Individual and Consolidated Financial Statements

Méliuz S.A.

December 31, 2021
with Independent Auditor's Report

Méliuz S.A.

Individual and Consolidated Financial Statements

December 31, 2021

Contents

Edifício Phelps Offices Towers
Rua Antônio de Albuquerque, 156
10º andar - Savassi
30112-010 - Belo Horizonte - MG - Brasil
Tel: +55 31 3232-2100
Fax: +55 31 3232-2106
ey.com.br

A free translation from Portuguese into English of Independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Independent auditor's report on individual and consolidated financial statements

To the Management and Shareholders of
Méliuz S.A.
Belo Horizonte - MG

Opinion

We have audited the individual and consolidated financial statements of Méliuz S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021 and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2021, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the financial statements for the current year. This matter was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on this matter. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to this key audit matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Business combination

As described in Note 3 to the individual and consolidated financial statements, in the year ended December 31, 2021, the Company acquired equity interest and control of the companies Promobit Serviços de Tecnologia Digital Ltda. ("Promobit"), Melhor Plano Internet Ltda. ("Melhor Plano"), Picodi.com S.A. ("Picodi") and Alter Pagamentos Ltda. ("Alter"). In the consolidated financial statements, the acquisitions were accounted for at the fair value of the assets acquired and the liabilities assumed by the Company on the acquisition date, with the excess over the consideration paid recorded as goodwill for future profitability.

The estimates associated with accounting for the acquisition of a business involve significant judgments, both in determining the fair value of the consideration transferred, the assets acquired and liabilities assumed, and in determining the goodwill based on expected future profitability. In addition, the Company is required to disclose information that enables users of the financial statements to be able to assess the nature and financial effects arising from the business combination. The process of allocating acquired assets and liabilities and goodwill in a business combination is complex and involves a high degree of subjectivity and judgment in defining the assumptions and methodology used in such process.

How our audit addressed this matter

Our audit procedures included, among others: (i) use of valuation experts to assist us in evaluating the assumptions and methodology used by the Company, related to the measurement of fair value and allocation of assets and liabilities on the acquisition dates, (ii) review of the allocation of acquisition prices in accordance with the criteria used by the Company management and comparison with independent calculations performed with external information, and; (iii) assessment of the adequacy of the Company's disclosures on this matter, in accordance with CPC 15 (R1) and IFRS 3 - Business Combinations.

Based on the results of the audit procedures performed on the abovementioned business combinations, which are consistent with the executive board's assessment, we consider the criteria and assumptions prepared by the executive board for the measurement and recognition of business combinations, as well as their disclosures in Notes 3 and 11, acceptable in the context of the individual and consolidated financial statements taken as a whole.

Building a better working world

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2021, prepared under the responsibility of the Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company's executive board is responsible for such other information, which comprise the Management Report.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the individual and consolidated financial statements

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

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit and, consequently, for the audit opinion.

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

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

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

Belo Horizonte (MG), March 29, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-SP015199/O-6

Rogério Xavier Magalhães
Accountant CRC-1MG080613/O-1

Méliuz S.A.

Balance Sheets
December 31, 2021
(In thousands of Brazilian reais)

		Parent Company		Consolidated	
	Notes	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current Assets					
Cash and Cash Equivalents	4	**489,256**	329,428	**514,749**	331,207
Accounts Receivable	5	**53,452**	17,890	**66,882**	17,890
Recoverable Taxes	6	**6,867**	1,126	**7,732**	1,127
Loans and contracts receivable	7	**18,588**	-	**18,588**	-
Bitcoin custody	8.1	**-**	-	**28,303**	-
Cryptoassets Portfolio	8.1	**-**	-	**106**	-
Receivables from related parties	9.2	**3,785**	-	**-**	-
Other receivables	15	**27,000**	-	**27,000**	-
Other assets	8.2	**2,981**	4,432	**3,756**	4,455
Total current assets		**601,929**	352,876	**667,116**	354,679
Non-current assets					
Long-term assets					
Receivables from related parties	9.2	**591**	63	**-**	-
Deferred Taxes	19.b	**39,282**	12,537	**39,282**	12,537
Advances	10	**4,105**	-	**-**	-
Other assets	8.2	**4,148**	3,282	**4,608**	3,282
Total long-term assets		**48,126**	15,882	**43,890**	15,819
Investments	11	**185,892**	2,449	**1**	-
Fixed Assets	12	**6,067**	2,888	**6,258**	2,888
Lease - right of use	13	**1,554**	250	**1,554**	250
Intangible assets	14	**5,078**	459	**184,010**	3,566
Total non-current assets		**246,717**	21,928	**235,713**	22,523
Total assets		**848,646**	374,804	**902,829**	377,202

		Parent Company		Consolidated	
	Notes	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Liabilities					
Current Assets					
Suppliers	16	**4,569**	672	**6,953**	673
Loans and financing		**-**	-	**305**	-
Labor and tax liabilities	17	**15,868**	5,544	**18,712**	5,587
Income and social contribution taxes	19	**-**	4	**724**	6
Cashback	18	**34,818**	7,983	**34,818**	7,983
Lease payable	13	**660**	209	**660**	209
Minimum dividends payable		**21**	4,686	**21**	4,686
Bitcoin custody	8.1	**-**	-	**28,303**	-
Deferred income	15	**3,375**	-	**3,375**	-
Other liabilities		**3,804**	36	**3,984**	36
Total current liabilities		**63,115**	19,134	**97,855**	19,180
Non-current assets					
Loans and financing		**-**	-	**152**	-
Lease payable	13	**841**	-	**841**	-
Cashback	18	**2,093**	538	**2,093**	538
Deferred Taxes		**-**	-	**2,182**	-
Labor and tax liabilities	21.c	**556**	-	**602**	-
Earn-out payable	20	**38,194**	-	**38,194**	-
Call Option	3	**41,314**	-	**41,314**	-
Deferred income	15	**23,625**	-	**23,625**	-
Other liabilities		**-**	-	**488**	-
Total non-current liabilities		**106,623**	538	**109,491**	538
Equity	21				
Share capital		**772,178**	344,678	**772,178**	344,678
Capital Reserve		**(46,637)**	7,049	**(46,637)**	7,049
Profit Reserve		**-**	3,405	**-**	3,405
Treasury Stock		**(10,989)**	-	**(10,989)**	-
Other comprehensive income		**(1,241)**	-	**(1,241)**	-
Accumulated losses		**(34,403)**	-	**(34,403)**	-
Equity attributable to controlling shareholders		**678,908**	355,132	**678,908**	355,132
Equity attributable to non-controlling shareholders		**-**	-	**16,575**	2,352
Total equity		**678,908**	355,132	**695,483**	357,484
Total liabilities and equity		**848,646**	374,804	**902,829**	377,202

The notes are an integral part of these individual and consolidated financial statements.

Méliuz S.A.

Income Statements
Fiscal Year ended December 31, 2021
(In thousands of Brazilian reais, except basic and diluted earnings per share)

		Parent Company		Consolidated	
	Notes	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Net Revenues	23	**222,652**	125,390	**263,486**	125,390
Operating Expenses					
Cashback Expenses		**(140,159)**	(59,104)	**(140,477)**	(59,104)
Personnel Expenses		**(53,718)**	(18,295)	**(67,000)**	(18,416)
Commercial and marketing expenses		**(42,933)**	(8,101)	**(47,150)**	(8,116)
Software expenses		**(15,994)**	(5,754)	**(17,543)**	(5,772)
General and administrative expenses		**(3,264)**	(1,478)	**(10,786)**	(1,480)
Third-party services		**(20,320)**	(2,420)	**(24,911)**	(2,470)
Depreciation and amortization		**(3,266)**	(1,769)	**(4,567)**	(1,769)
Others		**(18,739)**	219	**(18,898)**	219
		(298,393)	(96,702)	**(331,332)**	(96,908)
Gross Profit		**(75,741)**	28,688	**(67,846)**	28,482
Equity participation results		**1,335**	(103)	**-**	-
Income before financial income and taxes		**(74,406)**	28,585	**(67,846)**	28,482
Financial income	24	**16,484**	(261)	**16,521**	(255)
Income before income taxes		**(57,922)**	28,324	**(51,325)**	28,227
Current and deferred income and social contribution taxes	19.b	**20,114**	(8,595)	**16,991**	(8,597)
Net income (loss) for the year		**(37,808)**	19,729	**(34,334)**	19,630
Net income (loss) for the year attributable to:					
Non-controlling shareholders		**-**	-	**3,474**	(99)
Controlling shareholders		**-**	-	**(37,808)**	19,729
Basic and diluted earnings (loss) per share (in R$)		**(0.05)**	0.04	**(0.05)**	0.04

The notes are an integral part of these individual and consolidated financial statements.

Méliuz S.A.

Comprehensive Income Statements
Fiscal Year ended December 31, 2021
(In thousands of Brazilian reais)

		Parent Company		Consolidated	
	Notes	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Income (loss) for the year		**(37,808)**	19,729	**(34,334)**	19,630
Other comprehensive income (loss)		**(1,241)**	-	**(2,427)**	-
Currency exchange adjustment of foreign subsidiaries		**(1,241)**	-	**(2,427)**	-
Total comprehensive income (loss) for the year		**(39,049)**	19,729	**(36,761)**	19,630

The notes are an integral part of these individual and consolidated financial statements.

Méliuz S.A.

Changes in Equity Statements
Fiscal Year ended December 31, 2021
(In thousands of Brazilian reais)

		Capital Reserve			Earnings Reserve							
	Share capital	Goodwill on issuance of shares	Options granted	Other reserves	Legal reserve	Statutory Reserve	Treasury Stock	Other comprehensive income	Accumulated earnings (loss)	Total	Non-controlling shareholders interests	Total equity
Balances at December 31, 2019	10,000	24,532	-	-	-	-	-	-	(11,638)	22,894	-	22,894
Paid-up capital	334,678	-	-	-	-	-	-	-	-	334,678	2,451	337,129
Cost with stock issuance	-	(17,483)	-	-	-	-		-	-	(17,483)	-	(17,483)
Net income for the year	-	-	-	-	-	-		-	19,729	19,729	(99)	19,630
Allocation of net income for the year:												
Constitution of legal reserve	-	-	-	-	986	-	-	-	(986)	-	-	-
Mandatory Minimum Dividend	-	-	-	-	-	-	-	-	(4,686)	(4,686)	-	(4,686)
Profit Reserve	-	-	-	-	-	2,419	-	-	(2,419)	-	-	-
Balances at December 31, 2020	344,678	7,049	-	-	986	2,419	-	-	-	355,132	2,352	357,484
Paid-up capital	**427,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**427,500**	**14,287**	**441,787**
Result for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(37,808)**	**(37,808)**	**3,474**	**(34,334)**
Loss absorption for the year	**-**	**-**	**-**	**-**	**(986)**	**(2,419)**	**-**	**-**	**3,405**	**-**	**-**	**-**
Repurchase of shares	**-**	**-**	**-**	**-**	**-**	**-**	**(10,989)**	**-**	**-**	**(10,989)**	**-**	**(10,989)**
Sale of shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,352)**	**(2,352)**
Capital Reserve	**-**	**(16,801)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16,801)**	**-**	**(16,801)**
Options granted	**-**	**-**	**3,955**	**-**	**-**	**-**	**-**	**-**	**-**	**3,955**	**-**	**3,955**
Currency exchange adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,241)**	**-**	**(1,241)**	**(1,186)**	**(2,427)**
Call Option			**-**	**(40,840)**	**-**	**-**	**-**	**-**	**-**	**(40,840)**	**-**	**(40,840)**
Balances at December 31, 2021	**772,178**	**(9,752)**	**3,955**	**(40,840)**	**-**	**-**	**(10,989)**	**(1,241)**	**(34,403)**	**678,908**	**16,575**	**695,483**

The notes are an integral part of these individual and consolidated financial statements.

Méliuz S.A.

Cash Flows Statements
Fiscal Year ended December 31, 2021
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Operating Activities				
Income (loss) for the year before income taxes	**(57,922)**	28,324	**(51,325)**	28,227
Adjustments:				
Depreciation and amortization	**3,266**	1,769	**4,567**	1,769
Gain/loss on disposal of fixed assets	**3**	7	**3**	7
Net income and interest	**(390)**	1,066	**(313)**	1,066
Allowance for doubtful accounts	**-**	252	**(1,028)**	252
Equity participation results	**(1,335)**	103	**-**	-
Employee Benefits with Shares Options	**3,955**	-	**3,955**	-
Negative Goodwill	**(1,353)**	-	**(1,353)**	-
Fair Value Adjustment	**12,927**	-	**12,927**	-
Exchange Variation and Others	**205**	534	**1,545**	534
Adjusted income (loss)	**(40,644)**	32,055	**(31,022)**	31,855
Changes in Assets and Liabilities:				
Trade accounts receivable	**(35,562)**	(7,366)	**(35,642)**	(7,366)
Recoverable taxes	**(5,741)**	(749)	**(6,442)**	(750)
Other assets	**585**	(1,835)	**(497)**	(1,858)
Suppliers	**3,897**	372	**4,993**	373
Labor and tax liabilities	**10,880**	988	**11,333**	1,031
Cashback	**28,390**	2,124	**28,390**	2,124
IRPJ and CSLL paid	**(4)**	(4,514)	**(2,412)**	(4,514)
Other liabilities	**3,761**	(102)	**(1,363)**	(102)
Payment of interest on loans and leases	**(125)**	(965)	**(125)**	(965)
Net cash from (used in) operating activities	**(34,563)**	20,008	**(32,787)**	19,828
Investing activities				
Additions to fixed assets	**(4,199)**	(1,024)	**(4,347)**	(1,024)
Receipt from sale of fixed assets	**5**	39	**5**	39
Acquisition of Businesses	**(149,777)**	(2,551)	**(149,777)**	-
Capital increase in subsidiary	**(7,695)**	-	**-**	-
Additions to intangible assets	**(5,445)**	(121)	**(7,469)**	(776)
Loans and contracts receivable	**(18,000)**	-	**(18,000)**	-
Advances for acquisition of equity instruments	**(4,105)**	-	**-**	-
Temporary investments	**-**	(4,000)	**-**	(4,000)
Cash from business combination	**-**	-	**11,341**	-
Acquisition of cryptocurrencies	**-**	-	**(85)**	-
Net cash used in investing activities	**(189,216)**	(7,657)	**(168,332)**	(5,761)
Financing activities				
Loan and lease payments	**(572)**	(13,967)	**(1,326)**	(13,967)
Loans and financing	**-**	13,000	**-**	13,000
Paid-up capital	**427,500**	334,678	**427,500**	334,678
Receivables from related parties	**-**	(125)	**-**	(62)
Cost of raising own resources	**(23,432)**	(26,490)	**(23,432)**	(26,490)
Treasury Stock	**(10,989)**	-	**(10,989)**	-
Intercompany loans	**(4,235)**	-	**-**	-
Mandatory dividends paid	**(4,665)**	-	**(4,665)**	-
Net cash (used in) from financing activities	**383,607**	307,096	**387,088**	307,159
Effect of exchange variation on exchange adjustment	**-**	-	**(2,427)**	-
Net changes in cash and cash equivalents	**159,828**	319,447	**183,542**	321,226
Cash and Cash Equivalents				
At the beginning of the fiscal year	**329,428**	9,981	**331,207**	9,981
At the end of the fiscal year	**489,256**	329,428	**514,749**	331,207
Net change in cash and cash equivalents	**159,828**	319,447	**183,542**	321,226
Relevant transactions not affecting cash				
Earn out and retained portion	**25,591**	-	**25,591**	-
Call Option	**40,840**	-	**40,840**	-

The notes are an integral part of these individual and consolidated financial statements.

