment, since the “IPO” occurred on May 4, 2021.

Impact on cash flow
The total amount paid up to January 31, 2020, was R$ 16,428. The total presented in the consolidated cash flow statements is R$ 11,276, referring to the net cash paid of the acquired company of R$ 5,152.

Call Option and Put Option
In the purchase and sale agreement signed between the parties, there is a put/call option structure in relation to the remaining interest of the previous controlling shareholders.

Both call and put options are calculated based on a discount in relation to the market value multiple of the Company’s net revenue, which will be applied to New Retail’s net revenue.

The exercise of call option starts in March 2022 based on the financial figures of 2021 and can be exercised at any time as long as the total remaining 38.56% interest is exercised, for the amount to be calculated based on the multiple defined on the net revenue for the 12 months prior to the exercise of the call option.

The initial discount is 20% and decreases over the years (2.5% per year) until it reaches the level of 10%.

The call option has a valuation floor of USD 27,000 thousand (equivalent to R$ 152,550) which increases 20% per year.

The contract also provides for a penalty clause due to the departure of the founders from the management of the company, where a discount of 20% will be applied on the calculated amount of the call option if any of the four founders leaves the company in 2022, decreasing by 5% in each of the subsequent periods (15%, 10%, and 5%) until reaching zero in 2026. The discount percentage will be multiplied by the number of founders who leave the company in the same year, that is, the maximum discount percentage of 80%, 60%, 40%, and 20%, respectively.

The exercise of put option, in turn, starts in March 2023, based on the net revenue for the year prior to the put exercise, and can be exercised in 4 tranches of 9.64% per year. If such interest percentage is not exercised in full by the founders of New Retail in each of the periods, it can be accumulated for the subsequent period of exercise of the put, up to the last year of exercise provided for in the agreement (2026). The discount of the net revenue multiple of the put option starts at 30% and decreases over the years to the level of 20%. The put option discount may vary due to some variables, such as growth in net revenue and EBIT margin (both indicators of New Retail).

The penalty clause mentioned above, applicable to the call option, also applies to the put option, with the discount percentages being as follows: 15% if any founder leaves in 2023, 10% if any founder leaves in 2024, and 5% if any founder leaves in 2025. The discount percentage will also be multiplied by the number of founders who leave the company in the same year, that is, the maximum discount percentage of 60%, 40%, and 20% for the put option in this case, respectively.

The Company adopted the early acquisition method, in which the consolidation of the company is recognized at 100%. In this case, the Company recorded the financial liability arising from the put option against the goodwill due to expected future profitability.

With the early acquisition method, the call option was not recorded as determined by accounting standard CPC 36/IFRS 10 and the financial liability related to the put option was estimated by fair value of the options, using the average discount rate of 7.44%, making it possible to measure the fair value of the liability. The total amount of the put option was estimated at R$ 70,254.

Part of the put option is related to the compensation to be paid to the founders of the acquiree, since the contract has a penalty clause in case of non-permanence, as described above. Therefore, the Company considered, under CPC 15 (R1)/IFRS 3 - Business combination, the amount of R$ 50,938 as part of the put option business combination, recorded under Financial Instruments, and R$ 19,316 to be recognized as a separate transaction represented by post-combination compensation, to be recognized as compensation cost during the period from February 1, 2021, to December 31, 2025, monthly. In the period ended March 31, 2021, the total expense recorded under administrative expenses was R$ 654.

a. Identified assets and liabilities assumed

The Company presented the fair value allocation in 2021 as follows:

	New Retail
	January 29, 2021
Assets	69,653
Liabilities	(48,607)
	21,046

	On the acquisition date
Cash and cash equivalents	5,152
Accounts receivable	41,867
Other assets	4,383
Right-of-use	1,047
Intangible assets	4,136
Client portfolio	13,068
Suppliers	(42,631)
Lease liability	(1,047)
Other liabilities	(5,976)
Net value of assumed assets (i)	**21,046**

The consolidated interim income statements include, since the respective acquisition date, net revenues and non-significant profits of the subsidiary since the acquisition date was close to the beginning of the period.

If the acquired subsidiary were consolidated since January 1, 2021, the income statement for the period ended March 31, 2021, would have a net revenue of R$ 75,956 and a profit of R$ 3,881.

b. Goodwill

The fair value on the date of acquisition of the preliminary goodwill consists of:

Consideration transferred - Amount paid/payable	49,283
Consideration transf. - Remeasurement of previous interest	26,538
Put option	50,938
Deferred income tax on identified intangible assets	4,443
Net value of assets acquired at fair value (a)	(21,046)
Goodwill – Note 11	**110,156**

The goodwill calculated on the acquisition totals R$ 110,156, which comprises the amount of the difference paid by the Company in relation to the fair value of the equity of the acquired company.

The goodwill is mainly attributable to the skills and relationships with clients that the acquired companies have in the medium-sized market and the synergies that are expected to be achieved with the integration of the companies in the Group’s businesses.

(a) The valuation technique used to measure the fair value of the main asset acquired, which is the client portfolio, follows the method of exceeding profit for several periods. This method considers the present value of the net cash flows, using actual rates, that are expected to be generated by the relationship with clients, excluding any cash flows related to contributory assets.

3 Preparation basis

The interim financial statements are being presented in thousands of Reais, which is functional and presentation currency of the Company.

The separate interim financial statements have been prepared and are being presented in accordance with technical pronouncement CPC 21 (R1) - Interim statement, and also based on the provisions contained in the Brazilian Business Corporation Act, and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários - CVM*), applicable to the preparation of interim information - ITR.

The consolidated interim financial statements have been prepared and are being presented in accordance with technical pronouncement CPC 21 (R1) - Interim statement and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also based on the provisions contained in the Brazilian Business Corporation Act, and presented in a manner consistent with the standards issued by the Securities and Exchange Commission, applicable to the preparation of the interim information - ITR.

The relevant information in the interim financial statements, and only them, are being disclosed and correspond to those used by management in its duty.

The interim separate and consolidated financial statements were authorized for publication by the Board of Directors on May 14, 2021.

The presentation of the separate and consolidated Statement of Value Added (SVA) is required by the Brazilian Corporate Law and the accounting practices adopted in Brazil applicable to publicly-held companies CPC 09 - Statement of Value Added. IFRS does not require the presentation of this statement. Therefore, for IFRS purposes, this statement is presented as supplementary information, without prejudice to the set of interim financial statements.

a. Basis for the preparation of the Company’s consolidated interim financial statements before the corporate restructuring (note 1.2)

As mentioned in the topic above 1.2, Infracommerce CXaaS S.A. was incorporated in September 2020 for the purpose of being the final controlling company that will consolidate all the companies of the Group. As a result, after its incorporation, the Company received contributions from Infracommerce LLC for all investments made by the Group’s operating companies (Note 2). As all group companies listed in note 2 were under common control and management, the consolidated interim financial statements are being presented as if the corporate reorganization, therefore the incorporation of Infracommerce CXaaS S.A., had occurred on January 1, 2020, to reflect the Group’s profit (loss), other comprehensive income, changes in the equity and cash flows.

On March 31, 2021, the Company holds 100% of the entities’ shares as listed in note 2. As such, its effects are being presented in a comparative manner for all periods presented.

3.1 Functional and presentation currency

This interim information is presented in reais, which is the Group’s functional currency. All balances have been rounded to the nearest value, except otherwise indicated.

The following table shows the functional currency of each company in the group:

Company	**Functional currency**
IFC CXaaS	Real (R$) – Brazil
IFC Ltda.	Real (R$) – Brazil
Inframedia	Real (R$) – Brazil
IFC Retail	Real (R$) – Brazil
IFC MEX	Mexican peso
IFS Ltda.	Real (R$) – Brazil
Finago	Real (R$) – Brazil
Pier 8	Real (R$) – Brazil
Warehouse	Real (R$) – Brazil
New Retail	Argentine peso
NR LLC	Argentine peso
Brandlive	Argentine peso
BL 360	Argentine peso
BL Colombia	Colombian Peso

3.2 Use of estimates and judgments

The preparation of this interim financial statements, Management used judgments and 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.

Estimates and assumptions are continuously reviewed. Reviews of estimates are recognized on a prospective basis.

a. Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the interim financial statements are included in the following notes:

- **Note 20 -** Commission revenue: determination when the Company acts as an agent in the transaction;

- **Note 12 -** Lease term: if the Company is reasonably sure of exercising the extension options.

