

Quarterly Information - ITR

Méliuz S.A.

June 30, 2022
with Independent Auditor's Report

Méliuz S.A.

Quarterly Information - ITR

June 30, 2022

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Independent auditor's review report on quarterly information

To the Management and Shareholders of

Méliuz S.A.

Belo Horizonte - MG

Introduction

We have reviewed the individual and consolidated interim financial information of Méliuz S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2022, which comprises the statement of financial position as at June 30, 2022 and the related statements of profit or loss and of comprehensive income for the three and six-month period then ended, and of changes in equity and of cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

The executive board is responsible for the preparation of the individual interim financial information in accordance with NBC TG 21 – Interim Financial Reporting and the consolidated interim financial information in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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



Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2022, prepared under the responsibility of the Company's executive board and presented as supplementary information for the purposes of IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria provided for in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Belo Horizonte, August 15, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

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

Méliuz S.A.

Balance Sheets
June 30, 2022
(In thousands of reais)

	Notes	Parent Company		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Assets					
Current Assets					
Cash and Cash Equivalents	4.a	316,556	489,256	404,943	514,749
Accounts Receivable	5	30,207	53,452	47,357	66,882
Securities	4.b	97,025	-	371,485	-
Recoverable Taxes	6	16,884	6,867	24,151	7,732
Loans and Contracts Receivable	7	-	18,588	-	18,588
Custody of Crypto Assets	8.1	-	-	9,281	28,303
Crypto assets portfolio	8.2	-	-	95	106
Receivables from related parties	9.2	4,490	3,785	-	-
Other receivables	15	-	27,000	45	27,000
Other assets	8.2	4,864	2,981	25,490	3,756
Total current assets		470,026	601,929	882,847	667,116
Non-current assets					
Long-term receivables					
Receivables from related parties	9.2	562	591	-	-
Deferred taxes	19.b	54,135	39,282	72,303	39,282
Advances	10	4,316	4,105	-	-
Advance of earn-out	21	12,154	-	12,154	-
Other assets	8.2	4,171	4,148	4,974	4,608
Total long-term assets		75,338	48,126	89,431	43,890
Investments	11	403,262	185,892	1	1
Fixed assets	12	5,781	6,067	7,020	6,258
Lease - right of use	13	1,243	1,554	1,243	1,554
Intangible assets	14	4,401	5,078	342,502	184,010
Total non-current assets		490,025	246,717	440,197	235,713
Total assets		960,051	848,646	1,323,044	902,829

Méliuz S.A.
Balance Sheets
June 30, 2022
(In thousands of reais)

	Notes	Parent Company		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Liabilities					
Current Assets					
Suppliers	16	6,570	4,569	15,050	6,953
Loans and financing		-	-	258	305
Labor and tax liabilities	17	22,684	15,868	40,350	18,712
Income tax and social contribution payable	19	-	-	600	724
<i>Cashback</i>	18	13,511	34,818	13,511	34,818
Lease payable	13	618	660	618	660
Outstanding credits and establishments payable	20	-	-	292,151	-
Minimum dividends payable		19	21	19	21
Custody of Crypto Assets	8.1	-	-	9,281	28,303
Deferred income	15	5,749	3,375	5,749	3,375
Earn-out payable	21	5,195	-	5,195	-
Advances		38	-	16,910	-
Other liabilities		1,072	3,804	2,202	3,984
Total current liabilities		55,456	63,115	401,894	97,855
Non-current assets					
Loans and financing		-	-	-	152
Lease payable	13	542	841	542	841
<i>Cashback</i>	18	792	2,093	792	2,093
Deferred taxes		-	-	1,510	2,182
Labor and tax liabilities		1,017	556	1,049	602
Earn-out payable	21	33,221	38,194	33,221	38,194
Call option	22	41,314	41,314	41,314	41,314
Deferred income	15	37,367	23,625	37,367	23,625
Other liabilities		360	-	1,713	488
Total non-current liabilities		114,613	106,623	117,508	109,491
Net worth	22				
Share capital		920,393	772,178	920,393	772,178
Capital Reserve		(57,845)	(46,637)	(57,845)	(46,637)
Treasury Stock		-	(10,989)	-	(10,989)
Other comprehensive income		(3,852)	(1,241)	(3,852)	(1,241)
Accumulated losses		(68,714)	(34,403)	(68,714)	(34,403)
Equity attributable to controlling shareholders		789,982	678,908	789,982	678,908
Equity attributable to non-controlling shareholders		-	-	13,660	16,575
Total equity		789,982	678,908	803,642	695,483
Total liabilities and equity		960,051	848,646	1,323,044	902,829

The notes are an integral part of the interim financial statements.

Méliuz S.A.

Income Statements

Periods of three and six months ended June 30, 2022 and 2021

(In thousands of reais, except basic and diluted earnings per share)

	Notes	Parent Company				Consolidated			
		Three-month period ended on		Six-month period ended on		Three-month period ended on		Six-month period ended on	
		06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net revenues	24	59,546	43,401	136,460	92,166	79,075	54,521	169,121	106,331
Operating Expenses									
Cashback expenses		(42,659)	(24,609)	(95,348)	(45,790)	(43,698)	(24,609)	(97,204)	(45,790)
Personnel expenses		(35,758)	(9,749)	(61,500)	(16,698)	(47,454)	(12,890)	(78,145)	(20,683)
Commercial and marketing expenses		(4,289)	(9,228)	(10,123)	(15,914)	(6,057)	(10,194)	(13,370)	(17,242)
Software expenses		(6,831)	(4,607)	(12,881)	(7,026)	(7,474)	(4,852)	(14,170)	(7,381)
General and administrative expenses		(2,133)	(839)	(5,023)	(1,327)	(10,570)	(2,505)	(16,009)	(3,419)
Third-party services		(11,700)	(6,555)	(15,349)	(10,615)	(13,080)	(6,876)	(17,084)	(14,327)
Depreciation and amortization		(2,186)	(521)	(3,417)	(893)	(2,830)	(746)	(4,515)	(1,196)
Others		(1,514)	-	(666)	(12)	(2,749)	171	(2,294)	192
		(107,070)	(56,108)	(204,307)	(98,275)	(133,912)	(62,501)	(242,791)	(109,846)
Gross Profit		(47,524)	(12,707)	(67,847)	(6,109)	(54,837)	(7,980)	(73,670)	(3,515)
Equity participation results		(5,078)	1,919	(4,608)	744	9	-	9	-
Income before financial income and taxes		(52,602)	(10,788)	(72,455)	(5,365)	(54,828)	(7,980)	(73,661)	(3,515)
Financial income	25	13,485	995	23,291	1,378	15,787	902	25,534	1,329
Income before income taxes		(39,117)	(9,793)	(49,164)	(3,987)	(39,041)	(7,078)	(48,127)	(2,186)
Current and deferred income and social contribution taxes	19	11,438	3,101	14,853	1,432	10,889	2,420	13,430	545
Net income (loss) for the year		(27,679)	(6,692)	(34,311)	(2,555)	(28,152)	(4,658)	(34,697)	(1,641)
Net income (loss) for the year attributable to:									
Non-controlling shareholders		-	-	-	-	(473)	2,034	(386)	914
Controlling shareholders		-	-	-	-	(27,679)	(6,692)	(34,311)	(2,555)
Basic and diluted earnings (loss) per share (in BRL)		(0.03)	(0.05)	(0.04)	(0.00)	(0.03)	(0.04)	(0.04)	(0.01)

The notes are an integral part of the consolidated financial statements.