Méliuz S.A.

Statements of Value Added
Fiscal Year ended December 31, 2021
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Revenues				
Gross service revenues	**249,666**	139,320	**291,288**	139,320
Other revenues	**1,368**	451	**2,067**	451
Allowance for doubtful accounts	**-**	(252)	**(1,037)**	(252)
	251,034	139,519	**292,318**	139,519
Materials acquired from third parties				
Cashback costs	**(151,553)**	(64,931)	**(151,870)**	(64,931)
Third-party services	**(67,623)**	(11,100)	**(76,432)**	(11,165)
Infrastructure expenses	**(17,599)**	(6,100)	**(20,822)**	(6,118)
Others	**(23,228)**	(1,869)	**(28,199)**	(1,869)
	(260,003)	(84,000)	**(277,323)**	(84,083)
Gross value added	**(8,969)**	55,519	**14,995**	55,436
Depreciation and amortization	**(3,266)**	(1,769)	**(4,567)**	(1,769)
Net value added produced	**(12,235)**	53,750	**10,428**	53,667
Value added received in transfer	**19,478**	1,234	**18,522**	1,345
Equity participation results	**1,335**	(103)	**-**	-
Financial income and exchange variation	**18,143**	1,337	**18,522**	1,345
Total value added to be distributed	**7,243**	54,984	**28,950**	55,012
Value added distribution				
Personnel	**45,529**	15,572	**56,594**	15,673
Salaries	**29,636**	11,171	**39,092**	11,249
Benefits	**13,683**	3,577	**14,904**	3,594
FGTS	**2,210**	824	**2,598**	830
Taxes, fees and contributions	**(2,282)**	18,059	**3,941**	18,081
Federal taxes	**(7,433)**	15,918	**(1,572)**	15,940
State taxes	**111**	3	**114**	3
Municipal taxes	**5,040**	2,138	**5,399**	2,138
Remuneration of external capital	**1,804**	1,624	**2,749**	1,628
Interest	**1,508**	1,598	**1,840**	1,600
Rentals	**42**	26	**634**	28
Others	**254**	-	**275**	-
Remuneration of own capital	**(37,808)**	19,729	**(34,334)**	19,630
Income (loss) for the year	**(37,808)**	15,043	**(37,808)**	15,043
Minimum Dividends	**-**	4,686	**-**	4,686
Non-controlling shareholders interest in accumulated earnings	**-**	-	**3,474**	(99)
Value added distributed	**7,243**	54,984	**28,950**	55,012

The notes are an integral part of these individual and consolidated financial statements.

1. Operational Context

a) The Company

Méliuz S.A. ("Company" or "Méliuz"), headquartered at Rua Andaluzita, 131, Carmo, Belo Horizonte - MG, was established on August 11, 2011, and has as its corporate purpose the operation of a virtual portal for the publication and promotion of brands, products, services and other advertising and publicity materials, including the leasing of virtual advertising space for insertion of texts, drawings and other materials. It is also the Company's purpose to explore, on a secondary and eventual basis, activities of business intermediation and interest in other companies.

On November 3, 2020, the Company had its application for registration as a publicly-held company granted by the Brazilian Securities and Exchange Commission (CVM), and on November 4, 2020, the Company announced to the market the beginning of a public offering for primary and secondary distribution of shares.

With the registration as a publicly-held company granted by the Brazilian Securities and Exchange Commission (CVM), the Company is no longer controlled by CASH3 LLC, a company headquartered in the United States of America, which, in turn, is controlled by Meliuz Holdings, Ltd., located in the Cayman Islands.

On October 29, 2021, the resignation of Mr. Ofli Campos Guimarães as Chief Financial Officer was approved at a meeting of the Company's Board of Directors, electing in his place Mr. Luciano Cardoso Valle. The elected officer will complete the current term of office, therefore, until September 1, 2022. Mr. Ofli Campos Guimarães, in addition to his position as Chairman of the Board of Directors, will continue his strategic activities within the Company.

b) Company's Public Offering

On November 4, 2020, the Company held a public offering for the primary and secondary distribution of common shares, registered, book-entry, with no par value, all free and clear of any liens or encumbrances, issued by the Company ("Shares"), comprising:

(i) The primary distribution of 33,467,751 new Shares (including the Supplementary Shares) ("Primary Offering"); and

(ii) the secondary distribution of 29,471,812 Shares held by the Selling Shareholders ("Secondary Offering" and, together with the Primary Offering, the "Offering"), at the price of ten reais (BRL 10.00) per share ("Price per Share"), for a total amount of BRL 629,396 (considering the Additional Shares and the Supplementary Shares).

1. Operational Context (Continued)

b) Company's Public Offering of Shares (Continued)

During the year ended December 31, 2020, the Company incurred BRL 27,170 in expenses with the Shares Offering. These expenses are presented in the financial statements as follows: BRL 17,483 of share issue costs, in Equity reducing capital reserve, net of tax effects.

c) Restricted Share Offering ("Follow on") of the Company

On July 15, 2021, the Board of Directors approved the increase of the Company's Share capital, within the authorized capital limit. The Company held a public offering for primary and secondary distribution, of common shares, registered, book-entry and without par value, issued by the Company, all free and clear of any liens or encumbrances ("Shares"), with restricted placement efforts ("Restricted Offering"). The Restricted Offering consists of the (i) primary public distribution of 7,500,000 new Shares ("Primary Offering") and (ii) secondary distribution of 12,765,967 Shares issued by the Company and held by the selling shareholders ("Secondary Offering"). Under the Primary Offering, 7,500,000 new common shares were issued, each at a value of BRL 57.00 ("Price per Share"), all registered, book-entry and with no par value. Thus, the total amount of the capital increase is BRL 427,500 ("Capital Increase"). Thus, the Company's Share capital increased from BRL 344,678, divided into 126,433,000 common shares, to BRL 772,178, without considering distribution costs, divided into 133,933,000 common shares.

During the year ended December 31, 2021, the Company incurred BRL 23,431 in expenses with the Restricted Share Offering. These expenses are presented in the financial statements as follows: BRL 16,801 of share issue costs, in Equity reducing capital reserve, net of tax effects.

d) Share Split

On September 3, 2021, the Company's Extraordinary General Meeting approved the split of all its shares, in the proportion of one (1) common share to six (6) common shares, without modifying the Company's Share capital.

1. Operational Context (Continued)

e) Business Combination

i) *Alter Pagamentos Ltda ("Alter")*

On July 29, 2021, the Company and the partners of Alter entered into an Agreement for the Purchase and Sale of Shares and Other Agreements providing for, among other things, the acquisition by Méliuz of shares representing 100% of Alter's Share capital. On October 1, 2021, the Extraordinary General Meeting approved the ratification of the acquisition of the control of Alter by the Company, in accordance with the provisions contained in the Accounting Pronouncement IFRS 10/CPC 36 - Consolidated Statements.

ii) *Promobit Serviços de Tecnologia Digital Ltda. ("Promobit")*

In May 2021, the Company entered into a business combination transaction, whereby it became the holder of the shares representing 100% of the total and voting capital of Promobit, which resulted in the Company obtaining control of the investee, as per provisions contained in Accounting Pronouncement IFRS 10/CPC 36 - Consolidated Statements.

iii) *Melhor Plano Internet Ltda. ("Melhor Plano")*

In May 2021, the Company entered into a business combination transaction, whereby it became the owner of the shares representing 100% of Melhor Plano's total and voting capital, which resulted in the Company obtaining control of the investee, in accordance with the provisions contained in Accounting Pronouncement IFRS 10/CPC 36 - Consolidated Statements.

iv) *Picodi.com S.A. ("Picodi")*

In February 2021, the Company carried out a business combination and became the owner of 51.1% of the shares representing the capital of Picodi, a company headquartered in Poland, becoming the parent company of this investee, in accordance with the provisions contained in Accounting Pronouncement IFRS 10/CPC 36 - Consolidated Statements.

The effects of the business combinations on the Company's individual and consolidated financial statements are presented in Note 3.

1. Operational Context (Continued)

f) Covid-19

The Company continues to closely monitor the possible impacts of Covid-19 on its business and market. From a marketplace customer perspective the Travel and Tourism categories demonstrate recovery by showing growth in confirmed commission volumes in 4Q21 of over 280% compared to the same period in 2020 and over 30% compared to 3Q21. As vaccination progressed, we saw a further pick-up in bookings in the category over 2Q21, and part of these bookings turned into confirmed commissions over Q3 and Q4 2021. It is worth noting that despite the significant growth when compared to 4Q20 (280%), the volume of confirmed commissions in 4Q21 has not yet reached pre-pandemic levels and are still 40% lower than the values observed in 4Q19.

On the other hand, with the new online consumption habits driven by the quarantine, the migration from offline to online consumption has accelerated, contributing to the growth of the user base and the increase of their spending in several segments of the marketplace. This conjuncture combined culminated in the Company presenting a growth in net sales of 127% in the quarter ended December 31, 2021 compared to the same period of the previous year. Additionally, we saw growth in new accounts opened on our platform, adding 1.7 million new accounts in the fourth quarter of 2021, reaching a base of 22.4 million accounts opened at the end of December 2021, a growth of over 60% compared to the same period of 2020 (unaudited information).

In the different scenarios tested, we continue without any indication of financial difficulties to continue through the situation imposed by the pandemic. Few partners have requested payment extensions so far, and these are concentrated in partners operating exclusively in physical stores, which represent less than 0.36% of Q4 2021 revenues. There has been no change or abnormal increase in the default rate or delays in payments to date that would materially impact the Company's cash flow and cash position.

It is important to reinforce that a significant part of Méliuz’s business model focuses on performance-based compensation for stores that sell online. At this time, we have become even more important for current partners and new stores that need to migrate and boost their sales in digital channels. In this context, stores have been looking to Méliuz to run campaigns, which include promotion on our channels, increased commissions, and cashback for users.

From the point of view of costs, with 100% of the team working in the telecommuting model, it was possible to reduce some cost lines such as rent, transportation, and travel that were no longer performed.

2. Accounting Policies

2.1. Basis of preparation and presentation of the financial statements

The Company's individual and consolidated financial statements for the year ended December 31, 2021 have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, which comprise the accounting pronouncements, guidelines, and interpretations issued by Brazil's Financial Accounting Standards Board (CPC), and approved by Brazil's National Association of State Boards of Accountancy (CFC) and by the Brazilian Securities and Exchange Commission (CVM), which are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The individual and consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value, and under the going concern assumption. All significant information included in the financial statements, and only such information, is evidenced and corresponds to the information used by management for managing the Company activities, pursuant to Guidance OCPC07.

Management has assessed the Company's ability to continue as a going concern and is convinced that it has the resources to continue its business in the future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt as to its ability to continue as a going concern. Accordingly, these financial statements have been prepared under the going concern assumption.

The Company's functional currency is the Brazilian real. All amounts presented in these financial statements are in thousands of Brazilian reais, unless otherwise stated.

2.2. Significant Accounting Practices

a) Cash and Cash Equivalents

Cash and cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. The Company considers cash equivalents a short-term investment readily convertible to, and redeemable directly from the issuer at, a known amount of cash, and subject to an insignificant risk of changes in value. Accordingly, an investment normally qualifies as cash equivalent when it is redeemable in the short term, e.g. within ninety (90) days or less from the investment date.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

b) Financial Instruments

The Company classifies its financial assets and liabilities upon initial recognition into the following categories: Amortized cost, Fair value through profit or loss, and Fair value through other comprehensive income. This classification depends on the purpose for which the financial instruments have been acquired.

For subsequent measurement purposes, financial assets are classified into four categories: (i) Financial assets at amortized cost; (ii) Financial assets at fair value through other comprehensive results with reclassification of accumulated gains and losses; (iii) Financial assets designated at fair value through other comprehensive results, without reclassification of accumulated gains and losses at the time of their derecognition; or (iv) Financial assets at fair value through profit or loss.

Amortized cost

Instruments held to receive contractual cash flows on specific dates are classified at amortized cost, according to the Company’s business model. This category includes cash and cash equivalents, trade accounts receivable and receivables from related parties, loans, payables to related parties, trade accounts payable, lease and cashback transactions.

Fair value through profit or loss

Financial instruments classified at fair value through profit or loss are those instruments that are not specifically held to receive contractual cash flows on specific dates or to sell those assets under the Company’s business model.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are all other assets not classified in the categories above.

Financial assets and financial liabilities are presented net in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

b) Financial Instruments (Continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification. Trade accounts payable, loans and payables to related parties, and leases payable, classified by the Company as financial liabilities at amortized cost after initial recognition, including those subject to interest, are subsequently measured at amortized cost using the effective interest method.

c) Fixed Assets

Fixed Assets are stated at acquisition or construction cost, less taxes to offset, where applicable, and accumulated depreciation.

Depreciation is calculated based on the balance of fixed assets in operation using the straight-line method, by applying the rates that reflect the estimated useful life of the assets. The main rates are shown in Note 12 to the financial statements.

Any gains and losses arising on derecognition of a fixed assets (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the income statement when the asset is derecognized.

d) Intangible Assets

Intangible assets are represented by the amounts paid upon their acquisition, measured on initial recognition at cost and, subsequently, carried at cost less any accumulated amortization and impairment losses, where applicable.