- **Note 2.1 -** Acquisition of a subsidiary: payments to acquiree’s former owners.

b. Uncertainties on assumptions and estimates

Information about assumptions and estimates uncertainties as of March 31, 2021 that have a significant risk of resulting in a material adjustment to the book values of assets and liabilities in the next financial year is included in the following notes:

- **Note 2.1 -** Acquisition of a subsidiary: fair value of the consideration transferred (including contingent consideration) and the fair value of assets acquired and liabilities assumed, measured on a provisional basis;

Measurement of fair value

Some of the accounting policies and disclosures of the Group require the measurement of fair value for financial and non-financial assets and liabilities.

The Group established a control structure for measuring fair value. This includes an evaluation team with general responsibility of reviewing all significant fair value measurements, including Level 3 fair values, which are reported directly to the CFO.

Evaluation team regularly reviews significant non-observable data and valuation adjustments. If third-party information, such as brokerage firms' quotes or pricing services, is used to measure fair value, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of CPC/IFRS standards, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Group uses observable data whenever is possible. Fair values are categorized into different levels of a fair value hierarchy based on information used in valuation techniques, as follows:

- **Level 1:** Quoted prices (not adjusted) in active markets for identical assets and liabilities;
- **Level 2:** Inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- **Level 3:** Inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

If the inputs used to measure the fair value of an asset or liability fall under different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the same level as the fair value hierarchy as the lowest entry-level that is meaningful for the entire measurement.

The Group recognizes transfers between fair value hierarchic levels at the end of the interim financial statements period in which changes occurred.

Additional information on the assumptions adopted in the measurement of fair values is included in the following notes:

- **Note 2.1 -** acquisition of a subsidiary

4 Significant accounting policies

The Company applied the accounting policies described below consistently to all the years presented in these interim financial statements, unless otherwise indicated.

4.1 Basis of consolidation

(i) Business combinations

Business combinations are recorded using the acquisition method when the set of activities and acquired assets addresses the definition of a business and the control is transferred to the Company.

When determining whether a set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at least, an input and a substantive process that together contribute significantly to the ability to generate output.

The Company has the option of applying a “concentration test” that allows a simplified assessment if a set of acquired activities and assets is not a business. The optional concentration test is met if, substantially, the entire fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred is usually measured at fair value, as well as the identifiable net assets acquired. Any goodwill arising in the transaction is tested annually for impairment. Gains in a bargain purchase are immediately recognized in profit or loss.

Transaction costs are recorded in profit or loss as incurred, except the costs related to the issue of debt or equity instruments.

Transferred consideration does not include amounts referring to payment of pre-existing relation. These amounts are usually recognized in income (loss) for the year.

Any contingent consideration payable is measured at its fair value on acquisition date. If the payment is classified as an equity instrument, it is not remeasured and the liquidation is recorded in shareholders' equity. The remaining contingent considerations are measured at fair value on each reporting date, and subsequent changes in fair value are recorded in the income (loss) for the year.

(ii) Subsidiaries

The Company controls an entity when it is exposed to, or has a right over the variable returns arising from its involvement with the entity and has the ability to affect those returns exerting its power over the entity. The interim financial statements of the subsidiaries are included in the consolidated interim financial statements as from the date the Group obtains the control until the date such control ceases.

In the interim consolidated financial statements, investments in subsidiaries are recognized using the equity method.

(iii) Shareholding interest in associated companies

The Company’s investments for non-controlling interests comprise the interests in subsidiaries and controlled companies.

Associated companies are entities in which the Company, directly or indirectly, has significant influence, but does not control or jointly controls, over financial and operating policies. To be classified as a jointly-controlled entity, there must be a contract allowing the Company to have shared control over the entity and giving the Company the right to the net assets of the jointly-controlled entity, and no right to its specific assets and liabilities.

Such investments are initially recognized by the cost, which includes expenses with transactions. After initial recognition, interim financial statements include the Company’s interest in income or loss for the year and other comprehensive income of the investee up to the date in which significant influence or joint control no longer exists. In the Parent Company’s interim financial statements, investments in subsidiaries are also accounted for using this method.

(iv) Transactions eliminated in the consolidation of the interim financial statements

Intragroup balances and transactions, and any unrealized revenues or expenses derived from intragroup transactions, are eliminated. Unrealized gains originating from transactions with investees recorded using the equity method are eliminated against the investment in the proportion of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

4.2 Foreign currency

Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currency of the Company at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted into the functional currency at the exchange rate determined on that date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into the functional currency at the foreign exchange rate on the date the fair value was determined. Non-monetary items that are measured based on the historical cost in foreign currency are translated using the rate of the transaction date. Foreign currency differences arising from the translated are recognized in income (loss).

(i) Foreign operations

Foreign transactions' assets and liabilities, including goodwill and adjustments to fair value resulting in the acquisition, are translated into reais (R$) at the exchange rate prevailing on balance sheet date. Foreign transactions' revenues and expenses are translated into reais (R$) at exchange rates prevailing on transaction dates.

When a foreign operation (subsidiary, associated company or jointly-controlled subsidiary) is sold, the amount recorded in an account for equity valuation adjustment is reclassified to result as part of income in disposal. When the disposal is only part of the investment of a subsidiary that includes a foreign operation, so that control is maintained, that portion of such accumulated value is reassigned to the interest of non-controlling shareholders. In any other partial sales related to a foreign operation, the portion corresponding to the disposal is reclassified to income (loss).

The exchange rates in Brazilian Reais in force on the date of the interim financial statements are as follows:

	Exchange rate		
	Mar 2021	**Dec 2020**	**Mar 2020**
US Dollar (“US$”)	5.6967	5.1961	5.1981
Mexican peso (“MXN$”)	0.2786	0.2608	0.2215
Argentine peso (“ARS$”)	0.0619	0.0617	0.0807

4.3 Revenues from contracts with clients

The sales revenue comprises the fair value of the consideration received or receivable for the rendering of services in the Company's normal course of activities. When applicable, revenue is stated net of levied taxes, rebates and discounts.

CPC 47 / IFRS 15 establishes a comprehensive framework for determining whether and when a certain revenue is recognized, and how it is measured. Thus, the revenue is recognized when the client obtains control of the client's goods or services. Determining the time of the transfer of control - at a certain point or over time - requires judgment.

Revenue from services

The Company's service revenues comprise all its clients' e-commerce management, including, but not limited to, platform management, commercial management, client portfolio management, logistics, and transportation management, client and end consumer service management, product registration and content production, digital media management and digital project management.

There are mainly two streams of revenue that the Company segregates its revenues: (i) revenue from services (commission) related to the sale of clients' products, which may involve one or a combination of services provided by the Company, but always linked to the sale of the client's product - the Company's most significant revenue, and (ii) revenue from other services.

(i) For revenue from services related to the sale of its clients' products, the Company acts as an agent in the contracts signed with its clients, in transactions involving the sale of the client's products, in accordance with CPC 47/IFRS 15. Because of the intermediation and provision of services, the Company charges a commission. Although it may involve combined services, the performance obligation will be fulfilled with the sale of the client's goods, when the client's product is delivered to the final consumer and the receipt of this product is accepted (at a point in time).

Main points of the contract: (i) services that will be part of the Client's contracted scope, such as omnichannel technology, fulfillment, and fintech; (ii) the commission that will be charged when applying the percentage on each product sold on the client's website to the final consumer. This percentage varies according to the amount of services contracted; and (iii) terms of payment and transfer of receipts for goods sold (GMV).

(ii) Other services, which are not linked to the client's logistics and transportation management service, are recognized when the revenue value can be reliably estimated, the probable economic benefits associated with the transaction flow to the Company, and the Completion of the transaction at the end of the reporting period can be measured reliably, as well as when its value and costs can be measured reliably. Service prices are established based on service orders or contracts. All services are provided in a short period of time, mainly within a month.

4.4 Advance from suppliers

The contracts with clients make it clear that even if the Company buys/manages the client's products, there is no risk or benefit to the Company, since it can be returned at any time in the case of termination of operations and the Company does not have the power to set the price and quantity of the client's products, which are sold exclusively on their clients' websites. However, the Company believes that, on a contractual basis, the operation and the service to the client are equivalent to acting as an agent in the transaction, as explained in note 4.3.

As a consequence, the “advance from suppliers” is recognized at the acquisition cost of the invoices issued by the supplier of the goods, who is also a client of the Company, in this case, against the “suppliers” account. The Company has legal rights over the “advance from suppliers” which is only net of the acquisition cost when the client’s product is sold and delivered to the final consumer, and “suppliers” are settled only when the Company receives the amount from the final consumer for the sale.