Méliuz S.A.

Comprehensive Income Statements

Periods of three and six months ended June 30, 2022 and 2021

(In thousands of reais)

Notes	Parent Company				Consolidated			
	Three-month period ended on		Six-month period ended on		Three-month period ended on		Six-month period ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income (loss) for the year	(27,679)	(6,692)	(34,311)	(2,555)	(28,152)	(4,658)	(34,697)	(1,641)
Other comprehensive income (loss)	487	(1,432)	(2,611)	(1,968)	915	(1,432)	(5,141)	(1,968)
Currency exchange adjustment of foreign subsidiaries	444	(1,432)	(2,654)	(1,968)	872	(1,432)	(5,184)	(1,968)
Change of participation in investment	43	-	43	-	43	-	43	-
Total comprehensive income (loss) for the period	(27,192)	(8,124)	(36,922)	(4,523)	(27,237)	(6,090)	(39,838)	(3,609)

The notes are an integral part of the interim financial statements.

Méliuz S.A.

Changes in Equity Statements Six-month period ended June 30, 2022 and 2021 (In thousands of reais)

	Share Capital	Capital Reserve			Earnings Reserve			Other comprehensive income	Accumulated earnings (loss)	Total	Non-controlling shareholders interests	Total equity
		Goodwill on issuance of shares	Options granted	Other reserves	Legal Reserve	Statutory Reserve	Treasury Stock					
Balances at December 31, 2020	344,678	7,049	-	-	986	2,419	-	-	-	355,132	2,352	357,484
Paid-up capital	-	-	-	-	-	-	-	-	-	-	14,286	14,286
Net income for the year	-	-	-	-	-	-	-	-	(2,555)	(2,555)	914	(1,641)
Options granted	-	-	968	-	-	-	-	-	-	968	-	968
Currency exchange adjustment	-	-	-	-	-	-	-	(1,968)	-	(1,968)	(1,874)	(3,842)
Balances at June 30, 2021	344,678	7,049	968	-	986	2,419	-	(1,968)	(2,555)	351,577	15,678	367,255
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
Paid-up capital	148,215	-	-	-	-	-	-	-	-	148,215	-	148,215
Capital Reserve	-	(14,430)	-	-	-	-	-	-	-	(14,430)	-	(14,430)
Result for the year	-	-	-	-	-	-	-	-	(34,311)	(34,311)	(385)	(34,696)
Options granted	-	-	3,222	-	-	-	-	-	-	3,222	-	3,222
Restricted shares granted	-	-	-	-	-	-	8,382	-	-	8,382	-	8,382
Stocks-based payment	-	-	-	-	-	-	2,607	-	-	2,607	-	2,607
Currency exchange adjustment	-	-	-	-	-	-	-	(2,654)	-	(2,654)	(2,530)	(5,184)
Change of shareholding participation	-	-	-	-	-	-	-	43	-	43	-	43
Balances at June 30, 2022	920,393	(24,182)	7,177	(40,840)	-	-	-	(3,852)	(68,714)	789,982	13,660	803,642

The notes are an integral part of the interim financial statements.

Méliuz S.A.

Cash Flows Statements Six-month period ended June 30, 2022 and 2021 (In thousands of reais)

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Operating Activities				
Income (loss) for the year before income taxes	(49,164)	(3,987)	(48,127)	(2,186)
Adjustments:				
Depreciation and amortization	3,417	893	4,515	1,196
Gain/loss on disposal of fixed assets	-	3	19	5
Allowance for doubtful accounts	74	(2)	630	(2)
Equity	4,608	(744)	(9)	-
Net income and interest	(224)	-	943	-
Employee Benefits with Shares Options	3,222	968	3,222	968
Appropriation of deferred income	(1,886)	-	(1,886)	-
Allowance for contingencies	259	-	1,145	-
Exchange Variation and Others	186	111	1,893	(1,782)
Stocks-based payment	10,989	-	10,989	-
Adjusted Result	(28,519)	(2,758)	(26,666)	(1,801)
Changes in Assets and Liabilities				
Trade accounts Receivable	23,171	2,969	51,342	404
Recoverable Taxes	(10,017)	(3,108)	(11,473)	(3,658)
Other receivables	-	-	(45)	-
Deferred income	45,000	-	27,000	-
Other assets	(1,905)	(2,709)	(14,141)	(2,883)
Receivables from related parties	-	53	-	-
Suppliers	2,001	2,953	1,096	2,955
Labor and tax liabilities	7,277	920	8,957	526
Cashback	(22,608)	292	(22,608)	292
Outstanding credits and establishments payable	-	-	(17,971)	-
Advances and other liabilities	(2,593)	356	(1,882)	(2,444)
IRPJ and CSLL paid	-	(4)	(1,945)	(231)
Payment of lease interests	(37)	(111)	(37)	(111)
Net cash generated (used) in operating activities	11,770	(1,147)	(8,373)	(6,951)
Investing activities				
Additions to Fixed Assets and Leasing	(375)	(539)	(493)	(562)
Receipt from sale of fixed assets	4	5	16	5
Acquisition of equity instruments	(34,599)	(139,130)	(34,599)	(139,130)
Cash from business combination	-	-	52,124	17,500
Acquisition of financial instruments	(97,025)	-	(90,367)	-
Additions to intangible assets	-	(1,719)	(1,127)	(2,807)
Advance of earn-out	(15,328)	-	(15,328)	-
Capital increase in subsidiary	(36,000)	(5,695)	-	-
Advance for future share capital increase	(400)	-	-	-
Acquisition of cryptocurrencies	-	-	95	-
Net cash used in investment activities	(183,723)	(147,078)	(89,679)	(124,994)
Financing activities				
Loan and lease payments	(341)	(209)	(6,569)	(796)
Receivables from related parties	(404)	-	-	-
Mandatory dividends paid	(2)	(4,349)	(2)	(4,349)
Net Cash (used in) from Financing Activities	(747)	(4,558)	(6,571)	(5,145)
Effect of exchange variation on exchange adjustment	-	-	(5,183)	-
Net change in cash and cash equivalents	(172,700)	(152,783)	(109,806)	(137,090)
Cash and Cash Equivalents				
At the beginning of the fiscal year	489,256	329,428	514,749	331,207
At the end of the fiscal year	316,556	176,645	404,943	194,117
Net change in cash and cash equivalents	(172,700)	(152,783)	(109,806)	(137,090)

The notes are an integral part of the interim financial statements.