Research activities costs are recognized as expenses in the period in which they are incurred. Internally generated intangibles resulting from development costs are recognized if, and only if, all the conditions provided for in CPC 04 (IAS 38) for intangible assets are evidenced.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

d) Intangible assets (Continued)

The initially recognized amount of internally generated intangibles corresponds to the sum of costs incurred since such intangibles met the above-mentioned recognition criteria. When no internally generated intangibles can be recognized, development costs will be recognized in profit or loss for the year as incurred.

Amortization is recognized on a straight-line basis over the estimated useful life of each asset, in a manner that its cost less residual value after its useful life is fully derecognized. The estimated useful life, residual values and amortization methods are reviewed at the reporting date and the effect of any changes in estimates is recognized prospectively.

e) Impairment

Management annually tests the net carrying amount of non-financial assets in order to assess any events or changes in economic, operational or technological circumstances that may indicate deterioration or impairment. When such evidence is found and the net carrying amount exceeds the recoverable amount, a provision for impairment is recorded to adjust the net carrying amount to the recoverable amount. In this case, the recoverable amount of an asset or a cash-generating unit is defined as the higher of value in use and fair value less costs to sell.

Management verified such indicators to identify the need to apply an impairment test and to recognize impairment of a fixed asset, such as: significant decrease in market price, significant change in the technological, market, economic or legal environment, changes in market rates reflected on the discount rate used to define fair value, low profitability, evidence of obsolescence, plans to discontinue or restructure an operating unit, maintenance costs higher than expected, among others. No evidence of impairment of its property and equipment items and intangible assets was identified.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

f) Investments

In the financial statements, the financial information of investees is recognized using the equity method, based on the financial statements prepared by the respective investees at the same reporting dates and based on the same accounting criteria of the Company's statements of financial position.

g) Provisions for tax, civil and labor contingencies

The Company is a party to legal and administrative proceedings. Provisions are recognized for all contingencies relating to legal proceedings for which it is probable that an outflow of resources will be required to settle that contingency and a reasonable estimate of its amount can be made. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors. Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

In the cases in which provisions have a corresponding judicial deposit and the Company has the intention to settle the liability and realize the asset simultaneously, the amounts are offset.

h) Provision for cashback

This provision is recognized according to the measurement method that the Company has prepared based on descriptive statistics on the average redemption profile of users, considering historical data, and the evolution of the Company's participation in different business fronts. The model considers the entire confirmed cashback history of users by grouping them into monthly cohorts and evaluating the percentage redeemed in subsequent months. Therefore, the Company understands that the best measurement has been met, and the amount comprises the amounts payable according to the Terms and Conditions of the program.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

i) Other Assets and Liabilities

An asset is recognized in the statement of financial position when its future economic benefits are likely to flow to the Company, and its cost or value can be reliably measured.

A liability is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of from a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The provisions are recorded based on the best estimate of the risk involved.

j) Income and Social Contributions taxes

Current

Current tax assets and liabilities for the preceding and prior years are measured at the expected amount recoverable from or payable to taxation authorities.

The provision for income and social contribution taxes are calculated at a rate of 15% for income tax, plus 10% surtax on taxable profit exceeding R$60, and at a rate of 9% on taxable profit for Social Contribution Tax on Net Profit (CSLL); both take into consideration the offsetting of income and social contribution tax losses, limited to 30% of taxable profit computed for each year, and such offsetting is not time-barred by statutes of limitation.

Income and social contribution taxes related to items directly recognized in equity are also recognized in equity. From time to time, management reviews the tax position in situations in which interpretation of tax regulation is required, and records provisions as appropriate.

Prepaid or recoverable taxes are stated under current or noncurrent assets, based on their estimated realization up to the year-end, when the tax is duly calculated and offset against any prepayments made.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

j) Income and Social Contributions Taxes (Continued)

Deferred taxes

Deferred tax liabilities are recognized for all temporary tax differences. Deferred asset taxes are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which temporary differences can be realized. These taxes are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax legislation in force at the reporting date.

Deferred income and social contribution tax assets are reviewed at each reporting date and reduced to the extent that their realization is no longer probable.

Current and deferred taxes relating to items recognized directly in equity or in other comprehensive income are recognized in equity.

In accordance with ICPC 22/IFRIC 23, from time to time the Company reviews the tax position in situations in which interpretation of tax regulation is required, and records provisions and/or disclosures as appropriate.

k) Recognition of service revenue

In general, for the Company’s business, revenues are recognized when a performance obligation is satisfied, at the amount expected to be received in exchange for the transferred services, which must be allocated to that performance obligation. The Company recognizes revenue only when it is probable that it will receive consideration in exchange for the transferred goods or services, considering the customer’s ability and intention to comply with the payment obligation. Contracts with customers are indefinite, mostly do not have a termination penalty, but provide for a termination notice of thirty days on average.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

k) Service Revenue Recognition (Continued)

Revenue comes from placements of advertising spaces on the portal and from compensation, i.e. commissions, which are measured through clicks on links of partners that are on the Company's website and on its application for smartphones, which are converted into sales by such partners. Almost all commissions agreed upon have a variable nature in accordance with the campaigns. The Company understands that the performance obligation is satisfied at the time the customer confirms that the services provided are converted into sales.

After a careful quantification of the Company's liabilities relating to rectification services and of the agreed-upon limitations regarding the possibility of customers requesting additional services, the Company identified its contracts and the respective transferred services, separated the obligations to be satisfied, determined and allocated transaction prices, recognizing revenue only when all of the above criteria are met.

The Company's net revenue is calculated based on total commissions and space for placement of advertising materials received, less Service Tax (ISSQN), Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS).

l) Sales Taxes

The expenses and noncurrent assets acquired are recognized net of sales taxes when these are recoverable from the taxation authorities.

m) Equity

Capital is represented by common shares. Incremental costs directly attributable to the issue of shares are presented as deduction from equity, as capital transactions, net of tax effects.

n) Earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing income (loss) attributable to the holders of the Company's common shares (the numerator) by the weighted average number of common shares held by shareholders (the denominator) during the year.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

n) Earnings (loss) per share (Continued)

Diluted earnings (loss) per share are calculated by dividing net income (loss) attributable to the holders of the Company's common shares by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

Equity instruments that should or could be settled with the Company's shares are only included in the calculation when their settlement has a dilutive impact on earnings per share.

o) Statement of Added Value ("DVA")

The Statement of Value Added (DVA) is not required by the IFRS, and is presented herein as supplementary information in compliance with the Brazilian corporation law. Its purpose is to disclose the wealth created by the Company during the year, as well as its distribution among various stakeholders.

p) Operating segment

The company has one single operational segment, which is used by the chief executive officer (CEO) and management for analysis and decision-making purposes.

q) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred, which is valued based on the acquisition-date fair value, and the value of any non-controlling interest in the acquiree. For each business combination, the acquirer must measure the non-controlling shareholders in the acquiree either at fair value or based on its interest in the identified net assets of the acquiree. Costs directly attributable to the acquisition are expensed when incurred.

2. Accounting Policies (Continued)

2.2. Significant accounting policies (Continued)

q) Business Combinations and Goodwill (Continued)

The Company determines it has acquired a business when the acquired set of activities and assets includes at least one input and one substantive process that together contribute significantly to the ability to generate output. The acquired process is considered substantive if it is essential to the ability to develop or convert the acquired input into outputs, and the acquired inputs include both the organized workforce with the skills, knowledge or experience required to execute that process; or it is critical to the ability to continue to produce outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue to produce outputs.

When acquiring a business, the Company assesses the financial assets and liabilities assumed with a view to classifying and allocating them in accordance with the contractual terms, economic circumstances and relevant conditions on the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability must be recognized according to CPC 48 in the income statement.

Initially, goodwill is measured as the excess of the consideration transferred over the net assets acquired (identifiable assets acquired, net, and liabilities assumed). If the consideration is less than the fair value of the net assets acquired, the difference must be recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2. **Accounting Policies** (Continued)

2.2. **Significant accounting policies** (Continued)

q) Business Combinations and Goodwill (Continued)

When goodwill is part of a cash-generating unit and a portion of that unit is disposed of, the goodwill associated with the portion disposed of should be included in the cost of the transaction when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is determined on the basis of the proportionate amounts of the disposed portion in relation to the cash-generating unit retained.

2.3. **New or revised pronouncements first applied in 2021**

The Company has applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2021. The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Amendments to CPC 06 (R2), CPC 11, CPC 38, CPC 40 (R1) and CPC 48: Reform of the Reference Interest Rate

The amendments to CPC Pronouncements 38 and 48 provide temporary exceptions that address the effects on financial statements when an interbank certificate of deposit rate is replaced with an alternative by a quasi-risk-free rate. The amendments include the following practical expedients:

- A practical expedients that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated as changes in the floating interest rate, equivalent to movement in a market rate.
- Allows changes required by the reform to be made in hedge designations and documentation, without the hedging relationship being discontinued.
- Provides temporary exception for entities to comply with the separately identifiable requirement when a risk-free rate instrument is designated as a hedge of a risk component.

These amendments have not impacted the Company’s individual and consolidated financial statements. The Company intends to use the practical expedients in future periods if they become applicable.

2. Accounting Policies (Continued)

2.3. New or revised pronouncements first applied in 2021 (Continued)

Amendments to CPC 06 (R2): Covid-19 Related Benefits Granted to Lessees on Leases that Go Beyond June 30, 2021

The amendments provide concession to lessees in applying the guidance in CPC 06 (R2) on lease modification in accounting for related benefits as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to evaluate whether a Covid-19-related benefit granted by the lessor is a lease modification. A lessee that makes this election should account for any change in lease payments resulting from the Covid-19-related benefit granted in the lease contract in the same manner as it would account for the change by applying CPC 06 (R2) if the change was not a lease contract modification.

The amendment was intended to apply through June 30, 2021, but because the impact of the Covid-19 pandemic may continue as of March 31, 2021, CPC has extended the period of application of this practical expedient to June 30, 2022. This change is effective for fiscal years beginning on or after January 1, 2021.

This change is effective for fiscal years beginning on or after January 1, 2021.

In June 2020 the contract for one of the assets, the property of the headquarters in Belo Horizonte/MG, was canceled due to the placement of the entire team in the telecommuting regime, causing all its effects, including the write-offs of assets and liabilities related to this contract, to be reflected as of June 2020. Another contract, for the building of the Manaus/AM branch, suffered an impact in its assets and liabilities, due to the non-adjustment that was foreseen for June 2020, which was also reflected as of that month. The adjustments in both contracts are due to the health crisis caused by COVID-19, and are shown in Note 11.

2.4. Standards issued but not yet effective

New and amended standards and interpretations issued but not yet effective as of the date of issue of the Company’s financial statements are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2. Accounting Policies (Continued)

2.4. Standards issued but not yet effective (Continued)

IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 - Insurance Contracts (a standard not yet issued by CPC in Brazil, but which will be codified as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive accounting standard for insurance contracts that includes recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (CPC 50) will replace IFRS 4 - Insurance Contracts (CPC 11) issued in 2005. IFRS 17 applies to all types of insurance contracts (such as life, property, direct insurance, and reinsurance) regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. Some scope exceptions apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements of IFRS 4, which are largely based on local accounting policies in place in previous periods, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The focus of IFRS 17 is on the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (variable rate approach).
- A simplified approach (premium allocation approach) mainly for contracts of short duration.

IFRS 17 is effective for periods beginning on or after January 1, 2023, and comparative figures are required. The early adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the initial adoption of IFRS 17. This standard is not applicable to the Company.

Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, correlated to CPC 26, in order to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to postpone settlement;
- That the right to postpone must exist on the reporting base date;
- That this classification is not affected by the likelihood that an entity will exercise its right to postpone

2. Accounting Policies (Continued)

2.4. Standards issued but not yet effective (Continued)

Amendments to IAS 1: Classification of liabilities as current or non-current (Continued)

- That only if a derivative embedded in a convertible liability is itself an equity instrument the terms of a liability would not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2023 and should be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Amendments to IAS 8: Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8 (a related standard to CPC 23), in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments will be effective for periods beginning on or after January 1, 2023 and will apply for changes in accounting policies and estimates that occur on or after the beginning of that period. Early adoption is permitted if disclosed.

The amendments are not expected to have a significant impact on the Company's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies

In February 2021, the IASB issued amendments to IAS 1 (a related standard to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments are to help entities disclose accounting policies that are more useful by replacing the requirement for disclosure of significant accounting policies for material accounting policies and adding guidance for how entities should apply the concept of materiality to make decisions about disclosing accounting policies.

The amendments to IAS 1 are applicable for periods beginning on or after January 1, 2023 with early adoption permitted. Since the amendments to Practice Statement 2 provides non-binding guidance on applying the definition of materiality to accounting policy disclosures, an adoption date for this amendment is not necessary.

The Company is currently evaluating the impacts of these amendments on its disclosed accounting policies.

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination

i) <u>Alter Pagamentos Ltda (“Alter”)</u>

In October 2021, the acquisition of Alter was approved which resulted in a business combination in which the Company became the holder of 100% of the shares representing Alter’s Share capital, becoming the parent company of this investee, whose shareholding composition on December 31, 2021 is:

Shareholders	Number of Shares	Interest
Meliuz S.A. (Parent Company)	**300,000**	**100%**
Total	**300,000**	**100%**

Alter is a company specialized in cryptoassets trading, which since 2018 has been working on improving users’ experience in using cryptocurrencies in everyday financial transactions. Among other services, Alter consolidates in a single app a cryptocurrency wallet with integration to a digital account and a prepaid card.

The investment made by Méliuz was BRL 12,829, of which BRL 10,200 of initial installment of which BRL 9,132 paid in cash and BRL 1,068 retained for future contingencies, BRL 12 as estimated Working Capital Adjustment Amount received in 2021, paid by Alter to Méliuz and BRL 2,641 of estimated earn-out installment to be paid in 2025. The purchase price was preliminarily allocated according to the table below:

	Fair value recognized on acquisition
Assets	
Cash and Cash Equivalents	733
Customer Assets	27,923
Costs Ascertainment	1
Other non-current assets	1,692
Fixed Assets	37
Intangible assets	7,562
	37,948
Liabilities	
Suppliers	(31)
Labor and tax liabilities	(243)
Customers' deposit	(27,923)
Other current liabilities	(1,692)
Loans and financing - LP	(7,863)
	(37,752)
Total net identifiable assets at fair value	**196**
Goodwill on acquisition	12,633
Total Consideration	**12,829**

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

i) Alter Pagamentos Ltda ("Alter") (Continued)

The balance sheet and income statement at the acquisition date are represented by:

	September/2021
Assets	
Current Assets	28,657
Non-current assets	1,729
Total assets	**30,386**
Liabilities	
Current liabilities	29,889
Non-current liabilities	7,863
Equity	(7,366)
Total liabilities and shareholders' equity	**30,386**

	September/2021
Net Revenues	2,356
Operating Expenses	(8,474)
Income Tax	(263)
Net Income	**(6,381)**

At December 31, 2021 the estimate for the earn-out installment to be paid in 2025 is BRL 1,741.