4.5 Account payables - Reverse factoring

The Group presented amounts due for the purchase of goods or services, related to Reverse Factoring operations (these operations may also be known as “forfait”, “confirming” or “drawn risk”, depending on the characteristics) under “Reverse factoring” because it considers that the nature or function of the financial liability is no different from other accounts payable and does not require a separate presentation on the balance sheet. These operations aim at the advance by their suppliers of their receivables and do not exceed 90 days and there is no financial charge for the advance for the Company. The Group has disclosed these amounts separately, see note 18.

4.6 Employee benefits

(i) Short-term employee benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is rendered. The liability is recognized at the expected payment amount if the Group has a present legal or constructive obligation to pay this amount in virtue of a past service provided by the employee and the obligation can be reliably estimated.

(ii) Post-employment benefits

Post-employment benefits are recognized as an expense when the Company can no longer withdraw such benefits and when it recognizes the costs of a restructuring. If payments are settled after 12 months as of the balance sheet date, then they are discounted to their present values.

(iii) Agreements of share-based payments - Commercial program

The fair value of share-based payment agreements granted to executives is recognized at the grant date, as personnel expenses, with a corresponding increase in shareholders' equity, over the period when employees become unconditionally entitled to the premiums. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and performance conditions will be met, so that the amount ultimately recognized as an expense is based on the number of awards meeting these conditions at vesting date.

4.7 Financial revenues and expenses

The financial revenues and expenses of the Company comprise the following:

- Interest income;
- Interest expense; and
- Net gains/losses from exchange rate on financial assets and liabilities;

Financial expenses comprise expenses with interest on loans and contingent consideration.

Interest income or expense is recognized using the effective interest method.

The "effective interest rate" is the rate that exactly discounts payments or receipts in estimated future flows over the expected life of the financial instrument to:

- Amortized cost of financial liability.

4.8 Income tax and social contribution

The income tax and social contribution for both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax losses and negative basis of social contribution, limited to 30% of the taxable income for the year.

The Company determined that interest and penalties related to income tax and social contribution do not meet the definition of income tax and, therefore, were accounted for under CPC 25/IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Expenses with current income tax and social contribution

Current tax expense is the tax payable or receivable on the taxable income or loss for the year and any adjustments to taxes payable in relation to prior years. The amount of current taxes payable or receivable is recognized in the balance sheet as an asset or tax liability under the best estimate of the expected amount of taxes to be paid or received reflecting the uncertainties related to its calculation, if any. It is measured based on tax rates enacted at the balance sheet date.

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

4.9 Property, plant and equipment

Recognition and measurement:

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

Subsequent costs are capitalized in accordance with the probability that associated future economic benefits may be earned by the Company. Any gains and losses on disposal a property, plant and equipment item are recognized in income (loss).

Property, plant, and equipment items are depreciated from the date they are available for use or, in relation to the implemented assets, from the date the asset is completed and ready for use.

Depreciation is calculated to amortize the cost of items of property, plant and equipment, net of their estimated residual values, using the straight-line method based on estimated useful lives of such items. Depreciation is recognized in the income statement, unless it is capitalized as part of the cost of another asset. Land is not depreciated.

Depreciation methods, such as useful lives and residual amount, are reviewed at the end of each year, or when there are significant changes without an expected standard, such as in specific relevant cases and technical obsolescence. Any adjustments are recognized as changes in accounting estimates, as needed.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Leasehold improvements	05
Machinery, equipment and facilities	10
IT equipment	05
Vehicles	05
Furniture and fixtures	10

4.10 Intangible assets and goodwill

(i) Recognition and measurement

Goodwill
Goodwill is measured at cost, less accumulated impairment losses.

Platform
Development expenditures are capitalized only if costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and use or sell the asset. Other development expenses are recognized in the income (loss) as incurred. After the initial recognition, capitalized development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets
Other intangible assets acquired by the Company with finite useful lives are carried at cost, net of accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks and patents, are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated to reduce the costs of intangible assets, net of their estimated residual values, using the straight-line method over the estimated useful life, and is generally recognized in the income statement. Goodwill is not amortized. For platforms and client portfolios, the useful life is 5 years.

4.11 Financial instruments

(i) Initial measurement and recognition

Trade accounts receivable are initially recognized on the date that they were originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions.

A financial asset (unless it is trade accounts receivable without a material financing component) or a financial liability is initially measured at fair value, plus or less, for an item not measured at FVTPL, transaction costs which are directly attributable to its acquisition or issue. Trade accounts receivable without a significant financing component are initially measured at the transaction price.

(ii) Subsequent classification and measurement - financial assets

In the initial recognition, a financial asset is classified as measured at amortized cost.

Financial assets are not reclassified after initial recognition, unless the Group changes the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period subsequent to the change in the business model.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at FVTPL:

- It is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- Its contractual terms generate, on specific dates, cash flows only related to the payment of principal and interest on outstanding principal value.

The Company makes an assessment of the objective of the business in which a financial asset is held at a portfolio level, because this better reflects the way in which the business is managed and information is provided to management. The information considered includes:

- How the performance of the portfolio is evaluated and reported to the Company's management;
- Risks that affect the performance of the business model (and the financial assets held in that business model) and the manner in which those risks are managed;
- How business managers are remunerated - for example, if the remuneration is based on the fair value of managed assets or in contractual cash flows obtained; and
- The sales rate, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales expectations.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

(iii) Subsequent classification and measurement – financial assets – evaluation whether the contractual cash flows represent solely payments of principal and interest

For the purpose of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as for a profit margin.

The Company considers the contractual terms of the instruments to assess whether the contractual cash flows are solely payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers contingent events that change the amount or timing of cash flows:

- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- The terms that limit the Group's access to cash flows of specific assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the value outstanding, which may include a reasonable compensation for early termination of the contract. In addition, in relation to a financial asset acquired at a lower or higher value than contract’s nominal value, permission or requirement of pre-payment at an amount that represents contract nominal value plus accumulated (but not paid) contract interest (which may also include fair remuneration for early termination of contract) are treated as consistent with this criterion if prepayment fair value is immaterial at initial recognition.

(iv) Subsequent classification and measurement - financial liabilities

Financial liabilities were classified as measured as amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, if it is a derivative or assigned as such in initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net income (loss), plus interest, is recognized in income (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(v) Derecognition – financial assets

The Company derecognizes a financial asset when:

- Contractual rights to the cash flows of the asset expire; or
- Transfers the rights to the reception of contractual cash flows on a financial asset in a transaction that:

– Substantially all the risks and rewards of ownership of the financial asset are transferred; or

– The Company neither transfers nor substantially maintains all the risks and benefits of the ownership of the financial asset and does not retain control over the financial asset.

(vi) Offsetting

Financial assets or liabilities are offset and the net value reported in the balance sheet only when the Company currently has legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(vii) Impairment of financial assets

The Company applies the simplified method to assess whether it recognizes an expected credit loss for financial assets.

The Company assesses whether there is a historical credit loss to apply the provisioning matrix based on historical credit loss data and overdue receivables.

The only financial assets subject to the recoverable value analysis are the balances of trade accounts receivable, which are settled mainly by means of credit cards, with the majority of accounts receivable received after processing credit card transactions. The amounts of financial assets represent the maximum exposure to credit.

For this reason, as of March 31, 2021, the Company had not recognized any expected credit loss for financial assets. In addition, the Company's historical loss rate is not significant, there is no significant financial default, and significant losses are not expected based on the Company's operating business model.

(viii) Impairment of non-financial assets

On each reporting date, the Company reviews book values of non-financial assets to determine if there is an indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually.

For impairment tests, assets are grouped into the cash generating units (CGUs), that is, smallest identifiable group of assets that can generate cash inflows by continuous use, which are highly independent from cash inflows referring to other assets or cash generating units. Goodwill from business combinations is allocated to cash generating units or groups of cash generating units that are expected to benefit combination synergy.

The recoverable amount of an assets or CGU is the greater of its value in use and its fair value less disposal costs. Value in use is based on estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value.

Impairment losses are recognized in profit or loss. Recognized losses referring to CGUs are initially allocated to reduce any goodwill allocated to that CGU (or CGU group) and then to reduce the book value of other assets of that CGU (or CGU group) on a pro rata basis.