Méliuz S.A.

Statements of Value Added
Six-month period ended June 30, 2022 and 2021
(In thousands of reais)

	Parent Company		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues				
Gross service revenues	155,131	102,969	189,600	117,305
Other revenues	1,889	5	1,955	616
Allowance for doubtful accounts	(74)	2	(628)	2
	156,946	102,976	190,927	117,923
Materials acquired from third parties				
Cashback costs	(107,385)	(50,425)	(109,241)	(50,425)
Third-party services	(26,459)	(28,185)	(31,518)	(33,226)
Infrastructure expenses	(14,522)	(7,737)	(17,852)	(8,304)
Others	(6,849)	(1,302)	(16,530)	(3,277)
	(155,215)	(87,649)	(175,141)	(95,232)
Gross value added	1,731	15,327	15,786	22,691
Depreciation and amortization	(3,417)	(893)	(4,515)	(1,196)
Net value added produced	(1,686)	14,434	11,271	21,495
Value added received in transfer	20,421	3,277	28,823	2,609
Equity accounting results	(4,608)	744	9	-
Financial income and exchange variation	25,029	2,533	28,814	2,609
Total value added to be distributed	18,735	17,711	40,094	24,104
Value added distribution				
Personnel	53,504	13,868	67,669	17,213
Direct compensation	27,167	10,293	38,242	13,104
Benefits	24,100	2,822	26,613	3,263
FGTS	2,237	753	2,814	846
Taxes, fees and contributions	(2,295)	5,210	3,485	6,921
Federal Taxes	(7,696)	3,406	(2,532)	5,042
State taxes	19	34	19	35
Municipal taxes	5,382	1,770	5,998	1,844
Remuneration of external capital	1,837	1,188	3,637	1,611
Interest	1,520	1,141	3,041	1,265
Rentals	55	18	311	310
Others	262	29	285	36
Remuneration of external capital	(34,311)	(2,555)	(34,697)	(1,641)
Income (loss) for the year	(34,311)	(2,555)	(34,311)	(2,555)
Non-controlling shareholders interest in accumulated earnings	-	-	(386)	914
Value added distributed	18,735	17,711	40,094	24,104

The notes are an integral part of the interim financial statements.

Méliuz S.A.

Explanatory Notes to the interim financial statements

June 30, 2022

(In thousands of reais, unless otherwise indicated)

1. Operational Context

a) The Company

Méliuz S.A. ("Company" or "Méliuz"), is a joint-stock, publicly-traded corporation listed on B3 S.A. (B3), under the acronym CASH3, 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 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) 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 the primary and secondary distribution, of common shares, registered, book-entry, without par value, issued by the Company ("Shares"), all free and clear of any liens or encumbrances ("Shares"), with restricted placement efforts ("Restricted Offering"), as described in Explanatory Note no. 22.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

1. Operational Context--Continued

c) 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, as described in Explanatory Note no. 22.

d) 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 capital stock. 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.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

1. Operational Context--Continued

d) Business Combination--Continued

v) *Acessopar Investimentos e Participações S.A. ("Acessopar")*

In May 2022, the Company entered into a business combination transaction, whereby it passed to hold shares representing 100% of the share capital and voting capital of Acessopar, which resulted in the Company gaining control of the investee, according to the provisions contained in Accounting Standard IFRS 10/CPC 36 - Consolidated Financial Statements, as described in Explanatory Note no. 03.

vi) *Acesso Soluções de Pagamentos S.A. ("Bankly")*

On May 30, 2022, the Company promoted the conversion of convertible loans it had with Bankly in the amount of BRL 53,187 in shareholdings, whereby it passed to hold shares representing 35.33% of the share capital and voting shares of Bankly, which resulted in the Company gaining control of the investee, according to the provisions set forth in Accounting Standard IFRS 10/CPC 36 - Consolidated Financial Statements, as described in Explanatory Note no. 03.

vii) *Méliuz Fundo de Investimento em Direitos Creditórios ("FIDC")*

On March 10, 2022, 27,500 junior subordinated quotas ("Quotas") in Méliuz Fundo de Investimento em Direitos Creditórios ("FIDC") were subscribed, a Fund organized for an undetermined term, for the specific purpose of concentrating the advance of receivables in the Bankly credit system where the capital was paid-in on June 30, 2022 in the amount of BRL 500, as described in Explanatory Note no. 03.

e) War in Ukraine

Considering Picodi's net income in Q1 2022, of BRL 8,200, we have observed a BRL 2,000 reduction in a comparison with the same period in the previous year. This reduction is explained by the variation between the periods (BRL 1,600) and by the war between Russia and Ukraine, which continues to negatively impact Picodi's results in Q2 2022 and which, considered as a whole, impacted net profit in the quarter in BRL 400 when compared with the same period in the previous year.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

1. Operational Context--Continued

e) War in Ukraine -- Continued

In conjunction, Russia, Ukraine and Belarus, countries whose operations are being the most impacted by the war, represent, as of June 30, 2022 approximately 7% of Picodi's total income, a 47% reduction compared to the approximately 13% it represented on March 31, 2022, already impacted by the war. We are continuously monitoring the effects of the war on Picodi's results and, so far, we consider there is no impact to the financial health and cash flow of the Company.

The remainder of the operation, not impacted by the war, on June 30, 2022 showed significant growth prior to foreign exchange rate effects of approximately 19% compared to the results on March 31, 2022, the foreign exchange rate variation in the same period reduced that growth to approximately 6%. This growth is mostly caused by the increase in the relevance of cashback results in Picodi's operation. On June 30, 2022, the cashback results had an approximate 127% growth compared to the period ended on March 31, 2022 before foreign exchange rate effects, provided this growth is reduced due to the foreign exchange rate effects to approximately 102% in the same period.

2. Accounting Policies

2.1. Basis of preparation and presentation of the financial statements

The interim financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board - IASB, Accounting Standard 21 (R1) - "CPC 21", which encompasses interim financial statements and the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Reporting (ITR).

These interim financial statements were prepared following principles, practices and criteria consistent with those adopted in the preparation of the financial statements of December 31, 2021.

Therefore, these interim financial statements shall be read in conjunction with the aforementioned financial statements approved by management on March 29, 2022.