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures Alter's financial statements have been consolidated and presented by the Company as from October 2021.

ii) Promobit Serviços de Tecnologia Digital Ltda. ("Promobit")

In May 2021, the Company carried out a business combination and became the holder of 100% of the shares representing Promobit's Share capital, becoming the parent company of this investee, whose shareholding composition on December 31, 2021 is:

Shareholders	Number of Shares	Interest
Meliuz S.A. (Parent Company)	1,000	100%
Total	**1,000**	**100%**

Promobit is a platform that promotes the exchange of information and opinions about products and promotions among its users. The acquisition is strategic for the Company's business, as it will allow a gain in scale and volume for the operation of its own marketplace.

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

ii) Promobit Serviços de Tecnologia Digital Ltda. ("Promobit") (Continued)

The investment made by Méliuz was BRL 20,498, of which BRL 13,000 as initial installment, of which BRL 10,000 paid in cash and BRL 2,849 retained for future contingencies, BRL 216 as estimated Working Capital Adjustment Amount paid in 2021, and BRL 7,433 as estimated earn-out installment to be paid, of which BRL 2,700 in 2023 and BRL 4,733 in 2024, corresponding to 100% of Promobit's equity interest. The earn-out and adjustment installments are discounted to present value. The purchase price was preliminarily allocated according to the table below:

	Fair value recognized on acquisition
Assets	
Cash and Cash Equivalents	201
Accounts Receivable	895
Recoverable Taxes	6
Other assets	22
Intangible assets	12,142
	13,266
Liabilities	
Suppliers	(26)
Labor and tax liabilities	(182)
Other liabilities	(11)
	(219)
Total net identifiable assets at fair value	**13,047**
Goodwill on acquisition	7,451
Total Consideration	**20,498**

The balance sheet and income statement at the acquisition date are represented by:

	May/2021
Assets	
Current Assets	1,124
Non-current assets	-
Total assets	1,124
Liabilities	219
Current liabilities	219
Non-current liabilities	-
Equity	905
Total liabilities and shareholders' equity	1,124

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

ii) Promobit Serviços de Tecnologia Digital Ltda. ("Promobit") (Continued)

	May/2021
Net Revenues	2,882
Operating Expenses	(1,535)
Income Tax	(266)
Net Income	1,081

At December 31, 2021 the estimate for the earn-out installment to be paid is BRL 12,546, of which BRL 5,195 in 2023 and BRL 7,351 in 2024.

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures, Promobit's financial statements were consolidated and presented by the Company as from May 2021.

iii) Melhor Plano Internet Ltda. ("Melhor Plano")

In May 2021, the Company carried out a business combination and became the holder of 100% of the shares representing Melhor Plano's Share capital, becoming the parent company of this investee, whose shareholding composition on December 31, 2021 is:

Shareholders	Number of Shares	Interest
Meliuz S.A. (Parent Company)	**200,000**	**100%**
Total	**200,000**	**100%**

Melhor Plano is a marketplace that offers final consumers tools to compare prices and services offered by third parties, in order to help them make decisions when hiring financial and telecommunications services. The acquisition is strategic for the Company's business, as it will allow a gain in scale and volume for the operation of its own marketplace.

The investment made by Méliuz was BRL 22,444, of which BRL 10,845 of initial installment, of which BRL 10,317 paid in cash and BRL 528 as an estimate of Working Capital Adjustment Amount paid in 2021, BRL 481 retained for future contingencies and BRL 11,118 as an estimate of earn-out installment to be paid in 2024, corresponding to 100% interest in Melhor Plano's equity. The earn-out and adjustment installments are discounted to present value. The purchase price was preliminarily allocated according to the table below:

(In thousands of Brazilian reais, unless otherwise stated)

3. **Business Combination** (Continued)

iii) Melhor Plano Internet Ltda. ("Melhor Plano") (Continued)

	Fair value recognized on acquisition
Assets	
Cash and Cash Equivalents	254
Accounts Receivable	742
Recoverable Taxes	4
Other credits	41
Fixed Assets	6
Intangible assets	11,417
	12,464
Liabilities	
Suppliers	(63)
Labor and tax liabilities	(343)
Other liabilities	(4,452)
	(4,858)
Total net identifiable assets at fair value	**7,606**
Goodwill on acquisition	14,838
Total Consideration	**22,444**

The balance sheet and income statement at the acquisition date are represented by:

	May/2021
Assets	
Current Assets	1,041
Non-current assets	4,297
Total assets	5,338
Liabilities	4,858
Current liabilities	4,608
Non-current liabilities	250
Equity	480
Total liabilities and shareholders' equity	5,338

	May/2021
Net Revenues	2,460
Operating Expenses	(1,868)
Income Tax	(187)
Net Income	**405**

At December 31, 2021 the estimate for the earn-out installment to be paid in 2024 is BRL 19,358.

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

iii) Melhor Plano Internet Ltda. ("Melhor Plano") (Continued)

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures the statements of Melhor Preço were consolidated and presented by the Company as of May 2021.

iv) Picodi.com S.A. (“Picodi”)

In February 2021, the Company carried out a business combination and became the owner of 51.2% of the shares representing the Share capital of Picodi.com S.A., a company based in Poland, becoming the parent company of this investee, whose shareholding composition at December 31, 2021 is as follows:

Shareholders	Number of Shares	Interest
Meliuz S.A. (Parent Company) (a)	**80,454**	**51.1497%**
Others	**76,635**	**48.8503%**
Total	**157,089**	**100%**

(a) In July 2021, the issuance of 202 Picodi shares was approved in order to comply with the long-term incentive program already foreseen in the acquisition.

Picodi.com is a platform that brings together discount coupons, promotional codes and other promotions from various stores and brands, present in over 40 countries. Founded in 2010, Picodi.com connects more than 12,000 online stores to 4 million users every month.

Additionally, the Company entered into a shareholders' agreement with the Sellers - who remain the owners of the remaining 48.8% of Picodi.com's Share capital - whereby the Company obtained a call option for the remaining 48.8% stake, subject to the verification of certain performance criteria, established over the next 3 or 4 years.

The acquisition is strategic for the Company's business, as it will allow a gain in scale and volume for the operation of its own marketplace and will expand Méliuz’s exposure to international markets.

The investment made by Méliuz was BRL 118,596, corresponding to a 51.2% stake in Picodi’s equity. The purchase price was preliminarily allocated according to the table below:

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

iv) Picodi.com S.A. ("Picodi") (Continued)

	Fair value recognized on acquisition
Assets	
Cash and Cash Equivalents	16,792
Advances	4,727
Accounts Receivable	11,864
Recoverable Taxes	223
Deferred Taxes	121
Investments	1
Fixed Assets	51
Intangible assets	50,787
	84,566
Liabilities	
Suppliers	(1,296)
Loans and financing	(1,253)
Labor and tax liabilities	(1,953)
Other liabilities	(17)
Deferred Taxes	(2,337)
	(6,856)
Total net identifiable assets at fair value	77,710
Non-controlling interests measured at fair value	(37,911)
Goodwill on acquisition	78,797
Total Consideration	118,596

The balance sheet and income statement at the acquisition date are represented by:

	February/2021
Assets	
Current Assets	33,544
Non-current assets	2,596
Total assets	36,140
Liabilities	6,856
Current liabilities	6,343
Non-current liabilities	513
Equity	29,284
Total liabilities and shareholders' equity	36,140

	February/2021
Net Revenues	5,141
Operating Expenses	(2,968)
Income Tax	(427)
Net Income	1,746

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

iv) Picodi.com S.A. ("Picodi") (Continued)

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures the statements of Picodi.com S.A. were consolidated and presented by the Company as of February 26, 2021.

At December 31, 2021, a financial liability was recorded in the amount of BRL 41,314 with a corresponding entry to other reserves referring to the option to purchase the remaining Share capital of Picodi.com. In accordance with CPC 39, the contract that contains the entity's obligation to purchase its own equity instruments in cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. The financial liability must be recognized initially at the present value of the redemption amount and must be reclassified from equity.

In accordance with CPC 02 (R2) - Effects of changes in exchange rates and translation of financial statements, all adjustments arising from transactions in foreign currency and currency translation for presentation purposes were applied.

v) Gana Internet S.A. ("Gana")

In July 2020, the Company carried out a business combination and became the holder of 51% of the common shares of Gana Internet S.A., a company headquartered in Brazil, becoming the controller of this investee, whose shareholding composition on June 30, 2021 is as follows:

Shareholders	Number of Shares	Interest
Meliuz S.A. (Parent Company)	**2,551,824**	**51%**
Mobills Labs Soluções em Tecnologia Ltda.	**2,451,752**	**49%**
Total	**5,003,576**	**100%**

The corporate purpose of Gana Internet S.A. is to operate a virtual portal for the publication and insertion of texts and content related to finance, updated periodically, in addition to the disclosure of brands, products, services and other advertising and publicity materials, including the lease of virtual advertising space. It is also the object of Gana to explore, on a secondary basis, business intermediation activities, including financial, such as intermediation in obtaining loans.

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures, the statements of Gana were consolidated and presented by the Company as of August 2020.

(In thousands of Brazilian reais, unless otherwise stated)

3. Business Combination (Continued)

v) Gana Internet S.A. ("Gana") (Continued)

On September 10, 2021, a private instrument of purchase and sale of shares was executed between Méliuz and Mobills Labs Soluções em Tecnologia LTDA ("Mobills") for the acquisition of 2,451,752 shares representing 49% of Gana's Share capital, for the total amount of BRL 1,000 with a gain of BRL 1,353. The gain from the advantageous purchase was accounted for in the result according to CPC 15 (R1) - Business Combination.

4. Cash and Cash Equivalents

	Parent Company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash and Banks	**11,081**	3,077	**33,131**	3,078
Financial Investments	**478,175**	326,351	**481,618**	328,129
Total	**489,256**	329,428	**514,749**	331,207

The Company has cash equivalents referring to fixed income financial investments indexed to the variation of 105% to 110% of the Interbank Deposit Certificates ("CDIs"), which can be redeemed at any time with the issuer of the instrument itself without loss of contracted remuneration.

The Company's exposure to interest rate risks and the sensitivity analysis for financial assets and liabilities are disclosed in Note 25.

5. Trade accounts Receivable

a) Composition of accounts receivable

	Parent Company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Accounts Receivable	**53,705**	18,143	**68,205**	18,143
Allowance for doubtful accounts	**(253)**	(253)	**(1,323)**	(253)
Total	**53,452**	17,890	**66,882**	17,890

(In thousands of Brazilian reais, unless otherwise stated)

5. Trade accounts Receivable (Continued)

b) Composition of customer balances by maturity

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Amounts to fall due	**40,733**	17,847	**54,437**	17,847
Amounts past due				
From 01 to 60 days	**12,601**	45	**13,207**	45
From 61 to 90 days	**118**	-	**160**	-
From 91 to 120 days	**-**	-	**3**	-
From 121 to 180 days	**-**	-	**61**	-
More than 180 days	**253**	251	**337**	251
Total	**53,705**	18,143	**68,205**	18,143

c) Movement of the allowance for doubtful accounts

	Parent Company	Consolidated
Balance at December 31, 2019	32	-
Constitutions	252	-
Write-offs	(31)	-
Balance at December 31, 2020	253	-
Balance at December 31, 2020	253	253
Acquisition of subsidiary	**-**	**42**
Constitutions	**-**	**1,028**
Write-offs	**-**	**-**
Balance at December 31, 2021	**253**	**1,323**

6. Recoverable Taxes

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Negative income tax and social contribution (a)	**2,171**	114	**2,212**	114
Withholding income tax and income tax credit balances (b)	**4,649**	991	**4,660**	991
Other recoverable taxes	**47**	21	**860**	22
Total	**6,867**	1,126	**7,732**	1,127

(a) Refer to amounts overpaid for income tax and social contribution. The Company is subject to the taxable income regime, opting for the quarterly calculation regime in 2020, the balance of recoverable income tax and social contribution may be offset against any tax managed by the Federal Revenue Service. In 2021, the Company opted for the annual taxable income regime.

(b) It comprises IRRF recoverable on sales and financial investments incurred in the fiscal year and previous years.

7. Loans and contracts receivable

On July 2, 2021, the amount of BRL 8,000 was made available to Acesso Soluções de Pagamento S.A. (“Acesso”), according to the Loan Agreement signed on June 30, 2021.

Conditions of the Loan Agreement:

- Interest: on the value of the Loan will incur interest referring to the rate of the Interbank Deposit Certificate - CDI plus four percent (4%) per year.
- Maturity: the maturity of the Loan will occur on March 30, 2022, requiring a notification by the Lender. If notice of maturity does not occur, the first installment will be due on September 30, 2022 (provided that BACEN has not approved the change of control of the Borrower under the Association Agreement or in the event of non-compliance with any other Condition Precedent).
- Payment Method: the Loan, plus interest, shall be paid by the Borrower, in fixed amortizations, in six (6) installments, within thirty (30) days as of the Notice of Maturity, and the others on the same dates of the subsequent months.

The Agreement was entered into in compliance with the provisions of the Association Agreement entered into between the Company, Acesso and Acessopar Investimentos e Participações S.A. (“Acessopar”), on May 02, 2021 (“Association Agreement”), with the purpose of providing resources to Acesso for the development of its activities.

It is clarified, however, that the Transaction is subject to compliance with certain suspensive conditions, including the approval by the Central Bank of Brazil (“BACEN”) of the transfer of corporate control of Acesso Soluções de Pagamento S.A. It is also clarified that, on the date of execution of the Loan Agreement, as well as on December 31, 2021, Acesso is not a controlled company by Méliuz, as well as it is not a related party to the Company, under the terms of the technical pronouncement that specifies the concept of related party.

Nevertheless, the information concerning the Agreement is disclosed for information purposes, since, after the Transaction is executed (which has not occurred yet), Acesso may be considered as a related party and the referred Agreement, if in force at the time, may be accounted as a related party transaction in the Company’s financial statements.