An impairment loss related to goodwill is not reversed. Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

4.12 Provisions

Provisions are recognized when the Company has a present obligation, either formalized or not, because of a past event and it is probable that an outflow of resources that incorporate economic benefits will be necessary to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The Company has several judicial and administrative lawsuits. Determinations of the likelihood of losses of such processes include the analysis of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external attorneys. Provisions are reviewed and adjusted to reflect changes in circumstances, such as statute of limitations applicable, inspections' conclusions or additional exposures identified based on new matters or court decisions.

4.13 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration of the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of real estate, the Company has chosen to not separate non-lease components and lease and non-lease components are calculated as a single component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the value of initial measurement of the lease liability adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of underlying asset to the Company at the end of lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the assets and equipment. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental loan rate. Generally, the Company uses its incremental loan rate as the discount rate.

The Company determines its incremental loan rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of lease liability comprise the following:

- Fixed payments, including initial fixed payments; and
- Amounts expected to be paid by the lessee, in accordance with the residual value guarantees;

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amounts expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is thus remeasured, an adjustment corresponding to the book value of the right-of-use asset is made or recorded in income (loss) if the right-of-use asset is reduced to zero.

Low-value right of use asset

The Company chose not to recognize the right to use low-value and short-term right of use, including IT equipment. The Company recognizes lease payments as a straight-line expense over the term of use of the asset.

4.14 Measurement of fair value

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its risk of non-performance. Some of the Company's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities.

When available, the Company measures the fair value of a security using the price quoted on an active market for such securities. A market is considered as "active" if the transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If an asset or a liability measured at fair value has a purchase and a selling price, the Company measures the assets based on purchase prices and liabilities based on selling prices. The chosen valuation technique incorporates all the factors market participants would take into account when pricing a transaction.

If an asset or a liability measured at fair value has a purchase and a selling price, the Company measures the assets based on purchase prices and liabilities based on selling prices. The best evidence of fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that fair value at initial recognition differs from transaction price and fair value is not evidenced, not even by price quoted in an active market for an identical asset or liability, neither based on evaluation technique for which non-observable data is judged as insignificant for measurement, then financial instrument is initially measured at adjusted fair value, to distinguish the difference between fair value at initial recognition and transaction price.

This difference is subsequently recognized in income (loss) on an appropriate basis over the life of the instrument, or until such time when its valuation is fully supported by observable market data or the transaction is closed, whichever comes first.

4.15 Earnings per share

Basic earnings per share are calculated by dividing

(i) the profit attributable to the company's shareholders, excluding any costs of maintaining shares other than common shares; and

(ii) by the weighted average number of outstanding common shares during the year, adjusted by a bonus component in common shares issued during the year, planned shares to be issued in the formation of the new vehicle with the public offering of shares, excluding treasury shares.

5 Cash and cash equivalents

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**12/31/2020**
Cash and banks	8	6,835	4,040
Interest earning bank deposits	-	32,968	63,210
	8	**39,803**	**67,250**

Cash and cash equivalents are any short-term securities with maturities of 90 days or less. The Company's Management defines "Cash and cash equivalents" as amounts held to meeting short-term financial commitments, instead of investments or other purposes.

Interest earning bank deposits are easily convertible into a known amount of cash and are not subject to significant risks of variation in value, and are recorded at cost values plus accrued income up to the balance sheet dates not exceeding market or realization value. Refer to investments in Bank Deposit Certificates (CDB), adjusted based on the variation of the Interbank Deposit Certificate, remunerated at an average annual rate of 107% of the CDI in 2021 (104% of the CDI in 2020).

The Company's exposure to interest rate risks and a sensitivity analysis of financial assets and liabilities are disclosed in Note 24.

6 Accounts receivable

	Consolidated	
	03/31/2021	**12/31/2020**
Accounts receivable from credit card operators (i)	45,463	38,730
Trade accounts receivable (ii)	72,732	61,074
	118,195	**99,804**

(i) Corresponds to accounts receivable from sales by credit card, which the Company receives in amounts, terms, and installments defined at the time of sale of the clients' products. This amount corresponds to the Gross Merchandise Volume (GMV) referring to the Company's sales of clients' products. The Company prepaid cards during March 2021 in the amount of R$ 28,578 (R$ 139,726 on December 31, 2020), where it transfers to the credit card operators and financial institutions all the risks of receiving from consumers and, thus, settled the accounts receivable of these credits.

(ii) Trade accounts receivable correspond to the rebalancing of the margin in which the client's product was sold on the website to the final consumer at a price below that negotiated in the formation of the product margin when negotiating between the Company and the client. As the contracts guarantee the Company's margin, since the Company acts as an agent in the operation, the margin is always rebalanced monthly. As mentioned in note 24, this amount is settled against the "suppliers" account, where the Company has the amounts payable to the respective suppliers.

The Company's accounts receivable are presented together with the gross amounts of Gross Merchandise Volume (GMV) and the Company retains the amounts related to commissions. Thus, in general, the difference between the amount the Company receives from the sale of clients' products and the amount the Company pays to suppliers is the actual amount referring to the Company's commission due to the services that the Company provides acting as a transaction agent.

7 Advance from suppliers

	03/31/2021	**12/31/2020**
Advances to suppliers (i)	42,822	38,241
	42,822	**38,241**

(i) Corresponds to the balance of clients' goods, of which the Company acts as an agent in the transaction, as explained in note 4.4.

8 Other tax receivable

	03/31/2021	12/31/2020
ICMS (i)	43,716	34,660
PIS and COFINS (ii)	604	3,740
Other taxes	4,368	321
Mexico Taxes	1,210	898
Argentina Taxes	7,719	-
	57,617	**39,619**
Current	23,543	13,086
Non-current	34,074	26,533
	57,617	**39,619**

(i) The amount of R$ 34,074, refers to State VAT (ICMS) Tax rate differential (DIFAL), generated in interstate transactions in which this tax is not included in the Company's margin negotiated with the client. Consequently, the Company reimburses this credit to the supplier of the products, which are the clients. Then, the same amount to be reimbursed is recognized in "other accounts payable" - note 17.

(ii) The Company has a contingent asset arising from a controversial issue on the calculation of ICMS credits on the basis of calculation of Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) in the amount of R$ 4,099. The Company obtained a final and unappealable decision as disclosed in note 28.

9 Investments and provision for uncovered liability of subsidiaries

a. Investments and provision for unsecured liability in subsidiaries

Company	12/31/2020	Equity pick-up on subsidiaries	Comprehensive income	Decrease in investment in associated company (a)	Remeasurement of investment (a)	Acquisition of interest in subsidiary (b)	03/31/2021
IFC Ltda.	57,160	(8,018)	-	-	-	-	49,142
Inframedia	(1,917)	(32)	-	-	-	-	(1,949)
IFC Retail	(3,243)	(51)	-	-	-	-	(3,294)
Mexico	(1,753)	(541)	(20)	-	-	-	(2,314)
Infrashop	(56)	(4,706)	-	-	-	-	(4,762)
Finago	933	1	-	-	-	-	934
New Retail	7,914	892	(420)	(7,914)	26,538	100,221	127,231
Total	**59,038**	**(12,455)**	**(440)**	**(7,914)**	**26,538**	**100,221**	**164,988**
Provision for uncovered liability							**(12,319)**
Investments							**177,307**

(a) With the acquisition of an additional 40% of New Retail, the Company started to control and consolidate the operation. As a result, the investment balance in the amount of R$ 7,914 referring to the previous 21.44% interest was remeasured at fair value on the date of the business combination, which generated a gain in remeasurement recorded under other operating income (expenses), as shown below.

(b) Because of the New Retail business combination, the Company recorded R$ 13,068 and R$ 110,156 in intangible assets as an added value to the client portfolio and as goodwill paid for the expected future profitability, respectively, in the consolidated financial statements.

Decrease in investment in associated company	(7,914)
Remeasurement of the business combination	26,538
Gain on remeasurement of investment in the business combination (Note 21)	**18,624**

		Assets		Liabilities					
Subsidiaries	**%**	**Current**	**Non-current**	**Current**	**Non-current**	**Equity**	**Net revenue**	**Net income (loss)**	**Direct / indirect**
IFC Ltda.	100%	189,058	227,858	242,898	124,934	49,142	51,423	(8,018)	Direct
Inframedia	100%	-	-	1,849	100	(1,949)	-	(32)	Direct
IFC Retail	100%	32	-	3,326	-	(3,294)	-	(51)	Direct
Mexico	100%	4,639	1,401	8,354	-	(2,314)	1,098	(561)	Direct
Infrashop	100%	1,123	5,102	10,988	-	(4,762)	2,029	(4,706)	Direct
Finago	100%	1,710	935	1,711	-	934	72	1	Direct
Pier 8 (i)	100%	4,365	2,074	6,643	1,129	(1,333)	6,307	284	Indirect
Warehouses (i)	100%	804	7,018	10,381	-	(2,559)	2,130	(967)	Indirect
New Retail (ii)	61.44%	32,458	5,668	28,612	570	8,945	9,696	972	Direct

(i) Pier 8 and Armazéns were acquired by Infracommerce Negócios e Soluções Ltda. For further details, see note 2.1.i.