Management represents that all relevant information of the interim financial statements themselves, and those alone, are being evidenced and correspond to the information used by management in its administration.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

2. Accounting Policies--Continued

2.1. Basis of preparation and presentation of the financial statements -- Continued

The Company's Board of Directors and Board of Executives have authorized the issuance of these Interim Financial Statements on August 15, 2022.

Correlation between the Explanatory Notes communicated in the Annual Financial Statements and Interim Financial Statements

Numbers of the Explanatory Notes		Title of the Explanatory Notes
06/30/2022	12/31/2021	
1	1	Operational Context
2	2	Accounting Policies
3	3	Business Combination
4	4	Cash and cash equivalents
5	5	Trade accounts Receivable
6	6	Recoverable Taxes
7	7	Loans and Contracts Receivable
8	8	Other assets
9	9	Transactions with related parties
10	10	Advances
11	11	Investments
12	12	Fixed assets
13	13	Commercial Lease Operations
14	14	Intangible assets
15	15	Deferred income
16	16	Suppliers
17	17	Labor and tax liabilities
18	18	Allowance for cashback
19	19	Income and Social Contribution taxes
20	-	Outstanding credits and establishments payable
21	20	Earn-out payable
22	21	Net worth
23	22	Provision for tax, civil and labor risks
24	23	Net Operating Revenue
25	24	Financial income
26	-	Information by segment
27	25	Risk management and financial instruments
28	26	Insurance Coverage
29	27	Subsequent Events

2.2. Statement of Value Added ("DVA")

The presentation of the Statement of Value Added ("DVA"), individual and consolidated, prepared pursuant to CPC 09, is required by Brazilian corporate legislation and by accounting practices adopted in Brazil applicable to joint-stock corporations. IFRSs does not require presentation of these statements, therefore, it is being presented as additional information, notwithstanding the group of consolidated interim financial statements.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

2. Accounting Policies--Continued

2.3. New standards issued

- Definition of the Reference Interest Rate Reform - Stage 2 (amendments of CPC 06 (R2), CPC 11, CPC 38, CPC 40 (R1) and CPC 48).

3. Business Combination

i) Acessopar

In May 30, 2022, the acquisition of Acessopar Investimentos e Participações S.A. ("Acessopar") was approved in which resulted in a business combination whereby the Company became the holder of 100% of the shares representing the Acessopar's Share capital, becoming the parent company of this investee, whose shareholding composition on June 30, 2022 is:

Shareholders	Number of Shares	Interest
Méliuz S.A. (Parent Company)	46,989,173	100%
Total	46,989,173	100%

Acessopar's corporate object is to participate in other business companies or not, national or foreign, as a partner, shareholder or quota holder.

The investment made by Méliuz was BRL136,773, with an exchange of 62,685,126 shares equivalent to BRL122,863, BRL10,737 as an adjustment installment and BRL3,174 as an 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	201
Recoverable Taxes	44
Intercompany	40
Investment	61,951
	62,236
Liabilities	
Tax Liabilities	(21)
	(21)
Total net identifiable assets at fair value	62,215
Goodwill on acquisition	74,558
Total Consideration	136,773

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

3. Business Combination

i) Acessopar -- Continued

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

	May/2022
Assets	
Current Assets	245
Non-current assets	20,349
Total assets	20,594
Liabilities	
Current liabilities	21
Non-current liabilities	-
Equity	20,573
Total liabilities and shareholders' equity	20,594
	May/2022
Net revenues	-
Operating expenses	(18,694)
Income Tax	-
Net Income	(18,694)

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures, Accessopar's financial statements have been consolidated and presented by the Company as from June 2022.

ii) Bankly

In May 30, 2022, the acquisition of Acesso Soluções de Pagamentos S.A ("Bankly") was approved, in which resulted in a business combination in which the Company became the holder of 35.33% of the shares representing Bankly's capital stock, whose shareholding composition on June 30, 2022 is:

Shareholders	Number of Shares	Interest
Méliuz S.A. (Parent Company)	848,273	35.33%
Acessopar Investimentos e Participações S.A	1,552,727	64.67%
Total	2,401,000	100%

Bankly's object is to issue, process and manage prepaid cards through the product "Meu acesso", a digital account platform for individuals and corporate entities "Acesso Bank" and "banking as a service" platform through the "Bankly" for corporate partners who wish to offer financial services to their clients, using our market structure and regulations.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

3. Business Combination

ii) Bankly--Continued

The investment made by Méliuz was BRL 53,187, acquired via conversion of loan shares. The purchase price was preliminarily allocated according to the table below:

	<u>Fair value recognized on acquisition</u>
Assets	
Cash and Cash Equivalents	333,041
Customer Assets	16,103
Balance receivable from Mastercard	18,000
Recoverable Taxes	5,130
Deferred taxes	18,168
Prepaid expenses	3,451
User licenses to appropriate	3,332
Court deposits	829
Fixed assets	1,425
Intangible assets	67,906
	<u>467,385</u>
Liabilities	
Loans and financing	(5,392)
Various creditors	(15,051)
Advance from Customers	(4,748)
Accounts Receivable (to be processed)	(7,278)
Custody	(20,000)
Accounts Payable - Non-Operational	(18,000)
Labor and tax liabilities	(9,653)
Other liabilities	(291,461)
	<u>(371,583)</u>
Total net identifiable assets at fair value	<u>95,802</u>
Goodwill on acquisition	19,337
Total consideration (35.33%)	<u>53,187</u>

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

	<u>May/2022</u>
Assets	
Current Assets	398,054
Non-current assets	4,936
Total assets	<u>402,990</u>
Liabilities	
Current liabilities	371,584
Non-current liabilities	-
Equity	31,406
Total liabilities and shareholders' equity	<u>402,990</u>

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

3. Business Combination

ii) Bankly--Continued

	<u>May/2022</u>
Net revenues	43,579
Operating Expenses	(72,478)
Income Tax	-
Net Income	(28,899)

In accordance with CPC 18 (R2) - Investment in Affiliates, Subsidiaries and Joint Ventures, Bankly's financial statements were consolidated and presented by the Company as of June 2022.

iii) Méliuz Fundo de Investimento em Direitos Creditórios ("FIDC")

For the investment fund (FIDC) the concept of full consolidation was applied, which addresses investments in subsidiaries to recognize all their assets, liabilities, income and expenses in the parent company. Changes in equity interest in investments in subsidiaries that do not result in loss of control are accounted for as an equity transaction between partners, and any difference between the amount by which the non-controlling interest has been adjusted and the fair value of the amount received or paid is recognized directly in equity attributable to the owners of the parent company.