On October 29, 2021, a Board of Directors’ meeting approved the amendment of the Agreement to take new resources, in the additional amount of up to BRL 10,000, under the same terms and conditions previously contracted between the Parties. Therefore, the contract is now 18,000, with an installment soon after approval, and the rest will be made available in installments as requested by the Borrower. On October 8, 2021, BRL 4,882 and on December 1, 2021, BRL 4,896 were made available to Acesso Soluções de Pagamento S.A. (“Acesso”), net of IOF.

7. **Loans and receivables** (Continued)

In the year ended December 31, 2021, the amount receivable was BRL 18,588, adjusted according to the contract, of which BRL 18,000 in principal and BRL 588 in interest.

8. Other assets

8.1. Cryptoassets

8.1.1. Custody

The subsidiary Alter is a company specialized in cryptoassets trading, which since 2018 has been working to improve users' experience in the use of cryptocurrencies in everyday financial transactions.

These amounts have a corresponding entry to assets and liabilities as they represent the balance held in custody by Alter and reflected in the balance to be returned to customers.

As of December 31, 2021, the custody of cryptocurrency is BRL 28,303, being 100% Bitcoin.

8.1.2. Own Portfolio

The company also has a balance of assets to carry out the operation of buying and selling cryptocurrencies and cryptoback campaigns (act of earning cryptocurrencies back in some operations) to its users.

The company's portfolio consists of Bitcoin (BTC), Ethereum (ETH), and Binance Coin (BNB).

As of December 31, 2021, the company's own portfolio of assets totals BRL 106, with BRL 6 of positive price variation in the result.

The company records the balances of cryptoassets converted to the functional currency on the closing date.

Additionally, the company holds cryptoassets only for its operations mentioned above. There is no cryptocurrency balance, intended for investment and/or speculation.

(In thousands of Brazilian reais, unless otherwise stated)

8. Other assets (Continued)

8.2. Other assets

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Capitalization bonds (a)	**-**	4,000	**-**	4,000
Prepaid expenses (b)	**2,737**	958	**3,611**	958
Procedural assets (c)	**1,122**	1,122	**1,122**	1,122
Contractual guarantee (d)	**3,003**	1,003	**3,003**	1,003
Others (d)	**267**	631	**628**	654
	7,129	7,714	**8,364**	7,737
Current Assets	**2,981**	4,432	**3,756**	4,455
Non-current assets	**4,148**	3,282	**4,608**	3,282

(a) On June 30, 2020, the Company invested BRL 4,000 in capitalization bonds that remained until the end of their 12-month maturity. These securities were collateral for a loan taken out with Banco Santander (Brasil) S.A. in the amount of BRL 8,000. The loan was settled in November 2020 and redeemed in the third quarter of 2021.

(b) Prepaid expenses such as software licenses and other contractual payments in advance.

(c) The Company has receivables related to refunds of amounts paid for unfulfilled contracts. The Company has a high probability of collection, with victories in the judicial sphere.

(d) Collateral held in accordance with the service contract to maintain the operation of cell phone recharging.

9. Transactions with related parties

9.1. Transactions

Transactions with related parties refer to expense sharing and loan agreements.

The expense sharing transactions were established based on conditions defined between the parties, in a current account contract, with monthly settlement. The loan agreements are updated monthly with interest and monetary restatement until the settlement date (see note 9.3).

9. Transactions with related parties (Continued)

9.2. Loan Agreements

On August 6, 2021, a Loan Agreement was entered into with Alter for the principal amount of BRL 3,600, of which BRL 3,401 was available until December 31, 2021.

Conditions of the Loan Agreement:

- Interest on the value of the Loan will incur interest referring to 100% of the Interbank Deposit Certificate - CDI rate.
- Maturity: the maturity of the Loan will occur on April 30, 2022, after being altered by an amendment.
- Payment Method: The Loan, plus interest, should be paid by the Borrower in advance or on the maturity date, in a single installment.

The Agreement was entered into in compliance with the provisions of the Agreement for the Purchase and Sale of Shares entered into between the Company and Alter on July 29, 2021, for the purpose of making funds available to Alter for the payment of debts that the Borrower has.

It should also be clarified that, in October 2021, the approval of the acquisition of 100% of the Alter’s shares occurred and, therefore, it is considered a related party according to the terms of technical pronouncement CPC 05 (R1).

On December 23, 2021 a new contract was signed with the borrower for the principal amount of BRL 897, available in a single installment on the same day.

Conditions of the Loan Agreement:

- Interest: On the value of the Loan will incur interest referring to the rate of the Interbank Deposit Certificate - CDI plus four percent (4%) per year.
- Maturity: The maturity of the Loan will occur within 36 (thirty-six) months from the date of the effective availability of the Loan’s value.
- Payment Method: the Loan, plus Interest, should be paid by the Borrower in advance or on the maturity date, in a single installment.

The amounts already made available to Alter by December 31, 2021 total BRL 4,376, updated in accordance with the contract, of which BRL 4,298 is principal and BRL 78 is interest.

9.3. Remuneration of Key Management Personnel

Key management personnel include the statutory directors, whose remuneration paid in the year ended December 31, 2021 was BRL 1,819 (BRL 1,616 in the year ended December

31, 2020).

The remuneration of key management personnel is paid in full by Méliuz S.A. The officers also participate in the Company’s share option program.

(In thousands of Brazilian reais, unless otherwise stated)

10. Advances

In the acquisition process of the company Alter, Méliuz acquired convertible contracts held by the subsidiary for the purchase of 100% of its shares.

These contracts belonged to small investors who contributed money to Alter and could, in the case of the sale of the company, convert into participation. On December 31, 2021, these convertible loans represented BRL 4,105, of which BRL 2,297 of principal and BRL 1,808 of interest, updated according to the contract.

The debt from these contracts is recorded as an advance in Méliuz and in Alter's liabilities, at cost value, updated as described above. This amount may be converted into contribution in the subsidiary or returned to Méliuz restated.

11. Investments

The Company has permanent investments in four companies, Gana internet S.A. ("Gana") acquired in July 2020, Picodi.com S.A. ("Picodi") acquired in February 2021, Promobit Serviços de Tecnologia Digital Ltda. ("Promobit") acquired in May 2021 and Melhor Plano Internet Ltda. ("Melhor Plano") also acquired in May 2021.

a) Percentage and Interest on the Acquisition Date

		12/31/2021	
Investee	**Interest**	**Interest**	**Parent Company**
Gana Internet S.A.(a)	Subsidiary	**100%**	**4,802**
Picodi.com S.A.(b)	Subsidiary	**51.2%**	**118,596**
Melhor Plano Internet Ltda.	Subsidiary	**100%**	**27,239**
Promobit Serviços de Tecnologia Digital Ltda.	Subsidiary	**100%**	**27,660**
Alter Pagamentos Ltda.	Subsidiary	**100%**	**12,829**

(a) On September 10, 2021, Méliuz acquired 100% of Gana Internet S.A., see note 3.

(b) There was a dilution of interest in the period ended September 30, 2021, see note 3.

b) Equity equivalence as of December 31, 2021

Investee	**Result for the period/year**	**Equity**
Gana Internet S.A.	(762)	(762)
Picodi.com S.A.	7,110	3,638
Melhor Plano Internet Ltda.	552	552
Promobit Serviços de Tecnologia Digital Ltda.	(1,784)	(1,784)
Alter Pagamentos Ltda.	(309)	(309)
Total as of December 31, 2021		**1,335**

(In thousands of Brazilian reais, unless otherwise stated)

11. Investments (Continued)

c) Investment movement

Investee	Permanent Investment 12/31/2020	Acquisition of interest	Equity	Capital gain amortization	Capital contribution	Exchange adjustment	Difference of Adjustment Portion	Permanent Investment 12/31/2021
Gana Internet S.A.	2,449	2,353	(762)	-	-	-	-	4,040
Picodi.com S.A. (a)	-	118,596	3,638	-	-	(1,241)	-	120,993
Melhor Plano Internet Ltda.	-	22,445	552	(298)	5,695	-	(258)	28,136
Promobit Serviços de Tecnologia Digital Ltda.	-	20,498	(1,784)	(431)	2,000	-	265	20,548
Alter Pagamentos Ltda.	-	12,829	(309)	(345)	-	-		12,175
Total	2,449	176,721	1,335	(1,074)	7,695	(1,241)	7	185,892

(a) The permanent investment in Picodi.com S.A. includes currency exchange adjustments arising from the translation of balance sheets pursuant to CPC 02 (R2) - Effects of changes in exchange rates and translation of financial statements in the amount of BRL 1,241 at December 31, 2021.

d) Composition of the balance sheet and results of investees at December 31, 2021

Balance Sheet	Gana 12/31/2021	Picodi 12/31/2021	Promobit 12/31/2021	Melhor Plano 12/31/2021	Alter 12/31/2021
Total assets	4,517	39,051	2,985	7,859	29,859
Total Liabilities	478	5,082	1,864	1,131	37,534
Total shareholders' equity	4,039	33,969	1,121	6,728	(7,675)

Result for the year	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021
Net Revenues	1,499	27,851	4,685	5,680	1,120
Operating Expenses	(2,281)	(19,181)	(5,857)	(4,470)	(1,152)
Financial income	20	31	(20)	105	(99)
Income before taxes	(762)	8,701	(1,192)	1,315	(131)
Current and deferred income and social contribution taxes	-	(1,591)	(592)	(763)	(178)
Income (loss) for the year	(762)	7,110	(1,784)	552	(309)

If all business combinations had been carried out at the beginning of the year, the Company would have consolidated net revenue of BRL 276,153 and consolidated net income of BRL (36,620).

The goodwill generated on acquisitions, comprising the amount of the difference paid by the Company in relation to the fair value of the acquired companies' equity, is attributable mainly to the skills and technical talent of the workforce, as well as the synergies expected from the integration of the entity into the Company's existing business. Goodwill on the parent company balance sheet, classified as "investments" is the same as that classified as an "intangible" asset on the consolidated balance sheet. The disclosures and impairment analysis are presented in note 13.

(In thousands of Brazilian reais, unless otherwise stated)

12. Fixed Assets

a) Details of the Company's fixed assets are shown in the following tables:

	Depreciation rates p.a.	Parent Company 12/31/2021	Parent Company 12/31/2020	Consolidated 12/31/2021	Consolidated 12/31/2020
Computers and peripherals	20%	**5,784**	1,983	**5,977**	1,983
Furniture and utensils (a)	10%/20%	**359**	383	**399**	383
Electronic Equipment	20%	**428**	461	**428**	461
Improvements in third party properties	4%	**980**	980	**980**	980
Installations	10%	**147**	148	**147**	148
Total Cost		**7,698**	3,955	**7,931**	3,955
Computers and peripherals	20%	**(1,186)**	(679)	**(1,205)**	(679)
Furniture and utensils	10%	**(142)**	(111)	**(165)**	(111)
Electronic Equipment	20%	**(161)**	(190)	**(161)**	(190)
Improvements in third party properties	4%	**(95)**	(56)	**(95)**	(56)
Installations	10%	**(47)**	(31)	**(47)**	(31)
Accumulated depreciation		**(1,631)**	(1,067)	**(1,673)**	(1,067)
Total net fixed assets		**6,067**	2,888	**6,258**	2,888

(a) All Brazilian companies of the group depreciate 10% per year. Only the subsidiary Picodi, headquartered in Poland, has a depreciation rate of 20%.

b) Movements in the Company's fixed assets

	Parent Company 12/31/2020	Additions	Depreciation	Write-off	12/31/2021
Computers and peripherals	1,304	**4,000**	**(626)**	**(80)**	**4,598**
Furniture and utensils	271	**-**	**(37)**	**(17)**	**217**
Electronic Equipment	271	**199**	**(88)**	**(115)**	**267**
Improvements in third party properties	924	**-**	**(39)**	**-**	**885**
Installations	118	**-**	**(16)**	**(2)**	**100**
	2,888	**4,199**	**(806)**	**(214)**	**6,067**

	Consolidated 12/31/2020	Additions	Acquisition of subsidiary	Depreciation	Foreign exchange rate differences	Write-off	12/31/2021
Computers and peripherals	1,304	**4,148**	**42**	**(640)**	**-**	**(82)**	**4,772**
Furniture and utensils	271	**-**	**50**	**(60)**	**(3)**	**(24)**	**234**
Electronic Equipment	271	**199**	**-**	**(88)**	**-**	**(115)**	**267**
Improvements in third party properties	924	**-**	**-**	**(39)**	**-**	**-**	**885**
Installations	118	**-**	**-**	**(16)**	**-**	**(2)**	**100**
	2,888	**4,347**	**92**	**(843)**	**(3)**	**(223)**	**6,258**

(In thousands of Brazilian reais, unless otherwise stated)

12. Fixed Assets (Continued)

b) Movements in the Company's fixed assets (Continued)

	Parent Company and Consolidated				
	12/31/2019	Additions	Depreciation	Write-off	12/31/2020
Computers and peripherals	671	254	(177)	(7)	741
Furniture and utensils	333	9	(31)	(30)	281
Electronic Equipment	339	28	(68)	(5)	294
Improvements in third party properties	876	87	(29)	-	934
Installations	128	4	(11)	-	121
	2,347	382	(316)	(42)	2,371

As of December 31, 2021, the Company has not identified indications of impairment of its fixed assets.

13. Commercial Lease Operations

The Company has evaluated its contracts and recognized a right-of-use and a lease liability for the following contracts containing leases:

- Lease of the building used as the engineering and development center and administrative headquarters in Manaus.

Due to the COVID-19 pandemic we kept only this center in operation.

The Company chooses to use the exemptions provided in the standard for short-term leases (i.e., leases with a term of 12 months or less) without an option to purchase and for low-value items. As such, when they occur, these leases are recognized as an expense in other operating expenses on a straight-line basis over the lease term.

The discount rates were obtained with reference through quotations of financings, of assets with similar characteristics, by the Company with financial institutions.

Assets

a) *Right of Use*

The right of use asset was measured at cost, composed of the initial measurement value of the lease liability and depreciated on a straight-line basis until the end of the lease term, which is 36 months.

In June 2020 the contract for the headquarters property was canceled by the placement of the entire team on telecommuting due to the health crisis caused by Covid-19.

(In thousands of Brazilian reais, unless otherwise stated)

13. Commercial Lease Operations (Continued)

Assets (Continued)

a) *Right of Use* (Continued)

On July 25, 2021, a new agreement was signed for the branch property for the same term as the previous one.