(ii) The Company owned 21.44% of New Retail and acquired an additional 40% in 2021, becoming the parent company of the Company, in addition to including the acquisition using the early acquisition method, recognizing the investment at 100%, see note 2.1.ii.

b. Equity-accounted investees

Company	**Interest**	**Equity in net income of subsidiaries**	**Investment**
Brandlive Colombia	40.00%	93	479
Total		**93**	**479**

(i) Brandlive Argentina, a subsidiary of New Retail Ltd, has a 40% interest in Brandlive Colombia, see note 2.

10 Property, plant and equipment

	01/01/2020	**Additions**	**03/31/2020**
Cost			
Leasehold improvements	1,557	-	1,557
Machinery and equipment	1,130	2	1,132
Facilities	7,825	2,416	10,241
IT equipment	3,001	57	3,058
Vehicles	40	-	40
Furniture and fixtures	1,428	43	1,471
	14,981	**2,518**	**17,499**
Accumulated depreciation			
Leasehold improvements	(369)	(15)	(384)
Machinery and equipment	(322)	(85)	(407)
Facilities	(1,195)	(206)	(1,401)
IT equipment	(1,097)	(110)	(1,207)
Vehicles	(33)	(2)	(35)
Furniture and fixtures	(331)	(14)	(345)
	(3,347)	**(432)**	**(3,779)**
Total	**11,634**	**2,086**	**13,720**

	12/31/2020	Additions	03/31/2021
Cost			
Leasehold improvements	1,557	455	2,012
Machinery and equipment	1,284	-	1,284
Facilities	18,801	3,051	21,852
IT equipment	5,207	749	5,956
Vehicles	140	-	140
Furniture and fixtures	2,144	54	2,198
	27,133	**4,309**	**33,442**
Accumulated depreciation			
	(581)	(138)	(719)
Machinery and equipment	(561)	(40)	(601)
Facilities	(3,530)	(406)	(3,936)
IT equipment	(1,749)	(246)	(1,995)
Vehicles	(127)	-	(127)
Furniture and fixtures	(623)	(53)	(676)
	(7,171)	**(883)**	**(8,054)**
Total	**21,962**	**3,426**	**25,388**

Property, plant and equipment, net as of December 31, 2020	**21,962**
Net property, plant and equipment as of March 31, 2021	**25,388**

Asset impairment test

The Company annually tests the recoverable values of property, plant and equipment that are subject to depreciation and tested for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable.

During the period ended March 31, 2021, there were no indicators of impairment that would require the revision of the last test performed on December 31, 2020.

11 Intangible assets

	01/01/2020	Additions	03/31/2020
Cost			
Platform (i)	20,033	528	20,561
Trademarks and patents	17	-	17
Intangible assets in progress (iv)	9,030	5,684	14,714
	29,080	**6,212**	**35,292**
Accumulated amortization			
Platform (i)	(3,891)	(983)	(4,874)
	(3,891)	**(983)**	**(4,874)**
Total	**25,189**	**5,229**	**30,418**

	12/31/2020	Additions	Business combination	03/31/2021
Cost				
Goodwill (ii)	50,175	-	110,156	160,331
Client contracts (iii)	5,188	-	13,068	18,256
Platform *(i)*	51,806	8,764	4,136	64,706
Trademarks and patents	17	-	-	17
Intangible assets in progress (iv)	7,052	1,221	-	8,273
	114,238	**9,985**	**127,360**	**251,583**
Accumulated amortization				
Platform (i)	(8,227)	(2,898)	-	(11,125)
Client portfolio (iii)	-	(695)	-	(695)
	(8,227)	**(3,593)**	**-**	**(11,820)**
Total	**106,011**	**6,392**	**127,360**	**239,763**

(i) The Company noted that the e-commerce platform generated internally presents future profitability after studies carried out by specialists. Thus, all expenses incurred for its constitution/configuration were capitalized, being measured by the work time allocated in the formatting of these e-commerce platforms.

(ii) Goodwill is allocated to each cash-generating unit (UGC) and annually at the end of the year, subjected to an assessment of its recoverability or, more frequently, when there is an indication that a cash-generating unit is underperforming. If the recoverable value of the cash-generating unit falls below its book value plus the goodwill allocated to it, the impairment is previously attributed to the reduction of the goodwill allocated to the unit and, subsequently, to the other assets of the unit, in proportion to the book value, of each of these assets.

(iii) Allocated price of the acquisition of Pier 8 and New Retail LTD, according to note 2.1.i and 2.1.ii, respectively.

(iv) The balance of intangible assets in progress refers to the development of a platform expected to be completed after 1 year. Upon completion, it will be transferred to the respective platform line.

(v) The Company annually tests the recoverable amounts of goodwill arising from business combination operations. Intangible assets, rights-of-use assets, and defined life contract assets that are subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. During the period ended March 31, 2021, no impairment indicators were identified that would require the revision of the last test performed on December 31, 2020.

12 Right-of-use assets and lease

The Company recognizes the right to use and lease on the effective date of the contract. The main lease contracts refer to the administrative office and the distribution centers. These lease contracts have a duration of 5 years, with the option of renewal.

a. Usage rights

	Warehouse	Administrative office	Other	Total
Balance at January 01, 2020	**25,795**	**3,660**	**431**	**29,886**
Amortization	(866)	(250)	(27)	(1,143)
Balance at March 31, 2020	**24,929**	**3,410**	**404**	**28,743**
Balance at December 31, 2020	**24,981**	**1,614**	**323**	**26,918**
Business combination (note 2.1.ii)	-	-	1,047	1,047
Additions	2,825	-	14,379	17,204
Amortization	(2,165)	(235)	(718)	(3,118)
Balance at March 31, 2021	**25,641**	**1,379**	**15,031**	**42,051**

b. Leases

	03/31/2021	12/31/2020
Warehouse	25,833	29,599
Administrative office	1,653	1,781
Other	10,648	357
Total	**38,134**	**31,737**
Current	**11,712**	**7,873**
Non-current	**26,422**	**23,864**

Statements of income

Depreciation from right-of-use	**03/31/2021**	**03/31/2020**
Wholesale Center	(2,165)	(866)
Administrative office	(235)	(250)
Other	(718)	(27)
	(3,118)	**(1,143)**
Financial expenses on leases		
Wholesale Center	(763)	(106)
Administrative office	(46)	(14)
Other	(216)	(2)
	(1,025)	**(122)**

Payment of leases at present value

	01/01/2020	Interest	Principal payments	Payments of interest	03/31/2020
Wholesale Center	27,461	106	(788)	(106)	26,673
Administrative office	4,121	14	(508)	(14)	3,613
Other	450	2	(20)	(2)	430
	32,032	**122**	**(1,316)**	**(122)**	**30,716**

	12/31/2020	Interest	Principal payments	Payments of interest	Business combination	Addition	03/31/2021
Wholesale Center	29,599	763	(6,592)	(763)	-	2,825	25,832
Administrative office	1,781	46	(128)	(46)	-	-	1,653
Other	357	216	(5,134)	(216)	1,047	14,379	10,649
	31,737	**1,025**	**(11,854)**	**(1,025)**	**1,047**	**17,204**	**38,134**

The incremental discount rate used to calculate the present value was the nominal rate of 10.9% p.a. The rate is assessed at each new contract based on the Company’s funding cost from the banks it has a relationship with.

In anticipation of CVM Instruction - Circular Official Letter 2/2019, if, in transactions where the incremental rate is used, the measurement was made at the present value of the expected installments plus projected future inflation, the balances of the lease, rights-of-use, financial expenses, and depreciation expenses liabilities for the fiscal year on 03/31/2021, would be those presented in the "Official Letter" column:

	03/31/2021		
Accounts	**Recorded**	**Official Letter**	**% Change**
Lease liabilities	38,134	40,422	6%
Residual right of use	42,051	43,733	4%
Financial expenses	(1,025)	(1,097)	7%
Depreciation expense	(3,118)	(3,461)	11%

13 Suppliers

	Parent company		Consolidated	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Clients' goods suppliers (i)	817	6	78,788	114,241
Other suppliers (ii)	-	-	48,804	46,930
	817	6	127,592	161,171

(i) Amounts related to purchases of clients' goods payable, according to note 7.