<u>Shareholders</u>	<u>Number of Shares</u>	<u>Interest</u>
Meliuz S.A. (Parent Company)	27,500	100%
Total	27,500	100%

4. Financial Instruments

a) Cash and cash equivalents

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>06/30/2022</u>	<u>12/31/2021</u>	<u>06/30/2022</u>	<u>12/31/2021</u>
Cash and Banks	3,792	11,081	56,555	33,131
Financial investments (a)	312,764	478,175	348,388	481,618
Total	316,556	489,256	404,943	514,749

- (a) The Company has cash equivalents referring to fixed income financial investments indexed to the variation of 102% to 107% of the Interbank Deposit Certificates ("CDIs"), which can be redeemed within 90 days with the issuer of the instrument without losing the contracted yield.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

4. Financial Instruments--Continued

b) Bonds and Securities

	Parent Company	Consolidated
	06/30/2022	06/30/2022
Financial investments (a)	97,025	97,425
Public Bonds (b)	-	273,022
Subordinated Financial Bills (c)	-	1,038
Total	97,025	371,485

- (a) Financial investments in CDI with fixed redemption terms greater than 90 days, indexed to the variation of 90% to 110% of the Interbank Deposit Certificates ("CDIs").
- (b) Amounts referring to Financial Treasury Bonds (LFT). Given that the LFT balances are used to guarantee the balance of customers for prepaid electronic money transactions, see note 20.
- (c) On October 20, 2020, Acesso filed an application with the Central Bank to open a SCD (Direct Credit Entity). Pursuant to Article 29, item II of Resolution 4,656/18; Article 2, item II of Circular Letter 3.898/18, a deposit of BRL 1,012 was made at BACEN (LFT) to comply with process requirements. This amount will be paid into Bankly SCD's capital when the Central Bank [Bacen] authorizes the entity's operation. In June 2022, the balance is BRL 1,038, given the maturity of the paper during the year.

The Company's exposure to interest rate risks and the sensitivity analysis for financial assets and liabilities are disclosed in Note no. 25.

5. Trade accounts Receivable

a) Composition of accounts receivable

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Accounts Receivable	30,534	53,705	51,083	68,205
Allowance for doubtful accounts	(327)	(253)	(3,726)	(1,323)
Total	30,207	53,452	47,357	66,882

b) Composition of customer balances by maturity

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Amounts to fall due	28,808	40,733	43,897	54,437
Amounts past due				
From 01 to 60 days	905	12,601	3,310	13,207
From 61 to 90 days	161	118	1,035	160
From 91 to 120 days	10	-	437	3
From 121 to 180 days	322	-	1,054	61
More than 180 days	328	253	1,350	337
Total	30,534	53,705	51,083	68,205

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

5. Trade accounts Receivable--Continued

c) Movement of the allowance for doubtful accounts

	Parent Company	Consolidated
Balance at December 31, 2020	253	253
Acquisition of subsidiary	-	42
Constitutions	-	1,028
Balance at December 31, 2021	253	1,323
Balance at December 31, 2021	253	1,323
Acquisition of subsidiaries	-	1,940
Constitutions	74	630
Write-offs	-	-
Foreign Exchange Rate Variation (a)	-	(167)
Balance at June 30, 2022	327	3,726

(a) Refers to the difference in the consolidation exchange rate of subsidiaries in a functional currency other than the Brazilian real.

6. Recoverable Taxes

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Income tax and social contribution (*)	3,116	2,171	3,478	2,212
Withholding income tax and income tax credit balances				
(b)	11,588	4,649	16,660	4,660
PIS and COFINS recoverable (c)	864	-	931	5
Other recoverable taxes	1,316	47	3,082	855
Total	16,884	6,867	24,151	7,732

(a) Refer to amounts overpaid for income tax and social contribution.

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

(c) PIS and COFINS credits from invoices and cashback paid.

7. Loans and Contracts Receivable

On December 31, 2021, the balance of loans convertible into equity with Bankly was BRL18,588. In the period there were new loans and on May 30, 2022 the balance reached BRL 53,187.

At the Extraordinary Meeting of Shareholders held on May 30, 2022, the conversion of loans made to Acesso Soluções de Pagamento S.A. ("Bankly"), into a capital increase was approved, see note no. 11.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

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 June 30, 2022, the custody of cryptocurrency is BRL 9,281, 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 June 30, 2022, the company's own portfolio of assets totals BRL95, of which BRL60 is the negative price variation in the period, recorded in the Income Statement.

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.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

8. Other assets--Continued

8.2. Other assets

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Advanced Expenses (a)	4,086	2,737	8,435	3,611
Procedural Assets (b)	1,122	1,122	1,122	1,122
Contractual Surety (c)	3,003	3,003	3,003	3,003
Other accounts Receivable (d)	417	18	10,246	133
Advances (e)	360	226	7,114	430
Others	47	23	544	65
	9,035	7,129	30,464	8,364
Current Assets	4,864	2,981	25,490	3,756
Non-current assets	4,171	4,148	4,974	4,608

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

(b) 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.

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

(d) In the parent company, they refer to amounts receivable related to the FIDC, and in the consolidated to Bankly credit bills.

(e) Refers to labor advances, suppliers and advances for Bankly credit operations.

9. Transactions with related parties

9.1. Transactions

Intercompany Transactions refer to the apportionment of expenses, loan agreements and advances for future capital increase (AFAC).

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 9.2).

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

9. Transactions with related parties--Continued

9.2. Loan Agreements

Loan Agreements were signed with Alter as shown in the table below:

Signing date	Payment Date	Amount	IOF	Interest	Contract
08/06/2021	03/31/2022	3,361	39	263	1 st Contract
12/23/2021	12/28/2021	885	12	66	2 nd Contract
02/25/2022	03/02/2022	400	5	21	3 rd Contract
		4,646	56	350	

Conditions of Loan contracts:

- Interest: for the 1st Contract on the value of the Loan interest referring to 100% of the Interbank Deposit Certificate rate - CDI will apply, while for the 2nd and 3rd Contracts on the value of the Loan interest will apply referring to the Interbank Deposit Certificate rate - CDI plus 4% (four percent) per year.
- Maturity: Amended via addendum, the 1st and 3rd Loan Contracts, maturity will be on December 31, 2022. And the maturity of the Loan will occur within 36 (thirty-six) months following 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 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, in October 2021, the approval of 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).

The amounts already made available to Alter until June 30, 2022 amount to BRL 5,052, updated in accordance with the contract, of which BRL 4,702 is principal and BRL 350 is interest.

9.3. Remuneration of Key Management Personnel

Key management personnel include statutory officers, whose remuneration paid in the year ended June 30, 2022 was BRL 1,174 (BRL 946 in the year ended June 30, 2021).

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

9. Transactions with related parties--Continued

9.3. Remuneration of Key Management Personnel--Continuação

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.

9.4. Advance for future capital increase (AFAC)

On April 24, 2022, an advance was made for a future capital increase of the subsidiary Alter Pagamentos S.A. in the amount of BRL 400, the capitalization will take place on a date no later than the holding of the Company's next general meeting or within a maximum period of 120 (one hundred and twenty) days, whichever event is the earliest.