	Parent Company and Consolidated	
	12/31/2021	**12/31/2020**
Lease - right of use	**5,952**	4,088
Depreciation of Lease	**(2,824)**	(2,264)
Write-off due to cancellation of parent company's contract	**(1,567)**	(1,567)
Write-off due to contract non-adjustment agreement	**(7)**	(7)
Total	**1,554**	250

b) *Movement of the Lease - right of use*

	Parent Company and Consolidated
	Properties
Balance at December 31, 2019	2,798
Additions	
Depreciation of Lease	(974)
Write-off due to cancellation of contract at Head Office	(1,567)
Write-off due to contract non-adjustment agreement	(7)
Balance at December 31, 2020	250
Balance at December 31, 2020	250
Additions	**1,864**
Depreciation of Lease	**(560)**
Balance at December 31, 2021	**1,554**

Liabilities

a) *Lease payable*

The recognized lease liability was measured at the present value of the minimum payments required under the agreements, discounted at the Company's incremental borrowing rate.

The Company's incremental borrowing rate applied to the lease liability recognized in the balance sheet at the date of initial application is 13.20% p.a., over the lease term.

Finance charges are recognized as finance expense and appropriated based on the actual discount rate over the remaining term of the agreements.

(In thousands of Brazilian reais, unless otherwise stated)

13. Commercial Lease Operations (Continued)

Liabilities (Continued)

a) *Lease payable* (Continued)

	Parent Company and Consolidated
	Properties
Balance at December 31, 2019	2,724
Finance charges	271
Principal payments made	(967)
Financial charges paid	(271)
Write-off of contract from Head Office	(1,531)
Write-off due to contract non-adjustment agreement	(17)
Balance at December 31, 2020	209
Balance at December 31, 2020	209
Additions	**1,864**
Finance charges	**125**
Principal payments made	**(572)**
Financial charges paid	**(125)**
Balance at December 31, 2021	**1,501**
Short-term	**660**
Long-term	**841**

The Company does not provide real estate as collateral for any of its operations.

The Company, in accordance with IFRS 16/CPC 06 (R2), in the measurement and remeasurement of its lease liability and right of use, proceeded to use the discounted cash flow technique without considering the projected future inflation in the flows to be discounted, according to the prohibition imposed by IFRS 16/CPC 06 (R2). This prohibition may generate relevant distortions in the information to be provided, given the current reality of long-term interest rates in the Brazilian economic environment. The Company has evaluated these effects, concluding that they are immaterial to its accounting information.

(In thousands of Brazilian reais, unless otherwise stated)

14. Intangible assets

a) Details of the Company's intangible assets are shown in the following tables:

	Amortization rates p.a.	Parent Company 12/31/2021	Parent Company 12/31/2020	Consolidated 12/31/2021	Consolidated 12/31/2020
Development platform	20%/25%/50%	**1,282**	1,282	**7,834**	1,282
Purchased Software	20%	**3,295**	479	**3,295**	479
Use Licenses	100%	**1,855**	121	**1,855**	121
Gana Platform (a)	-	**-**	-	**3,107**	3,107
Website domain (a)	-	**184**	-	**4,835**	-
Project Four	-	**711**	-	**711**	-
Goodwill (b)	-	**-**	-	**114,107**	-
Brand – Picodi (a)	-	**-**	-	**24,802**	-
Brand – Melhor Plano	-	**-**	-	**4,380**	-
Brand – Promobit	5.10%	**-**	-	**5,483**	-
Customer Relationship	6.02%/9.26%	**-**	-	**7,169**	-
Software	20%	**-**	-	**2,366**	-
Technology	18.87%	**-**		**7,053**	-
Projects under development ("R&D")	-	**-**	-	**337**	-
Total Cost		**7,327**	1,882	**187,334**	4,989
Development platform	20%	**(1,273)**	(1,219)	**(1,273)**	(1,219)
Purchased Software	20%	**(310)**	(181)	**(311)**	(181)
Use Licenses	100%	**(666)**	(23)	**(666)**	(23)
Brand – Promobit	5.10%	**-**	-	**(177)**	-
Customer Relationship	6.02%/9.26%	**-**	-	**(266)**	-
Software	20%	**-**	-	**(298)**	-
Technology	18.87%	**-**		**(333)**	-
Accumulated Amortization		**(2,249)**	(1,423)	**(3,324)**	(1,423)
Total net intangible assets		**5,078**	459	**184,010**	3,566

(a) The Gana Platform, Website Domain and Brand - Picodi are intangible assets with an indefinite useful life and therefore not subject to amortization.

(b) Goodwill generated in the acquisitions of subsidiaries, being BRL 78,797 from Picodi, BRL 7,716 from Promobit, BRL 14,961 from Melhor Plano and BRL 12,633 from Alter.

b) Changes in the Company's Intangible Assets

	Parent Company 12/31/2020	Additions	Amortization	Write-off	12/31/2021
Development platform	64	**-**	**(55)**	**-**	**9**
Purchased Software	297	**2,816**	**(128)**	**-**	**2,985**
Use Licenses	98	**1,734**	**(643)**	**-**	**1,189**
Project Four	-	**711**	**-**	**-**	**711**
Website Domain	-	**184**	**-**	**-**	**184**
	459	**5,445**	**(826)**	**-**	**5,078**

(In thousands of Brazilian reais, unless otherwise stated)

14. Intangible assets (Continued)

b) Movements in the Company's Intangible Assets (Continued)

	Parent Company				
	12/31/2019	Additions	Amortization	Transfer	12/31/2020
Development platform	300	-	(177)	-	123
Purchased Software	393	-	(72)	-	321
Gana Platform - in development (a)	-	181	-	(181)	-
	693	181	(249)	(181)	444

	Consolidated					
	12/31/2020	Additions	Acquisition of Subsidiary	Amortization	Exchange adjustment	12/31/2021
Development platform	64	**1,328**	**7,063**	**(1,319)**	**(575)**	**6,561**
Purchased Software	297	**2,815**	**-**	**(128)**	**-**	**2,984**
Use Licenses	98	**1,734**	**-**	**(643)**	**-**	**1,189**
Gana Platform (a)	3,107	**-**	**-**	**-**	**-**	**3,107**
Project Four	-	**711**	**-**	**-**	**-**	**711**
Website Domain (b)	-	**544**	**4,291**	**-**	**-**	**4,835**
Goodwill	-	**-**	**114,107**	**-**	**-**	**114,107**
Brand – Picodi	-	**-**	**24,802**	**-**	**-**	**24,802**
Brand – Melhor Plano	-	**-**	**4,380**	**-**	**-**	**4,380**
Brand – Promobit	-	**-**	**5,483**	**(177)**	**-**	**5,306**
Customer Relationship	-	**-**	**7,169**	**(266)**	**-**	**6,903**
Software	-	**-**	**2,366**	**(298)**	**-**	**2,068**
Technology	-	**-**	**7,053**	**(333)**	**-**	**6,720**
Projects under development ("R&D")	-	**337**	**-**	**-**	**-**	**337**
	3,566	**7,469**	**176,714**	**(3,164)**	**(575)**	**184,010**

	Consolidated					
	12/31/2019	Additions	Amortization	Write-offs	Exchange adjustment	12/31/2020
Development platform	300	-	(177)	-	-	123
Purchased Software	393	-	(72)	-	-	321
Gana Platform - in development (a)	-	2,929	-	(181)	-	2,748
	693	2,929	(249)	(181)	-	3,192

(a) The Gana Platform is an informative website about financial products that Meliuz S.A. started to set up in March 2020, and is a product focused on the publication of advertising materials. On July 28, 2020, the intangible assets were transferred to the subsidiary Gana through capital payment. Of the total additions in intangible assets during 2020, BRL 370 was the acquisition of intangible assets from third parties contributed by Méliuz, in Gana, and BRL 2,452 is related to the intangible assets of Mobills, former shareholder, contributed in Gana. For further details, see Note 3.

(b) The website domain refers to a domain purchased by the subsidiary Gana for use in its operations. The domain's useful life is linked to business continuity; therefore, it has an indefinite useful life.

The intangible assets with defined useful life are amortized by the straight-line method considering the consumption pattern of these rights. The Company has not identified indications of impairment of its intangible assets.

(In thousands of Brazilian reais, unless otherwise stated)

14. Intangible assets (Continued)

c) Impairment test for goodwill and other intangible assets with indefinite useful lives

Goodwill and other intangible assets with indefinite useful lives were tested for impairment as of December 31, 2021. Management has prepared an estimate of the recoverable amounts or values in use for all assets.

The impairment test for goodwill on business acquisitions comprises the determination of the recoverable amounts of the Cash-Generating Units (CGU) identified in each business. A relevant CGU identified is Picodi, whose goodwill totals BRL 78,797 and the brand BRL 24,802.

The value in use of the CGUs is calculated according to the discounted cash flow method, before taxes, adopting the following rates:

	Picodi
Pre-tax discount rate [1]	14.70%
Compound annual growth rate	16%
Perpetuity	3%

[1] CAPM Rate (Average Cost of Own Capital)

The assumptions of future cash flows and growth perspectives for the CGUs are based on the Company's annual budget and business plans for the coming years, as well as on comparable market data, representing Management's best estimate of the economic conditions prevailing during the useful economic life of the group of cash flow-generating assets. From the tests performed, the Company has not identified losses due to non-impairment of goodwill and intangible assets with an indefinite useful life.

15. Deferred income

	Parent Company and Consolidated	
	12/31/2021	12/31/2020
Assets		
Current Assets		
Receivables	**27,000**	-
Liabilities		
Current Assets		
Deferred income	**3,375**	-
Non-Current		
Deferred Income	**23,625**	-

(In thousands of Brazilian reais, unless otherwise stated)

15. Deferred Income (Continued)

Méliuz entered into an agreement with Acesso Soluções De Pagamento S.A. (“Acesso”) to implement an incentive program for portfolios of prepaid credit cards, which will be issued and managed by Acesso, for exclusive use by Méliuz (“Méliuz Cards”). To execute this scope, Acesso has negotiated with Mastercard Brasil Soluções de Pagamento Ltda. (“Mastercard”) a partnership to implement the benefit program for cards with the Mastercard flag.

On December 31, 2021, the receivables from Acesso referring to this contract are BRL 27,000 with maturity in March 2022.

Revenue will be recognized on an accrual basis over the contract term starting in January 2022.

16. Suppliers

Composition of Suppliers

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Supplier	**4,569**	672	**6,953**	673
Total	**4,569**	672	**6,953**	673
Domestic Market	**4,569**	672	**5,544**	673
Foreign Market	**-**	-	**1,409**	-

17. Labor and tax liabilities

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Labor Obligations				
Wages	**2,530**	1,574	**3,355**	1,595
Labor provisions (a)	**2,919**	1,109	**3,439**	1,115
Obligations and charges	**2,539**	863	**3,014**	876
Other Labor Obligations (b)	**3,074**	260	**3,368**	260
Total Labor Obligations	**11,062**	3,806	**13,176**	3,846
Tax Obligations				
PIS/COFINS [Program of Social Integration/Contribution for the Financing of Social Security]	**2,228**	586	**2,298**	586
Withholding Taxes	**1,458**	757	**1,711**	760
ISSQN [Tax on Services of Any Nature]	**1,091**	372	**1,150**	372
Other taxes	**29**	23	**377**	23
Total Tax Obligations	**4,806**	1,738	**5,536**	1,741
Total Labor and Tax Obligations	**15,868**	5,544	**18,712**	5,587

(a) Amount composed of vacation accruals.

(b) Amount composed of labor terminations, union contributions and consigned loans to employees.

(In thousands of Brazilian reais, unless otherwise stated)

18. Provision for cashback

Cashback represents the amount the company understands will be paid at some point to customers who have made and completed purchases of the services offered by Méliuz, according to the terms and conditions of the cashback program.

The model for measuring this value considers what will be paid to users according to descriptive statistics and historical data. The high correlation of the data is demonstrated by a regression model, which is used to predict the future costs of cashback redeemed from the moment it is confirmed to a user. In this way, the cashback amount is provisioned based on the best probability of it being redeemed in the future over the user's lifetime on Méliuz.

Of the provisioned amount, the amount requested for redemption by users, once the terms and conditions of the cashback program have been met, is settled by bank transfer. The Company reviews the statistical model every six months to adjust for the historical behavior of cashback redemptions by users.

19. Income Tax and Social Contribution

a) Income Tax and Social Contribution

The balances of income tax and social contribution recorded in current liabilities refer to taxes due by the Company subject to taxable income, opting for the annual regime.

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income Tax	**-**	-	**516**	-
Social Contribution	**-**	4	**208**	6
Total	**-**	4	**724**	6

b) Deferred Taxes

The Company has income and social contribution tax credits, constituted on balances of tax losses, negative basis of social contribution and temporary differences, at the rates of 25% and 9%, respectively, as follows:

(In thousands of Brazilian reais, unless otherwise stated)

19. Income Tax and Social Contribution (Continued)

b) Deferred Taxes (Continued)

	Parent Company	
	12/31/2021	**12/31/2020**
Temporary IRPJ/CSLL differences		
Deferred Tax Assets		
Tax loss and negative basis of CSLL	**20,646**	10,602
Present value adjustment on commercial leases	**5**	74
Depreciation of Lease	**106**	342
Allowance for doubtful accounts	**86**	85
Procedural contingencies	**34**	12
Temporary cashback difference	**11,188**	1,547
Labor provisions	**1,003**	-
Other provisions	**6,343**	305
Deferred Tax Liabilities		
Lease payments	**(129)**	(430)
Total net assets presented in the balance sheet	**39,282**	12,537

Balance at December 31, 2020	**12,537**
Effects allocated to Equity (a)	**6,631**
Effects allocated to results	**20,114**
Balance at December 31, 2021	**39,282**

(a) Tax effect of primary offering costs.

The Company expects to maintain the pace of revenue growth in the business lines in which it already operates, in addition to the exploration of new products and services. This, coupled with the scalability and the new lines of business, makes it possible to achieve this revenue growth without the need to grow at the same rate the company's main expenses and to maintain the generation of taxable income as observed in fiscal year 2020 and 2019. According to the Company's estimates, the realization of the deferred tax assets, based on the projection of generation of future taxable income, prepared by the Company's management, at December 31, 2021, is as shown in the table below:

	12/31/2021	**12/31/2021 - present value**
2022	**12,750**	11,670
2023	**917**	768
2024	**12,359**	9,478
2025	**12,560**	8,750
2026 or more	**696**	448
	39,282	**31,114**

To calculate the present value projection the basic Selic rate of 9.25% was used, according to information from the Central Bank of Brazil on December 31, 2021.