(ii) Amounts referring to suppliers of other products and services inherent to the Company's operation, such as IT services, maintenance of distribution centers, consulting in general, etc.

14 Loans and borrowings

	03/31/2021	**12/31/2020**
Secured bank loans (i)	**80,094**	**71,909**
Current	42,135	30,262
Non-current	37,959	41,647

(i) Loans with a guarantee of the Company's receivables and with endorsement by the partners.

Changes in the balance

	01/01/2020	**Funding**	**Payment of principal**	**Interest**	**Interest paid**	**03/31/2020**
Cost						
Loans	**15,833**	3,486	(12,439)	76	(162)	**6,794**

	12/31/2020	**Funding**	**Payment of principal**	**Interest**	**Interest paid**	**03/31/2021**
Cost						
Loans	**71,909**	20,000	(11,898)	660	(577)	**80,094**

Loan balance terms and conditions are:

	2021	2020
Nominal interest rate p.a. (%)	6.32	6.32
Face value	80,094	71,909
Maturity	2021-2023	2021-2023

Information related to the Company's exposure to interest rates, foreign currency, and liquidity risk is included in note 24.

Amortization period

The schedule for the payment of the loan and financing installments is shown below:

Year	Amount
2022	18,980
2023	18,979
	37,959

Non-financial covenants

The loans with Banco do Brasil consider the following non-financial operating covenants that management is in compliance with until the end of the period ended March 31, 2021:

- Inform the Bank in advance of any corporate restructuring; and
- Maintain a relationship with the Bank of R$ 5,000;

15 Provisions for legal proceedings

The Company performs a recurring assessment of the risks involved in labor, tax, and civil lawsuits that take place during its activities. This assessment is carried out based on the information available and the risk factors present in each process, supported by the opinion of the Company's legal counsel.

The assessment and classification of the probability of loss between probable, possible, and remote, carried out based on this work, determines the cases for which the reserves can be constituted, and only contingencies classified as probable will be assigned reserves, in amounts considered necessary to cover any expenses that may be incurred because of the result of the said lawsuit.

	Civil	Tax	Labor	Total
Balance at January 1, 2020	**374**	**960**	**6,506**	**7,840**
Additions	33	-	-	33
Payments	-	(60)	(104)	(164)
Balance at March 31, 2020	**407**	**900**	**6,402**	**7,709**

	Civil	Tax	Labor	Total
Balance at December 31, 2020	**639**	**728**	**6,009**	**7,376**
Additions	879	-	76	955
Payments	(68)	-	(32)	(100)
Balance at March 31, 2021	**1,450**	**728**	**6,053**	**8,231**

The Company calculates the provision for contingencies related to taxes associated with labor risk.

The Company has tax, civil and labor lawsuits, with risk of loss classified by Management as possible based on the assessment of its lawyer, in the amounts of R$ 2,972 on March 31, 2021 (R$ 2,284 on December 31, 2020).

16 Accounts payable for business combination

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**12/31/2020**
Accounts payable for business combination - Pier 8	-	31,937	28,964
Accounts payable for business combination - New Retail	34,834	34,834	-
	34,834	**66,117**	**28,964**
Current	-	12,000	6,000
Non-current (i)	34,834	54,771	22,964
	34,834	**66,771**	**28,964**

Amortization period

The schedule for the payment of installments of accounts payable for the business combination is shown below:

Year	**Amount**
2022	37,027
2023	17,774
	54,771

17 Other accounts payable

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**12/31/2020**
ICMS refundable to the supplier (note 8)	-	34,074	24,207
Other accounts payable	2,323	13,572	2,492
	2,323	**47,646**	**26,699**
Current	2,323	13,463	54
Non-current	-	34,183	26,645
	2,323	**47,646**	**26,699**

18 Reverse factoring

	Consolidated	
	03/31/2021	**12/31/2020**
Drawee risk payable	28,688	-
	28,688	**-**

The Company signed a contract with financial institutions, for the purpose of allowing suppliers to accelerate their receipt. The maximum term is 90 days with an average rate of 0.75% per month. In this operation, suppliers transfer the right to receive the securities to financial institutions.

19 Equity

a. Capital

As of March 31, 2021, the Company's shareholding structure is shown as follows, and all book-entry, registered common shares, with no par value:

	Number of shares	
	03/31/2021	**12/31/2020**
Controlling shareholders	183,285,726	183,285,726
Total	**183,285,726**	**183,285,726**

According to article 7 of the Bylaws, the Company may increase its capital, pursuant to article 168, Law 6404/76, by means of the issue of up to 400,000,000 new common shares.

On February 17, 2021, through the Minutes of Extraordinary General Meeting, the shareholders decided to approve the Company's capital increase from R$ 81,705 to R$ 91,643, an increase of R$ 9,938, through the issue of 9,937,919 new common shares.

In addition, through the Minutes of the Extraordinary General Meeting held on February 19, 2021, the Company's shareholders unanimously decided to amend the terms and conditions of the capital increase approved in the Private Agreement of the 1st Amendment to the Articles of Incorporation of Infracommerce CXAS Ltda. (currently referred to as Infracommerce CXaaS S.A.), considering that: (a) item 1.2 incorrectly stated the amount attributed to the shares contributed to the Company's capital corresponding to R$ 81,705, when the correct amount was R$ 56,376; and (b) it was not mistakenly mentioned that part of the capital increase was due to the capitalization of credits held by the Company in light of its subsidiaries, totaling R$ 5,860.

b. Equity valuation adjustments

In the period ended March 31, 2021, the Company recorded in the equity valuation adjustments item the amount of R$ (440) (R$ 36 on March 31, 2020), related to the adjustments of the conversion of investments in foreign currency.

20 Net revenue

	03/31/2021	**03/31/2020**
Services rendered – Brazil	86,331	57,856
Services provided - Latin America	24,390	385
	110,721	**58,241**
Taxes - Brazil	(24,370)	(15,072)
Taxes – Latin America	(13,596)	(31)
Total Taxes	**(37,966)**	**(15,103)**
Total net revenue - revenue from contract with clients	**72,755**	**43,138**

	03/31/2021	**03/31/2020**
Revenue breakdown		
(at a point in time)		
Revenue from services related to the sale of clients' products	72,171	43,055
(overtime)		
Revenue from other services	584	83
Total	**72,755**	**43,138**

21 Cost of services provided and operating expenses

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**03/31/2020**
Salaries	-	(31,428)	(21,514)
Logistics costs	-	(11,032)	(6,910)
Third party services	(117)	(10,522)	(3,575)
Platform support service	-	(9,313)	(3,478)
IT services	-	(6,717)	(2,508)
Depreciation and amortization	-	(4,476)	(1,415)
Depreciation of rights to use	-	(3,118)	(1,143)
Stock option plan (Note 27)	-	(833)	(136)
Rentals and condominiums	-	(480)	(83)
Contingency expenses	-	(89)	(285)
Commissions	-	(561)	(259)
Revaluation of business combinations (Note 9)	18,624	18,624	-
Other expenses / revenues	(655)	(6,341)	(3,274)
	17,852	**(66,286)**	**(44,580)**
Cost of services provided	-	(39,145)	(22,181)
Selling expenses	(3)	(1,057)	(812)
Administrative expenses	(769)	(44,605)	(23,321)
Other operating income (expenses), net	18,624	18,521	1,734
	17,852	**(66,286)**	**(44,580)**

22 Net financial loss

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**03/31/2020**
Financial expenses			
Interest on leases (Note 12)	-	(1,025)	(57)
Interest on loans (Note 14)	-	(660)	(76)
Fines	(1)	(333)	(31)
IOF	(62)	(88)	(111)
Bank expenses	(226)	(346)	(420)
Receivables' advance rate	-	(369)	(152)
Other financial expenses	-	(168)	(2,521)
Expense on exchange rate change	(1,241)	(1,334)	(3,100)
	(1,530)	**(4,323)**	**(6,468)**

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**03/31/2020**
Financial income			
Interest revenue	-	10	-
Discounts obtained	-	256	-
Revenue from interest earning bank deposits	-	104	6
Other financial revenues	-	99	-
Adjustment to present value	-	(98)	-
Revenue from exchange-rate change	-	1,332	1
	-	**1,703**	**7**
Net financial loss	**(1,530)**	**(2,620)**	**(6,461)**