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 June 30, 2022, these convertible loans purchased by Méliuz represent BRL 4.316.

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

11. Investments

a) The equity interests are summarized below

Investee	Interest	Parent Company			
		06/30/2022		12/31/2021	
		Interest	Investment	Interest	Investment
Gana Internet S.A.	Subsidiary	100%	3,915	100%	4,040
Picodi.com S.A.	Subsidiary	51.2%	118,091	51.2%	120,993
Melhor Plano Internet Ltda.	Subsidiary	100%	27,394	100%	28,136
Promobit Serviços de Tecnologia Digital Ltda.	Subsidiary	100%	21,706	100%	20,548
Alter Pagamentos Ltda. (a)	Subsidiary	85.8%	11,031	100%	12,175
Acesso Soluções de Pagamento S.A. ("Bankly")	Subsidiary	47.81%	72,155	-	-
Acessopar Investimentos Participações S.A. ("Acessopar")	Subsidiary	100%	148,970	-	-
Méliuz Fundo de Investimento em Direitos Creditórios	Subsidiary	100%	417	-	-

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

11. Investments--Continued

a) The equity interests are summarized below--Continued

- (a) In the second half of 2022, some investor contracts were converted into the crowdfunding format present in the acquisition of Alter Pagamentos Ltda. This conversion diluted Méliuz's share by 14.2%. The new partners are several dispersed investors, none of whom control the company.
- (b) In the Consolidated, Acessopar Investimentos Participações S.A. holds a 52.19% stake in Bankly. As Méliuz is the parent company of Acessopar, Bankly fully controls the Company.

Investee	Interest	Consolidated 06/30/2022	
		Interest	Investment
Upsight Ltda (a)	Indirect Subsidiary	99.99%	1
Ceiba distribuidora e comercio Ltda (a)	Indirect Subsidiary	99.99%	1

- (a) Bankly holds 99.99% of the equity interest in Upsight Ltda. and Ceiba Distribuidora e Comércio Ltda., therefore, Méliuz is their indirect parent company.

b) Equity equivalence on June 30, 2022

Investee	Parent Company			
	Three-month period		Six-month period	
	Profit & loss in the period	Equity	Profit & loss in the period	Equity
Gana Internet S.A. (a)	26	26	(125)	(125)
Picodi.com S.A.	(663)	(339)	(485)	(248)
Melhor Plano Internet Ltda. (b)	(259)	(259)	(505)	(505)
Promobit Serviços de Tecnologia Digital Ltda. (b)	(168)	(168)	1,181	1,181
Alter Pagamentos Ltda. (b)	(473)	(406)	(1,046)	(898)
Acessopar Investimentos e Participações S.A. (c)	(2,138)	(2,138)	(2,138)	(2,138)
Acesso Soluções de Pagamentos S.A.(d)	(3,920)	(1,875)	(3,920)	(1,875)
Total as of June 30, 2022	(7,595)	(5,159)	(7,038)	(4,608)

- (a) Until September 10, 2021, Méliuz held a 50% stake in Gana Internet S.A., whereupon it became 100%.
- (b) The companies Melhor Plano, Promobit and Alter were acquired on May 13, 2021, May 12, 2021 and July 30, 2021, respectively. In the second half, there was a change in Méliuz's stake in Alter after converting some contracts convertible into equity.
- (c) Acessopar was acquired on May 30, 2022.
- (d) Bankly was acquired on May 30, 2022.

Investee	Consolidated			
	Three-month period		Six-month period	
	Profit & loss in the period	Equity	Profit & loss in the period	Equity
Upsight Ltda.	39	39	39	39
Ceiba distribuidora e comercio Ltda.	(30)	(30)	(30)	(30)

c) Investment fund results as of June 30, 2022

Investee	Three-month period		Six-month period	
	Profit & loss in the period	Equity	Profit & loss in the period	Financial income
Méliuz Fundo de Investimento em Direitos Creditórios	(83)	(83)	(83)	(83)
Total as of June 30, 2022	(83)	(83)	(83)	(83)

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

11. Investments--Continued

d) Changes in permanent investment

Investee	Permanent Investment	Acquisition of interest	Equity	Capital gain amortization	Amortization	Exchange adjustment	Change of shareholding	Increase of Share Capital	AFAC	Permanent Investment
	12/31/2021				Adjustment Laudo PPA (b)					06/30/2022
Gana Internet S.A.	4,040	-	(125)	-	-	-	-	-	-	3,915
Picodi.com S.A. (a)	120,993	-	(248)	-	-	(2,654)	-	-	-	118,091
Melhor Plano Internet Ltda.	28,136	-	(505)	(237)	-	-	-	-	-	27,394
Promobit Serviços de Tecnologia Digital Ltda. (b)	20,548	-	1,181	(200)	177	-	-	-	-	21,706
Alter Pagamentos Ltda.	12,175	-	(898)	(689)	-	-	43	-	400	11,031
Bankly (c)	-	53,187	(1,875)	(290)	-	-	(14,867)	36,000	-	72,155
Acessopar Investimentos e Participações S.A.	-	136,774	(2,138)	(533)	-	-	14,867	-	-	148,970
Total	185,892	189,961	(4,608)	(1,949)	177	(2,654)	43	36,000	400	403,262

- (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 2,654 on June 30, 2022.
- (b) Pursuant to CPC 15 (R1) - Business Combination, the acquirer has up to one year to reflect any incomplete information or correct the amounts recorded for the acquisitions. The useful life of the Brand - Promobit was changed in the Allocation Report of the price paid to indefinite, with BRL 177 being reversed from the amortization accumulated up to that period.
- (c) On June 3, 2022, Méliuz increased the share capital in BRL 36,000, which increased Méliuz's stake after the acquisition, from the initial 35.33% to 47.81%.

d) Composition of the balance sheet and results of investees at June 30, 2022

Balance Sheet	Gana	Picodi	Promobit	Melhor Plano	Alter	Bankly	Acessopar	FIDC
	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022
Total assets	4,428	33,554	4,475	7,710	10,534	393,848	33,374	448
Total Liabilities	(514)	(5,261)	(2,173)	(1,488)	(18,806)	(330,362)	(72)	(31)
Total shareholders' equity	(3,914)	(28,293)	(2,302)	(6,222)	8,272	(63,486)	(33,302)	(417)
Profit & loss in the period*	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022	06/30/2022
Net Revenues	1,517	12,372	5,755	4,326	1,324	7,353	-	15
Operating Expenses	(1,653)	(12,989)	(3,914)	(4,399)	(1,769)	(13,565)	(2,139)	(98)
Financial income	11	146	3	101	(387)	2,292	1	
Income before taxes	(125)	(471)	1,844	28	(832)	(3,920)	(2,138)	(83)
Current and deferred income and social contribution taxes	-	(14)	(663)	(533)	(214)	-	-	-
Income (loss) for the year	(125)	(485)	1,181	(505)	(1,046)	(3,920)	(2,138)	(83)

* Income from investees from the date of acquisition to the base date of the quarterly information.