(In thousands of Brazilian reais, unless otherwise stated)

19. Income Tax and Social Contribution (Continued)

c) Reconciliation of income tax and social contribution expenses

	Parent Company	
	12/31/2021	12/31/2020
Income before IRPJ and CSLL	(57,922)	28,324
Nominal rate	34%	34%
IRPJ and CSLL credit (expense) at nominal rate	19,693	(9,630)
Adjustments in the calculation basis for determining the effective tax rate		
Net amount of permanent additions and exclusions	421	(293)
Tax incentives	-	1,328
Current income tax and social contribution	-	(3,365)
Deferred income tax and social contribution	20,114	(5,230)
IRPJ and CSLL effective rate	(34.7%)	30.35%

20. Earn-out payable

The investments made by Méliuz in Promobit, Melhor Plano and Alter, as disclosed in note 3, include earn-out installments to be paid according to the performance of the investees and amounts retained for future payments.

As of December 31, 2021, the amount estimated by the Company to be paid is as follows:

- Promobit:

  - Earn-out estimated at BRL 12,546, of which BRL 5,195 in 2023 and BRL 7,351 in 2024;
  - Retained portion of BRL 2,849 for future contingencies, duly updated in the year ended December 31, 2021, according to the contract, at BRL 2,951;

- Melhor Plano:

  - Earn-out estimated at BRL 19.358 to be paid in 2024;

  - Retained portion of BRL 481 for future contingencies, duly updated in the year ended December 31, 2021, according to the contract, by BRL 498;

20. Earn-out payable (Continued)

- Alter:
  - Earn-out estimated at BRL 1,741 to be paid in 2024;
  - Retained portion of BRL 1,068 for future contingencies, duly updated in the year ended December 31, 2021, according to the contract, in BRL 1,100.

Contingent consideration, resulting from business combinations, is valued at fair value on the acquisition date as part of the business combination. On December 31, 2021, the Company reassessed the fair value of the earn-out and recognized an adjustment of BRL 12,453 as an expense in the income statement.

21. Equity

a) Share capital

On September 1, 2020, the Company approved in an Extraordinary General Meeting, the share split, in the proportion of 1:1.35361664898736 and on October 5, 2020, it approved the share split, in the proportion of 1:13, without any change in the Company's capital. Thus, the number of shares increased from 5,283,012 to 7,151,173, and respectively to 92,965,249, all common, registered, book-entry shares with no par value.

On September 1, 2020, in an Extraordinary General Meeting, the Company's authorized Share capital was set at up to BRL 2,000,000.

On November 4, 2020, the public offering for primary and secondary distribution of common registered book-entry shares without par value, all free and clear of any liens or encumbrances, issued by the Company ("Shares"), comprised the primary distribution of 28,873,351 new Shares (including the Supplementary Shares). As a result, the Company now has 121,838,600 Shares.

On December 4, 2020, an additional 4,594,400 Shares were issued, increasing the Company's Share capital, until then represented by 121,838,600 Shares to 126,433,000 common shares, all registered, book-entry and with no par value.

On July 15, 2021, the Board of Directors approved the increase of the Company's Share capital, within the authorized capital limit.

The Company carried out a primary and secondary public offering, of common shares, registered, book-entry and without par value, issued by the Company, all

21. Shareholders' Equity (Continued)

a) Share capital (Continued)

free and clear of any liens or encumbrances (“Shares”), with restricted placement efforts (“Restricted Offering”). The Restricted Offering consists of the (i) primary public distribution of 7,500,000 new Shares (“Primary Offering”) and (ii) secondary distribution of 12,765,967 Shares issued by the Company and held by the selling shareholders (“Secondary Offering”).

Under the Primary Offering, 7,500,000 new common shares were issued, each at a value of BRL 57.00 (“Price per Share”), all registered, book-entry and with no par value.

Thus, the total amount of the capital increase is BRL 427,500 (“Capital Increase”). Thus, the Company’s Share capital increased from BRL 344,678, divided into 126,433,000 common shares, to BRL 772,178, without considering distribution costs, divided into 133,933,000 common shares.

On September 3, 2021, the Company’s Extraordinary General Meeting approved the split of all its shares, in the proportion of one (1) common share to six (6) common shares, totaling 803,598,000 common shares, without modifying the Company’s Share capital.

On December 31, 2021, the Company’s Share capital is BRL 772,178, without considering distribution costs, divided into 803,598,000 common shares.

b) Treasury Stock

The Board of Directors approved, on May 3, 2021, the acquisition of shares of the Company (“Buyback Program”) with the purpose of: (i) seeking to promote shareholder value creation through an appropriate capital structure combined with growth in results and earnings per share; and (ii) enable the delivery of shares to management and other eligible beneficiaries of the Stock-Based Compensation Plan approved at the Extraordinary General Meeting on October 5, 2020, as amended at the Extraordinary General Meetings of October 5, 2020 and April 30, 2021 (“Option Plan”). The maximum number of shares to be acquired is up to 7,442,125 common shares, representing up to 10% of the Company’s outstanding shares. The shares acquired under the Buyback Program will be held in treasury, canceled or used for the execution of the Options Plan or other plans approved by the Company's General Meeting. The maximum period for the acquisition of Company shares under the new Buyback Program will be 18 months, beginning on May 4, 2021 and ending on November 3, 2022, and it will be up to the Management to define the dates on which the buyback will be effectively executed. On August 16, 2021 a total of 591,000 shares were acquired, with disbursement of BRL 4,985, at the average price of BRL 8.43 per share, on September 21, 2021 77 shares were acquired at the average price of BRL 2.82, and on November 01, 2021 there was a new buyback of a total of 1,687,985 shares in the amount of BRL 6,004, at the average price of BRL 3.55.

21. Shareholders' Equity (Continued)

b) Treasury Stocks (Continued)

The Company’s major shareholders as of December 31, 2021 are: Israel Fernandes Salmen (13.5% of shares), Ofli Campos Guimarães (10.4% of shares) and Lucas Marques Peloso Figueiredo (2.1% of shares). The remaining shareholders total 74.0% of the shares.

c) Capital Reserve

The Company's capital reserve at December 31, 2021 is BRL (46,637), of which:

i) *Goodwill on issuance of shares*

BRL 24,532 earmarked for investment in future investments less the transaction costs of the primary issuance of the company's shares of BRL 17,483 net of taxes, which occurred in the public offering on November 4, 2020 and the transaction costs of the Restricted Offering of BRL 16,801 which occurred on July 15, 2021.

ii) *Stock Option Plan*

On February 25, 2021, the Company approved in minutes of a Board of Directors' meeting, registered at the Minas Gerais Board of Trade on March 23, 2021, in accordance with article 6, paragraph 2 of the Company’s Articles of Incorporation, the granting of 1,834,368 stock options, as per list initialed by all and filed, the said act, at the Company’s headquarters, within the scope of the SOP Plan.

On February 25, 2021, 1,784,730 of the 1,834,368 approved stock options were granted ("2021 SOP Plan").

On Monday, May 3, 2021, the Company approved in minutes of a Board of Directors' meeting, registered at the Minas Gerais Board of Trade on Tuesday, May 25, 2021, in accordance with article 6, paragraph 2 of the Company’s Articles of Incorporation, the granting of 381,066 stock options, as per list initialed by all and filed, the said act, at the Company’s headquarters, within the scope of the SOP Plan.

On Monday, June 7, 2021, the Company approved in minutes of a Board of Directors' meeting, registered at the Minas Gerais Board of Trade on Wednesday, July 21, 2021, in accordance with article 6, paragraph 2 of the Company’s Articles of Incorporation, the granting of 195,882 stock options, as per list initialed by all and filed, the said act, at the Company’s headquarters, within the scope of the SOP Plan. Additionally, the re-ratification of the stock option grant made at the RCA of February 25, 2021 was approved, to include the grant of 1,784,730 stock options distributed to 34 (thirty-four) beneficiaries, as per the list filed herein at the Company’s headquarters, in substitution of the grant of 1,834,368 stock options distributed to 36 (thirty-six) beneficiaries mentioned in the minutes of the RCA of February 25, 2021.

21. Shareholders' Equity (Continued)

c) Capital Reserves (Continued)

ii) *Stock Option Plan* (Continued)

On July 30, 2021, the Company approved in minutes of a Board of Directors' meeting the granting of 179,364 stock options, as per list initialed by all and filed, said act, at the Company's headquarters, under the SOP Plan.

On October 29, 2021, the Company approved in minutes of a Board of Directors' meeting the granting of 1,054,760 stock options, as per list initialed by all and filed, said act, at the Company's headquarters, under the SOP Plan.

On November 29, 2021, the Company approved in minutes of a Board of Directors' meeting the granting of 401,408 stock options, as per list initialed by all and filed, said act, at the Company's headquarters, under the SOP Plan.

On December 14, 2021, the Company approved in minutes of a Board of Directors' meeting the granting of 963,431 stock options, as per list initialed by all and filed, said act, at the Company's headquarters, under the SOP Plan.

The stock options can be exercised in up to 6 years from the grant date, with a vesting period of 5 years, with 30% release as from the third anniversary, 60% as from the fourth anniversary and 100% as from the fifth anniversary. Or within 3 years from the grant date, with a 1-year vesting period.

Each option will entitle the Beneficiary to acquire one (1) common share issued by the Company, at an exercise price of BRL 0.002 (two hundredths of a Real) per share.

Under the Plan, the beneficiaries will be entitled, subject to certain conditions, to acquire shares of the Company, which are equivalent to up to 2.5% of the total number of common shares issued by the Company.

(In thousands of Brazilian reais, unless otherwise stated)

21. Shareholders' Equity (Continued)

c) Capital Reserves (Continued)

ii) *Stock Option Plan* (Continued)

a) *Assumptions for recognition of stock compensation expense*

Shares are measured at fair value on the grant date and the expense is recognized in the income statement as "personnel expenses" throughout the period in which the right to exercise the option is acquired, matched against the corresponding increase in equity (in capital reserves). The fair value of the options granted was estimated using the "Binomial" options pricing model. In the following table we present the details of this information:

Assumptions	2/25/2021	5/3/2021	5/3/2021	5/17/2021	6/7/2021	7/19/2021	7/30/2021	8/2/2021	9/8/2021
Date Granted									
Total stock options granted	1,784,730	372,000	9,066	179,430	16,452	19,710	185,178	29,070	384,616
Strike Price	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002
Estimated annual volatility	81.45%	93.22%	93.22%	93.78%	94.90%	72.07%	83.25%	74.15%	76.93%
Expected dividend on shares	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Weighted average risk-free interest rate	7.13%	6.07%	7.97%	8.27%	7.96%	10.36%	8.79%	12.20%	10.60%
Maximum maturity	6 years	3 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years
Fair value at concession date	BRL 4.48	BRL 6.06	BRL 6.03	BRL 5.53	BRL 6.03	BRL 10.06	BRL 11.22	BRL 19.68	BRL 3.21

Assumptions	9/20/2021	10/11/2021	10/18/2021	11/1/2021	11/8/2021	12/6/2021	12/20/2021	12/22/2021	12/23/2021
Date Granted									
Total stock options granted	44,844	22,348	437,249	299,357	55,710	976,167	21,450	37,617	25,327
Strike Price	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002	BRL 0.002
Estimated annual volatility	76.93%	76.93%	76.93%	76.93%	76.93%	76.93%	76.93%	76.93%	76.93%
Expected dividend on shares	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
Weighted average risk-free interest rate	10.60%	10.60%	10.60%	10.60%	10.60%	10.60%	10.60%	10.60%	10.60%
Maximum maturity	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years	6 years
Fair value at concession date	BRL 3.21	BRL 3.21	BRL 3.21	BRL 3.21	BRL 3.21	BRL 3.21	BRL 3.21	BRL 3.21	BRL 3.21

(In thousands of Brazilian reais, unless otherwise stated)

21. Shareholders' Equity (Continued)

c) Capital Reserves (Continued)

ii) *Stock Option Plan* (Continued)

a) *Assumptions for recognition of stock compensation expense* (Continued)

Stock options movement

	SOP Plan 2021
Options at 12/31/2020	-
Granted	5,063,623
Exercised	72,000
Canceled	133,386
Options at 12/31/2021	**4,858,237**
Options exercisable in 2021	-
Options exercisable in 2022	264,000
Options exercisable in 2023	-
Options exercisable in 2024	1,378,220
Options exercisable in 2025	1,378,220
Options exercisable in 2026	1,837,797
Personnel expenses including charges as of 12/31/2020	-
Personnel expenses, compensation as of 12/31/2021	**4,097**
Personnel expenses, charges as of 12/31/2021	**556**

In October 2021, there was the exercise of an option grant agreement in which part was settled via equity instrument and part in cash, through the buyback of shares totaling BRL 142. Therefore, the capital reserve reflects the total grants recognized in the period BRL 4,097, less the buyback of shares, totaling BRL 3,955.

iii) Other Reserves

Corresponds to the purchase option of the remaining interest in Picodi.com's capital in the amount of BRL 40,840, as disclosed in note 3 (iii).

c) Profit Reserve

i) Proposal to absorb the 2021 loss

The Board of Directors will forward to the Annual General Meeting ("AGO"), to be held on April 29, 2022, the proposal to absorb the 2021 loss in the amount of BRL 3,405, through the profit retention reserve account.

(In thousands of Brazilian reais, unless otherwise stated)

21. Equity (Continued)

d) Other comprehensive income

Corresponds to the accumulated effect of exchange conversion from the functional currency to the original currency of the foreign subsidiary's financial statements, calculated on corporate investments held abroad and accounted for under the equity method. This accumulated effect will be reversed to income for the year as a gain or loss upon disposal or write-off of the investment. The total effect on equity for the year ended December 31, 2021 is BRL 1,241 (BRL 0 at December 31, 2020).

e) Earnings per share

i) *Basic and diluted*

Basic earnings per share is calculated by dividing the net income attributable to the Company's shareholders by the weighted average number of common shares outstanding during the year.

	12/31/2021	**12/31/2020**
Number of Shares	**803,598,000**	557,791,494
Result for the year	**(37,808)**	19,729
Basic earnings per common share (in BRL)	**(0.05)**	0.04

At December 31, 2021 the calculation of basic and diluted earnings per share remains the same, due to the loss for the year.