23 Income tax and social contribution

a. Income tax and social contribution

The reconciliation of income tax and social contribution, calculated at the rates provided for in the tax legislation of each of the Company's companies for the periods ended March 31, 2021 and 2020, are presented as follows:

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**03/31/2020**
Profit/(loss) before tax and social contribution	3,867	3,867	(7,876)
Income tax and social contribution at rates of 25% and 9%, respectively	**(1,315)**	**(1,315)**	**2,678**
Effect of tax on:			
Non-deductible and permanent expenses	-	150	-
Tax loss and unrecognized temporary differences	3,412	3,412	546
Equity in net income of subsidiaries	4,235	(32)	(9)
Non-deductible revenues and permanent differences	(6,332)	(2,290)	(3,215)
Income (loss) from income tax and social contribution	**-**	**(75)**	**-**
Effective rate	**0%**	**(2%)**	**0%**

b. Unrecognized deferred tax assets

	12/31/2020	**Deferred tax assets - unrecognized in the year**	**03/31/2021**
Accumulated tax loss	27,057	3,412	30,469
(-) Unrecognized installment	(27,057)	(3,412)	(30,469)
Deferred tax assets	-	-	-

The Company is in constant growth, demanding a series of investments necessary to sustain this profile, which we believe can jeopardize the generation of profit in the short term. In this sense, in recent years, the Company has privileged the creation of bases that it believes are necessary for such growth, aiming to obtain positive results through the realization of taxable profits in the future. However, even in this scenario, the Company understands that it has not yet met all the requirements of CPC 32/IAS 12 for recognition of deferred tax assets.

24 Financial instruments

The Company has operations with financial instruments. These instruments are managed through operational strategies and internal controls to ensure liquidity, profitability, and security. The control policy consists of the permanent monitoring of the agreed conditions versus the conditions prevailing in the market.

The Company does not make speculative investments in derivatives or any other risk assets. The results obtained from these operations are consistent with the policies and strategies defined by the Company's management.

The Company has a put option arising from the purchase contract in the amount of R$ 50,938, this instrument was calculated using the assumptions presented in note 2.1.ii and was part of New Retail's anticipated business combination.

This note presents information on the Company's exposure, on each of the above risks, and risk measurement and management processes.

		03/31/2021		**12/31/2020**	
Categories of financial instruments		**Book value**	**Fair value**	**Book value**	**Fair value**
Cash and cash equivalents	Amortized cost	39,803	39,803	67,250	67,250
Accounts receivable	Amortized cost	118,195	118,195	99,804	99,804
Advances to suppliers	Amortized cost	42,822	42,822	38,241	38,241
Other accounts receivable	Amortized cost	956	956	6,600	6,600
Total		**201,776**	**201,776**	**211,895**	**211,895**

		03/31/2021		**12/31/2020**	
Categories of financial instruments		**Book value**	**Fair value**	**Book value**	**Fair value**
Suppliers	Other financial liabilities	127,592	127,592	161,171	161,171
Drawee risk	Other financial liabilities	28,688	28,688	-	-
Advances from clients	Other financial liabilities	180	180	843	843
Loans and financing	Other financial liabilities	80,094	80,094	71,909	71,909
Leases	Other financial liabilities	38,134	38,134	31,737	31,737
Financial instruments - Put option	FVTPL	50,938	50,938	-	-
Accounts payable for business combination	FVTPL	13,937	13,937	10,964	10,964
Accounts payable for business combination	Other financial liabilities	52,834	52,834	18,000	18,000
Other accounts payable	Other financial liabilities	47,646	47,646	26,699	26,699
Total		**440,043**	**440,043**	**321,323**	**321,323**

Calculation of fair value

All assets and liabilities for which fair value is measured or disclosed in the interim financial statements are categorized within the fair value hierarchy described below based on the lower-level information that is significant for the measurement of fair value as a whole:

- **Level 1 -** Prices quoted (unadjusted) in the markets for identical assets or liabilities;

- **Level 2 -** Valuation techniques for which the lowest and most significant level of information to measure the fair value directly or indirectly is observable. The Company uses the discounted cash flow technique for measurement.

- **Level 3 -** Valuation techniques for which the lowest and most significant level of information to measure fair value is unobservable.

The measurement of the Company's assets and liabilities is shown below:

Categories of financial instruments	Rating	03/31/2021	12/31/2020	Level
Accounts payable for the business combination (i)	FVTPL	13,937	10,964	3
Financial instruments - Put option (ii)	FVTPL	50,938	-	3
Total		**64,875**	**10,964**	

(i) Refers to the valuation at the fair value of the variable portion (contingent consideration) of the business combination, according to note 2.1.i.

The assessment of the contingent consideration payable considers the present value of the expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined considering the probable scenarios for forecasting revenue and EBITDA, the amount to be paid in each scenario, and the probability of each scenario. Significant unobservable inputs are the forecast for the annual growth rate of revenue, the forecast for the EBITDA margin, and the 10.67% risk-adjusted discount rate.

(ii) Refers to the valuation at the fair value of the put option of the business combination, according to note 2.1.ii.

The measurement of the put option was based on the application of an estimated multiple to be applied to New Retail's projected net revenue. On the amount obtained, a discount will be applied to the multiple of the put option net revenue, which starts at 30% and decreases over the years up to the level of 20%. The put option discount may vary due to some variables, such as growth in net revenue and EBIT margin (both indicators of New Retail).

Sensitivity Analysis - fair value - Level 3

For the fair values of the contingent consideration, changes reasonably possible on the reporting date related to the earn-out metrics, keeping other inputs constant, would have an increase the effect of R$ 3,500 or a decreasing effect of R$ 3,000.

For the fair values of the put option, changes reasonably possible on the reporting date related to the metrics and assumptions used, keeping other inputs constant, would have and increase the effect of R$ 14,092 or a decreasing effect of R$ 14,061

Capital Management

The Company's objectives through capital management are to safeguard the Company's ability to honor its commitments, to offer a return to the shareholders and benefits of the Company to other related parties, and to maintain an ideal capital structure to reduce its cost and maximize its funds.

The Company's capital structure comprises financial liabilities and cash and cash equivalents. Periodically, Management reviews the capital structure, as well as monitors, in a timely manner, the average payment term in relation to the average payment period, taking immediate actions to manage working capital.

Liquidity risk

The Company's Financial Management is responsible for the management of liquidity risk and prepares an appropriate model for the management of liquidity risks to manage financing, and the management of liquidity in the short, medium, and long term. The Company manages liquidity risk by continuously monitoring estimated and actual cash flows, combining the maturity profiles of financial assets and liabilities, and maintaining a close relationship with financial institutions, with regular disclosure of information to support credit decisions when external funds are needed.

The contractual maturity is based on the earliest date on which the Company must settle the related obligations:

	Book balance	**<1 year**	**1–3 years**	**>3 years**	**Total**
Suppliers	127,592	127,592	-	-	127,592
Drawee risk	28,688	28,688	-	-	28,688
Advance from clients	180	180	-	-	180
Loans and financing	80,094	38,447	45,726	-	84,173
Leases	38,134	11,712	21,336	5,549	38,597
Accounts payable for business combination	66,771	12,000	54,771	-	66,771
Other accounts payable	47,646	47,646	-	-	47,646
	389,105	**266,265**	**121,833**	**5,549**	**393,647**

Other financial risks

Other financial risks arising from financial instruments are as follows:

- *Credit risk**:*** Financial loss risk to the Company if a client, or a counterpart of a financial instrument fails to fulfill contractual obligations and mainly derives from Company's trade accounts receivable. Accounts receivable balances are mainly settled using the client's credit cards, with most accounts receivable collected after processing credit card transactions. Cash and cash equivalents are placed in financial institutions and financial instruments that Management believes to have a high credit quality. The book value of financial assets represents the maximum credit exposure.

- The balance of cash and cash equivalents exposed to a credit risk is R$ 39,803 as of March 31, 2021 (R$ 67,250 as of December 31, 2020).

- The balance of client accounts exposed to credit risk is R$ 118,013 on March 31, 2021 (R$ 99,804 on December 31, 2020). As of March 31, 2021, the Company had not recognized an expected credit loss for financial assets, considering that the historical loss rate is insignificant, significant financial default is not expected and losses are not expected based on the Company's business model.