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 no.14.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

12. Fixed assets

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

	Depreciation rates p.a.	Parent Company		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Computers and peripherals	20%	6,113	5,784	8,953	5,977
Furniture and utensils (a)	10%/20%	359	359	536	399
Electronic Equipment	20%	455	428	471	428
Improvements in third party properties	4%	979	980	979	980
Installations	10%	146	147	146	147
Total Cost		8,052	7,698	11,085	7,931
Computers and peripherals	20%	(1,740)	(1,186)	(3,406)	(1,205)
Furniture and utensils	10%	(160)	(142)	(275)	(165)
Electronic Equipment	20%	(203)	(161)	(217)	(161)
Improvements in third party properties	4%	(115)	(95)	(114)	(95)
Installations	10%	(53)	(47)	(53)	(47)
Accumulated depreciation		(2,271)	(1,631)	(4,065)	(1,673)
Total net fixed assets		5,781	6,067	7,020	6,258

(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				06/30/2022
	12/31/2021	Additions	Depreciation	Write-off	
Computers and peripherals	4,598	345	(570)	-	4,373
Furniture and utensils	217	-	(18)	-	199
Electronic Equipment	267	27	(42)	-	252
Improvements in third party properties	885	-	(21)	-	864
Installations	100	-	(7)	-	93
	6,067	372	(658)	-	5,781

	Consolidated						06/30/2022
	12/31/2021	Additions	Acquisition of subsidiary	Depreciation	Foreign exchange rate differences	Write-off	
Computers and peripherals	4,772	385	1,015	(622)	(3)	-	5,547
Furniture and utensils	234	-	85	(29)	(26)	(3)	261
Electronic Equipment	267	29	-	(42)	-	-	254
Improvements in third party properties	885	-	7	(21)	(6)	-	865
Installations	100	-	-	(7)	-	-	93
	6,258	414	1,107	(721)	(35)	(3)	7,020

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

12. Fixed Assets--Continued

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

	Parent Company				06/30/2021
	12/31/2020	Additions	Depreciation	Write-off	
Computers and peripherals	1,304	539	(233)	(5)	1,605
Furniture and utensils	271	-	(18)	-	253
Electronic Equipment	271	-	(46)	-	225
Improvements in third party properties	924	-	(20)	-	904
Installations	118	-	(7)	(3)	108
	<u>2,888</u>	<u>539</u>	<u>(324)</u>	<u>(8)</u>	<u>3,095</u>

	Consolidated						06/30/2021
	12/31/2020	Additions	Acquisition of subsidiary	Depreciation	Foreign exchange rate difference	Write-off	
Computers and peripherals	1,304	562	5	(234)	-	(7)	1,630
Furniture and utensils	271	-	50	(29)	(5)	-	287
Electronic Equipment	271	-	-	(46)	-	-	225
Improvements in third party properties	924	-	-	(20)	-	-	904
Installations	118	-	-	(7)	-	(3)	108
	<u>2,888</u>	<u>562</u>	<u>55</u>	<u>(336)</u>	<u>(5)</u>	<u>(10)</u>	<u>3,154</u>

As of June 30, 2022, 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.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

13. Commercial Lease Operations--Continued

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.

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

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Lease - right of use	3,114	3,114	3,192	3,114
Depreciation of Commercial Leasing	(1,871)	(1,560)	(1,949)	(1,560)
Total	1,243	1,554	1,243	1,554

b) *Movement of the Lease - Right of Use*

	Parent Company	Consolidated
	Properties	
Balance at December 31, 2020	250	-
Depreciation of Lease	(250)	-
Balance at June 30, 2021	-	-
Balance at December 31, 2021	1,554	1,554
Addition (Acquisition of subsidiary)	-	78
Depreciation of Lease	(311)	(389)
Balance on June 30, 2022	1,243	1,243

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.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

13. Commercial Lease Operations--Continued

Liabilities--Continued

a) *Lease Payable*--Continued

	Parent Company	Consolidated
	Properties	
Balance at December 31, 2020	209	-
Finance charges	111	-
Principal payments made	(209)	-
Financial charges paid	(111)	-
Balance at June 30, 2021	-	-
Balance at December 31, 2021	1,501	1,501
Addition (Acquisition of subsidiary)	-	80
Finance charges	37	38
Principal payments made	(341)	(421)
Financial charges paid	(37)	(38)
Balance at June 30, 2022	1,160	1,160
Short-term	618	618
Long-term	542	542

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.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

14. Intangible assets

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

	Amortization rates p.a.	Parent Company		Consolidated	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Development platform	20%/25%/50%	1,282	1,282	6,855	7,834
Purchased Software	20%	3,295	3,295	3,691	3,295
Use Licenses	100%	1,855	1,855	7,431	1,855
Gana Platform (a)	-	-	-	3,107	3,107
Website domain (a)	-	184	184	711	4,835
Project Four	-	711	711	4,835	711
Goodwill (b)	-	-	-	208,001	114,107
Brand - Picodi (a)	-	-	-	24,802	24,802
Brand - Melhor Plano (a)	-	-	-	4,380	4,380
Brand - Promobit (a)	-	-	-	5,483	5,483
Customer Relationship	6.02%/9.26%	-	-	7,169	7,169
Software	20%/21.82%	-	-	31,274	2,366
Technology	18.87%	-	-	7,053	7,053
Contract Portfolio - Bankly	17.91%	-	-	12,689	-
Contract Portfolio - Card	17.91%	-	-	8,555	-
Operating License (a)	-	-	-	14,241	-
Projects under development ("R&D")	-	-	-	1,413	337
Total Cost		7,327	7,327	351,690	187,334
Development platform	20%	(1,282)	(1,273)	(2,114)	(1,273)
Purchased Software	20%	(640)	(310)	(831)	(311)
Use Licenses	100%	(1,004)	(666)	(3,397)	(666)
Brand – Promobit	-	-	-	-	(177)
Customer Relationship	6.02%/9.26%	-	-	(490)	(266)
Software	20%/21.82%	-	-	(1,047)	(298)
Technology	18.87%	-	-	(998)	(333)
Contract Portfolio - Bankly	17.91%	-	-	(186)	-
Contract Portfolio - Card	17.91%	-	-	(125)	-
Accumulated Amortization		(2,926)	(2,249)	(9,188)	(3,324)
Total net intangible assets		4,401	5,078	342,502	184,010