22. Provision for tax, civil and labor risks

a) Provision for Lawsuits

The Company is defending itself against labor, civil and tax lawsuits. Thus, surveys, evaluations and quantifications of the lawsuits were made with its legal advisors. The Company is the defendant in some civil and labor lawsuits with expectation of probable loss, which were provisioned, in the total amount of BRL 101 as of December 31, 2021 (BRL 36 as of December 31, 2020).

b) Judicial Contingent Liabilities

In addition to the provisions recorded, there are other contingent liabilities in the amount of approximately BRL 66 as of December 31, 2021 (BRL 189 as of December 31, 2020) of a civil and labor nature.

(In thousands of Brazilian reais, unless otherwise stated)

23. Net Operating Revenue

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues				
Services Provision	**249,666**	139,320	**291,288**	139,320
ISSQN on services	**(5,034)**	(2,132)	**(5,393)**	(2,132)
PIS on services	**(3,921)**	(2,104)	**(3,997)**	(2,104)
COFINS on services	**(18,059)**	(9,694)	**(18,412)**	(9,694)
Total Net Revenue	**222,652**	125,390	**263,486**	125,390

At December 31, 2021, the Company has three customers whose net revenues represented, individually, more than 10% of its total net revenues, these being BRL 72,309, BRL 31,011 and BRL 24,684. As of December 31, 2020, three customers represented BRL 31,565, BRL 15,479 and BRL 13,794.

24. Financial Income

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial Income				
Active exchange variation	**1**	20	**1**	20
Income from financial investments	**17,333**	1,255	**17,450**	1,263
Interest received	**698**	30	**838**	30
Monetary restatement	**108**	22	**108**	9
Other financial income	**1**	9	**123**	22
	18,141	1,336	**18,520**	1,344
Financial expenses				
Interest paid on late payments	**(198)**	(167)	**(241)**	(168)
Loan and financing charges	**(125)**	(965)	**(309)**	(965)
Banking expenses	**(598)**	(336)	**(663)**	(337)
Other financial expenses	**(736)**	(129)	**(786)**	(129)
	(1,657)	(1,597)	**(1,999)**	(1,599)
Financial income (a)	**16,484**	(261)	**16,521**	(255)

(a) We present, in the income statements, the net value of the Financial income.

25. Risk management and financial instruments

a) General Considerations and Policies

The Company contracts operations involving financial instruments, when applicable, all of which are registered in equity accounts, which are intended to meet its operational and financial needs.

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

a) General considerations and policies (Continued)

The management of these financial instruments is carried out by means of policies, definition of strategies, and establishment of control systems, and is monitored by the Company's management.

The treasury procedures defined by the policy in effect include monthly projection routines and assessment of the Company's currency exposure, on which management's decisions are based.

Financial Investments

In accordance with the established policy for financial investments, the Company's management elects the financial institutions with which contracts may be entered into, according to the evaluation of the credit rating of the counterparty in question, maximum percentage of exposure per institution according to the rating and maximum percentage of the bank's net equity.

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial Investments and Temporary Investments	**489,256**	329,428	**514,749**	331,207

Classification of Financial Instruments

At December 31, 2021 and December 31, 2020, there is no difference between cost and fair values, the financial instruments were summarized and classified as follows:

Parent Company

At December 31, 2021	Amortized Cost	Fair value through profit or loss	Total
Financial Assets			
Cash and Cash Equivalents	**489,256**	**-**	**489,256**
Trade accounts Receivable	**53,452**	**-**	**53,452**
Loans and contracts receivable	**18,588**	**-**	**18,588**
Loans with related parties	**4,376**	**-**	**4,376**
	565,672	**-**	**565,672**
Financial Liabilities			
Suppliers	**4,569**	**-**	**4,569**
Commercial Lease Operations	**1,501**	**-**	**1,501**
Cashback	**36,911**	**-**	**36,911**
Call Option	**-**	**41,314**	**41,314**
	42,981	**41,314**	**84,295**

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

a) General considerations and policies (Continued)

Classification of Financial Instruments (Continued)

Parent Company (Continued)

At December 31, 2020	Amortized cost	Fair value through profit or loss	Total
Financial Assets			
Cash and Cash Equivalents	329,428	-	329,428
Trade accounts Receivable	17,890	-	17,890
Temporary investments	4,000	-	4,000
Loans with related parties	63	-	63
	351,381	-	351,381
Financial Liabilities			
Suppliers	672	-	672
Commercial Lease Operations	209	-	209
Cashback	8,521	-	8,521
	9,402	-	9,402

Consolidated

At December 31, 2021	Amortized cost	Fair value through profit or loss	Total
Financial Assets			
Cash and Cash Equivalents	**514,749**	**-**	**514,749**
Trade accounts Receivable	**66,882**	**-**	**66,882**
Loans and contracts receivable	**18,588**	**-**	**18,588**
Bitcoin custody	**-**	**28,303**	**28,303**
Cryptoassets Portfolio	**-**	**106**	**106**
	600,219	**28,409**	**628,628**
Financial Liabilities			
Suppliers	**6,953**	**-**	**6,953**
Loans and financing	**457**		**457**
Commercial Lease Operations	**1,501**	**-**	**1,501**
Cashback	**36,911**	**-**	**36,911**
Bitcoin custody	**-**	**28,303**	**28,303**
Call Option	**-**	**41,314**	**41,314**
	45,822	**69,617**	**115,439**

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

a) General considerations and policies (Continued)

Classification of Financial Instruments (Continued)

Consolidated (Continued)

At December 31, 2020	Amortized cost	Fair value through profit or loss	Total
Financial Assets			
Cash and Cash Equivalents	331,207	-	331,207
Trade accounts Receivable	17,890	-	17,890
Temporary Investments	4,000	-	4,000
	353,097	-	353,097
Financial Liabilities		-	
Suppliers	673	-	673
Commercial Lease Operations	209	-	209
Cashback	8,521	-	8,521
	9,403	-	9,403

b) Financial risk management

Financial risk factors

The Company’s activities expose it to various financial risks, being: market risk (including currency and interest rate risk), credit risk and liquidity risk. The Company’s risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the Company's treasury department, and policies must be approved by the Board of Directors. The treasury identifies, evaluates and contracts financial instruments in order to protect the Company against possible financial risks, mainly arising from exchange and interest rates.

b.1) *Market Risk*

The Company is exposed to market risks arising from its business activities. These market risks mainly involve the possibility of changes in exchange and interest rates.

25. Risk Management and Financial Instruments (Continued)

b) Financial Risk Management (Continued)

Financial Risk Factors (Continued)

b.1) *Market Risk* (Continued)

i) Foreign Exchange Rate Risk

Foreign exchange rate risk refers to changes in the exchange rates of the US dollar, euro and Polish zloty that may cause the Company to incur unexpected losses, leading to a reduction in assets.

The Company has a low volume of US dollar and euro transactions, representing essentially 3.66% of revenues for the year. In addition, considering the acquisition of Picodi in February 2021, variations in the Polish zloty may affect the Company's revenue measurement.

ii) Interest Rate Risk

The Company's interest rate risk arises from short-term investments and short- and long-term loans and financing, if any. The Company's management has a policy of keeping the indexes of its exposure to asset and liability interest rates linked to floating rates. The financial investments and loans and financing are corrected by the CDI floating rate, according to agreements entered into with financial institutions.

b.2) *Credit Risk*

The credit risk is based on the concentration of revenue that the Company has of 57.49% in three customers, the remainder being spread over hundreds of end customers, with whom the Company has a direct relationship. The result of this credit management is reflected under the heading Allowance for doubtful accounts, as shown in note 5.

The Company is subject to credit risks related to the financial instruments contracted in the management of its business. It considers low the risk of not settling operations with financial institutions with which it operates, which are considered by the market as first line.

b.3) *Liquidity Risk*

Management continuously monitors the forecasts of liquidity requirements of the Company and its subsidiary to ensure that sufficient cash is available to meet operational needs, investment plans and financial obligations.

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

b) Financial Risk Management (Continued)

Financial Risk Factors (Continued)

b.3) *Liquidity Risk* (Continued)

The Company invests excess cash in financial assets bearing floating interest rates and with daily liquidity (Bank Deposit Certificates (CDBs) issued by financial institutions that comply with the investment policy approved by management).

The table below summarizes the maturity profile of the Company's consolidated financial liabilities:

Parent Company

As of December 31, 2021	**Less than 1 year**	**1 to 3 years**	**Total**
Suppliers	**4,569**	**-**	**4,569**
Cashback	**34,818**	**2,093**	**36,911**
Lease	**660**	**841**	**1,501**
Call Option	**-**	**41,314**	**41,314**
Total	**40,047**	**44,248**	**84,295**

Consolidated

As of December 31, 2021	**Less than 1 year**	**1 to 3 years**	**Total**
Suppliers	**6,953**	**-**	**6,953**
Loans and financing	**305**	**152**	**457**
Cashback	**34,818**	**2,093**	**36,911**
Lease	**660**	**841**	**1,501**
Call Option	**-**	**41,314**	**41,314**
Total	**42,736**	**44,400**	**87,136**

c) Capital Management

The Company’s businesses suggest maintaining a high amount of cash and cash equivalents in order to encourage cash outflows to meet short-term obligations, mainly cashback.

The main objectives of capital management are: (i) ensure the Company’s going concern; (ii) ensure maximization of returns on financial investments; (iii) maximize shareholder return; and (iv) ensure the Company's competitive advantage in raising funds.

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

c) Capital Management (Continued)

The Company manages its capital structure and adjusts it considering changes in economic conditions. The capital is monitored based on the Company's debt ratio, which corresponds to net debt divided by shareholders' equity, where net debt is composed of the amount of cash back plus loans and financing, if any, less cash and cash equivalents, and temporary investments.

The table below presents the company's debt ratio at December 31, 2021 and December 31, 2020:

Parent Company

	12/31/2021	12/31/2020
(-) Loans and financing	**-**	-
(-) Cash and cash equivalents	**(489,256)**	(329,428)
(-) Temporary investments	**-**	(4,000)
Net (cash) debt (exc. lease liabilities)	**(489,256)**	(333,428)
(+) Lease liabilities	**1,501**	209
Net (cash) debt	**(487,755)**	(333,219)
Equity	**678,908**	359,791
Debt ratio	**(71.8%)**	(92.6%)

Consolidated

	12/31/2021	12/31/2020
(-) Cash and cash equivalents	**(514,749)**	(331,207)
(-) Temporary investments	**-**	(4,000)
Net (cash) debt (exc. lease liabilities)	**(514,749)**	(335,207)
(+) Loans and financing	**305**	
(+) Lease liabilities	**1,501**	209
Net (cash) debt	**(512,943)**	(334,998)
Equity	**695,483**	357,484
Debt ratio	**(73.8%)**	(93.7%)

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

d) Sensitivity Analysis

The sensitivity analysis of the financial instruments was prepared under the terms of CVM Instruction 475/08, with the purpose of estimating the impact on the fair value of the financial instruments operated by the Company, considering three scenarios in the risk variable considered: most likely scenario, in the Company's evaluation; deterioration of 25% (possible adverse scenario) in the risk variable; deterioration of 50% (remote adverse scenario).

The estimates presented, being based on statistical simplifications, do not necessarily reflect the amounts ascertainable in the next financial statements. The use of different methodologies may have a material effect on the estimates presented.

Additionally, the Company must present in its sensitivity analysis of financial instruments the risks that may generate material losses directly or indirectly considering the following elements, as determined by CVM Instruction 475/08:

- The probable scenario is defined as the scenario expected by the Company's management and referenced by an independent external source;
- The possible adverse scenario considers a 25% deterioration in the main risk variable determining the fair value of the financial instruments; and
- The remote adverse scenario considers a 50% deterioration in the main risk variable determining the fair value of the financial instruments.

The probable scenario adopted by the Company is that of maintenance of market levels.

Under the Company's analysis, the financial instruments exposed to the risk of interest rate variation correspond to financial investments in CDBs and fixed-income investment funds, classified as cash equivalents and financial investments, and loans and contracts receivable.

Parent Company

	Financial Instruments 12/31/2021
CDI rate (%) Bacen	**9.15%**
Cash and Cash Equivalents	**489,256**
Loans and contracts receivable	**18,588**
Receivables from related parties	**4,376**
Amounts exposed to CDI rate variation risk	**512,220**
Possible adverse scenario (-25%)	**(11,717)**
Remote adverse scenario (-50%)	**(23,434)**

(In thousands of Brazilian reais, unless otherwise stated)

25. Risk Management and Financial Instruments (Continued)

d) Sensitivity Analysis (Continued)

Consolidated

	Financial Instruments 12/31/2021
CDI rate (%) Bacen	**9.15%**
Cash and Cash Equivalents	**514,749**
Loans and contracts receivable	**18,588**
Amounts exposed to CDI rate variation risk	**533,337**
Possible adverse scenario (-25%)	**(12,200)**
Remote adverse scenario (-50%)	**(24,400)**

26. Insurance Coverage

The insurance taken out by the company refers to insurance for trainees in the amount of BRL 10 per trainee for cases of accidental death/permanent total or partial disability and fire/lightning/explosion insurance, as well as loss of rent whose total coverage is BRL 8,000 for the branch in Manaus.

The company also has insurance for data protection and cyber liability with a maximum coverage of BRL 5,000.

The other companies in the group only have social responsibility insurance for their employees.

27. Subsequent Events

Partnership with Mastercard

On January 4, 2022, the Company announced a partnership with Mastercard Brasil Soluções de Pagamento Ltda ("Mastercard"), to offer the Méliuz account credit card with the Mastercard flag to its users.

Merger of Alter Shares

On March 10, 2022, the Company approved in minutes of a meeting of the Board of Directors, the proposal of merger by Méliuz of all shares issued by Alter Pagamento S.A. Such proposal will be submitted to the deliberation of the shareholders of Méliuz, in an Extraordinary General Meeting called for April 06, 2022.

27. Subsequent Events (Continued)

Share-Based Compensation Plan

On January 5, 2022, the Company approved in minutes of a Board of Directors' meeting the granting of 129,241 stock options.

On February 2, 2022, the Company approved in minutes of a Board of Directors' meeting the granting of 1,735,041 stock options.

Management

ANDRÉ AMARAL RIBEIRO
OFFICER

ISRAEL FERNANDES SALMEN
OFFICER

LUCAS MARQUES PELOSO FIGUEIREDO
OFFICER

LUCIANO CARDOSO VALLE
OFFICER

MICHELLE MEIRELLES FERREIRA COSTA
ACCOUNTANT - CRC/MG 107.217/O-4