- Although the Company presents accounts receivable segregated between "accounts receivable from credit card operators" and "trade accounts receivable", as presented in note 6, trade accounts receivable are not exposed to risk considering that the Company has the contractual right to settle them with the amount of the Supplier that the Company has to pay, or not to reimburse the amounts received from credit card operators (GMV) when applicable. At the end of the day, the Company's business model is designed to have no negative impact on working capital.

- *Interest rate risk:* The Company is exposed to changes in interest rates on the "Interbank Deposit Certificate (CDI)", related to interest earning bank deposits and loans in Reais, for which a sensitivity analysis is carried out, as described below.

Sensitivity analysis

As of March 31, 2021, Management carried out a sensitivity analysis, considering a probable scenario and scenarios of 25% and 50% changes in the expected interest rates. The probable interest rate scenario was measured using future interest rates, considering a basic CDI rate of 2.65%. The expected effects of income from interest-bearing bank deposits, net of financial expenses on loans and financing for the next three months, are as follows:

Sensitivity analysis - Interest	**03/31/2021**	**Risk**	**Scenario I–Probable**	**Scenario II–25% increase**	**Scenario III-50% incr.**	**Scenario II–25% decrease**	**Scenario I II-50% decr.**
Interest earning bank deposit	32,968	Decrease	874	1,092	1,310	(1,092)	(1,310)
Loans (i)	(80,094)	Increase	(2,122)	(2,653)	(3,184)	2,653	3,184
Impact on profit or loss	**(47,126)**		**(1,248)**	**(1,561)**	**(1,874)**	**1,561**	**1,874**

(i) This amount represents the balance of loans exposed to an interest rate risk (CDI). The remaining balance is not exposed to an interest rate risk considering that it is a fixed rate.

Currency risk

The risk arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company, especially in the contract for the acquisition of New Retail.

The Company presented a total of R$ 34,834 (USD 6,000 thousand) of foreign currency liabilities at the end of the 2021 period.

For the sensitivity analysis of operations indexed in foreign currency, Management adopted it as a probable scenario based on the FOCUS report (BACEN) released on May 7, 2021. We defined the probable scenario with the dollar rate of R$ 5.2000, varying by 25% and 50%, respectively.

Methodology adopted to determine balances presented in the chart below consist in replacing closure foreign exchange rate used for bookkeeping at stress rate, as in scenarios below.

Sensitivity analysis – currency	**03/31/2021**	**Risk**	**Scenario I-Probable**	**Scenario II-25% increase**	**Scenario III-50% incr.**	**Scenario II – 25% decrease**	**Scenario III-50% decr**
Accounts payable from business combination (i)	(34,834)	Increase	(31,200)	(7,800)	(15,600)	7,800	15,600
Impact on profit or loss				**(7,800)**	**(15,600)**	**7,800**	**115,600**

(i) Balance referring to the installment payable to New Retail shareholders.

25 Related parties

a. Parent company

	03/31/2021	**12/31/2020**
IFC Ltda.	**2,306**	**-**
	2,306	**-**

Loans between group companies are signed in local currency, with a variable interest rate ranging between 1% and 2% per annum and the term of the loan contracts is 1 year, being automatically renewed. The expense for the period ended March 31, 2021, was R$ 7.

Management remuneration

In March 2021, Management's compensation was R$ 4,372 (R$ 3,363 as of March 31, 2020) recorded in the Company's administrative expenses, including salaries, variable compensation, social charges, and direct and indirect benefits.

	03/31/2021	**03/31/2020**
Salaries	2,956	2,274
Short-term benefits	564	434
Contract termination benefits	104	80
Variable compensation	748	575
	4,372	**3,363**

26 Earnings (losses) per share

The table below shows the details of the calculation of loss per share:

	Parent company	Consolidated	
	03/31/2021	**03/31/2021**	**03/31/2020**
Net income (loss)	3,867	3,867	(7,875)
Weighted average of common shares (i)	237,661	237,661	237,661
Income (loss) per share	**0.01627**	**0.01627**	**(0.03314)**

(i) The profit (loss) per share presented above was calculated using the Company's capital on the date of these interim financial statements after the restructuring and considering the issue of shares as disclosed in note 29.b - as if the 237,661 shares had existed during all periods shown.

27 Share-based payments

In 2012, the Company established a stock option plan for its executives. The plan is managed by the Group's Board of Directors, in compliance with the limits and guidelines established in the plan.

The plan was created with the following purposes:

(i) To attract, retain and motivate beneficiaries;

(ii) Generating value for shareholders; and

(iii) Encouraging the entrepreneurial vision of the business.

The plan includes shares issued by the Company. As established in the plan, the exercise price of the stock options will not be less than 100% of the market price on the grant date. Any exception will need the approval of the Company's Board of Directors. The vesting condition is based on the services provided by the Company's executives.

The vesting period during which the beneficiary will not be able to exercise the stock option will follow the following conditions:

(i) 25% Of the total stock options granted only may be exercised after a 12-month period of continued services; and

(ii) An additional 1/36 of the total stock options may be exercised as the beneficiary completes an additional month of continuous services. In some cases, the vesting period is 36 consecutive months.

The changes in stock options during December 31, 2019 and March 31, 2020, are shown below:

	2020	
	Number of options	**Weighted average of strike price**
Balance at January 01	27,387	197
Issued during the period	7,616	400
Balance at March 31	**35,003**	**324**

On March 31, 2021 and 2020, a share-based payment expense of R$ 833 and R$ 123 was recognized, respectively, with the stock option plan granted to the Group's executives. There were no grants in the period ended March 31, 2021.

The fair value of stock options for the period up to March 31, 2020 was calculated using the Black & Scholes model, based on the following assumptions:

Date of issue	Options issued	Weighted average price	Fair value of the share	Volatility	Risk-free rate
01/01/2020	7,616	USD 400	USD 306	30%	2.57%

28 Operating segments

When verifying the Company’s operating performance and allocating resources, the Company’s main operating decision maker (“CODM”), who is the Company’s Chief Executive Officer (“CEO”) and the Board of Directors (“CA”), evaluate items selected in the income statement and comprehensive income.

The CODM considers the entire Group as a single reportable operating segment, monitoring operations, making decisions on resource allocation and evaluating performance based on a single operating segment. The CODM analyzes relevant financial data for all subsidiaries. The disaggregated information is only reviewed at the revenue level without corresponding details at any level of margin or profitability.

Note 20 shows the breakdown of net revenue between Brazil and Latin America (region).

In the periods ended March 31, 2021 and 2020, the Company had the following representativeness of clients on net revenue:

- In the 3-month period ended March 31, 2021 and 2020, the Company's two largest clients together accounted for 39% and 34% of net revenue, respectively.
- All other clients, if analyzed individually, were responsible for volumes less than 10% of the Company's total net revenue.

29 Subsequent events

a. Loan funding

On April 4, 2021, the Company obtained a loan from Banco Itaú in the amount of R$ 10,000, maturing on October 31, 2021, with monthly repayments of interest and settlement of the principal amount at the end of the contract, with an interest rate equivalent to CDI + 5.5% p.a.

b. Initial public offering

The registration of the initial public offering of shares of the Company was granted by the CVM on April 30, 2021, in accordance with the procedures provided for in CVM Instruction 476. Considering the primary installments, total funding was R$ 870,000, at a price per share of R$ 16. Trading of the Company's shares on B3 started on May 4, 2021.

The Company's capital was R$ 72,130 until the public offering, fully subscribed and paid up, represented by 183,285,726 book-entry, registered common shares with no par value.

In the context of the primary offer, the Company issued 54,375,000 new common shares and made a gross capital increase of R$ 870,000 (R$ 835,200 net of fees, commissions, and taxes). Accordingly, the Company's capital now stands at R$ 942,130, represented by 237,660,726 book-entry, registered common shares with no par value.

c. Deferral of the writ of mandamus - PIS and COFINS credit

On April 29, 2021, subsidiary IFC Ltda. obtained a favorable decision on the writ of mandamus in which the Company pleaded the exclusion of ICMS from the PIS and COFINS calculation basis by the method of measuring gross tax credits, that is, by the value of the ICMS indicated in the invoice, considered until then as a contingent asset, as disclosed in the financial statements of December 31, 2020, of the Company. The estimated amount of tax credits to be supplemented and recognized is R$ 4,099.

* * *

Executive Board

Kai Schoppen
CEO

Raffael Quintas
CFO

Bruno Marques
Accountant
CRC: SP-331607/O-1