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

(b) Goodwill generated in the acquisitions of subsidiaries, of which BRL 78,797 from Picodi, BRL 7,716 from Promobit, BRL 14,961 from Melhor Plano, BRL 12,633 from Alter, BRL 19,337 from Bankly and BRL 74,558 from Acessopar.

b) Changes in the Company's Intangible Assets

	12/31/2021	Parent Company			06/30/2022
		Additions	Amortization	Write-off	
Development platform	9	-	(9)	-	-
Purchased Software	2,985	-	(330)	-	2,655
Use Licenses	1,189	-	(338)	-	851
Project Four	711	-	-	-	711
Website Domain	184	-	-	-	184
	5,078	-	(677)	-	4,401

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

14. Intangible assets--Continued

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

	Parent Company				
	12/31/2020	Additions	Amortization	Transfer	06/30/2021
Development platform	64	-	(27)	-	37
Purchased Software	297	-	(48)	-	249
Use Licenses	98	1,576	(244)	-	1,430
Project Four	-	143	-	-	143
	459	1,719	(319)	-	1,859

	Consolidated					
	12/31/2021	Additions	Acquisition of Subsidiary	Amortization	Exchange adjustment	06/30/2022
Development platform	6,561	-	-	(841)	(979)	4,741
Purchased Software	2,984	-	62	(186)	-	2,860
Use Licenses	1,189	-	3,449	(604)	-	4,034
Gana Platform (a)	3,107	-	-	-	-	3,107
Project Four	711	-	-	-	-	711
Website Domain (b)	4,835	-	-	-	-	4,835
Goodwill	114,107	-	93,894	-	-	208,001
Brand – Picodi	24,802	-	-	-	-	24,802
Brand – Melhor Plano	4,380	-	-	-	-	4,380
Brand - Promobit (c)	5,306	-	-	177	-	5,483
Customer Relationship	6,903	-	-	(224)	-	6,679
Software	2,068	-	28,911	(752)	-	30,227
Technology	6,720	-	-	(665)	-	6,055
Contract Portfolio - Bankly	-	-	12,689	(186)	-	12,503
Contract Portfolio - Card	-	-	8,555	(125)	-	8,430
Operating License	-	-	14,241	-	-	14,241
Projects under development ("P&D")	337	1,127	-	-	(51)	1,413
	184,010	1,127	161,801	(3,406)	(1,030)	342,502

	Consolidated					
	12/31/2020	Additions	Acquisition of Subsidiary	Amortization	Exchange adjustment	06/30/2021
Development platform	64	-	2,361	(318)	(274)	1,833
Purchased Software	297	-	-	(48)	-	249
Gana Platform (a)	3,107	-	-	-	-	3,107
Use Licenses	98	1,576	-	(244)	-	1,430
Project Four	-	143	-	-	-	143
Website Domain (b)	-	360	4,291	-	-	4,651
Goodwill	-	-	111,991	-	-	111,991
Brand – Picodi	-	-	24,802	-	-	24,802
Brand – Melhor Plano	-	-	9,505	-	-	9,505
Brand – Promobit	-	-	5,508	-	-	5,508
Customer Relationship	-	-	4,288	-	-	4,288
Software	-	-	1,545	-	-	1,545
Projects under development ("R&D")	-	728	4,702	-	(589)	4,841
	3,566	2,807	168,993	(610)	(863)	173,893

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

14. Intangible assets--Continued

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

- (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.
- (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.
- (c) Pursuant to CPC 15 (R1) - Business Combination, the acquirer has up to one year to reflect any incomplete information or correct the amounts recorded for the acquisitions. The useful life of the Brand - Promobit was changed in the price allocation report paid to indefinite, with BRL 177 being reversed from the accumulated amortization up to the period.

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.

15. Deferred income

	Parent Company and Consolidated	
	06/30/2022	12/31/2021
Assets		
Current Assets		
Receivables	-	27,000
Liabilities		
Current Assets		
Deferred income	5,749	3,375
Non-Current		
Deferred income	37,367	23,625

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

Revenue will be recognized on an accrual basis over the contract term starting in January 2022. Until June 30, 2022, BRL 1,885 were recognized.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

16. Suppliers

Composition of Suppliers

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Supplier	6,570	4,569	15,050	6,953
Total	6,570	4,569	15,050	6,953
Domestic Market	6,570	4,569	13,133	5,544
Foreign Market	-	-	1,917	1,409

17. Labor and tax liabilities

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Labor Obligations				
Wages	2,774	2,530	3,740	3,355
Labor provisions (a)	5,897	2,919	10,840	3,439
Obligations and charges	4,484	2,539	9,260	3,014
Other Labor Obligations (b)	6,242	3,074	9,673	3,368
Total Labor Obligations	19,397	11,062	33,513	13,176
Tax Obligations				
PIS/COFINS [Program of Social Integration/Contribution for the Financing of Social Security]	-		411	
Withholding Taxes	2,407	1,458	3,718	1,711
ISSQN [Tax on Services of Any Nature]	864	1,091	2,277	1,150
Other taxes	16	29	431	377
Total Tax Obligations	3,287	4,806	6,837	5,536
Total Labor and Tax Obligations	22,684	15,868	40,350	18,712

(a) Amount composed of provision for vacation pay and 13th wage.

(b) Amount composed of severance pay, union contributions, provision of bonuses for target and payday loans to employees.

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.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

18. Allowance for *cashback*--Continuation

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 and Social Contribution taxes

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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Income Tax	-	-	424	516
Social Contribution	-	-	176	208
Total	-	-	600	724

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:

	Parent Company		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Temporary IRPJ/CSLL differences				
Deferred Tax Assets				
Tax loss and negative basis of CSLL	40,326	20,646	58,494	20,646
Present value adjustment on commercial leases	17	5	17	5
Depreciation of Lease	211	106	211	106
Allowance for doubtful accounts	-	86	-	86
Procedural contingencies	122	34	122	34
Temporary cashback difference	3,456	11,188	3,456	11,188
Labor provisions	2,064	1,003	2,064	1,003
Other provisions	8,196	6,343	8,196	6,343
Deferred Tax Liabilities				
Lease payments	(257)	(129)	(257)	(129)
Total net assets presented in the balance sheet	54,135	39,282	72,303	39,282
Balance at December 31, 2021	39,282		39,282	
Acquisition of subsidiary	-		18,168	
Effects allocated to results	14,853		14,853	
Balance at June 30, 2022	54,135		72,303	

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

19. Income Tax and Social Contribution--Continued

c) Reconciliation of income tax and social contribution expenses

	Parent Company			
	Three-month period ended on		Six-month period ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income before IRPJ and CSLL	(39,117)	(9,793)	(49,164)	(3,987)
Nominal rate	34.00%	34.00%	34.00%	34.00%
IRPJ and CSLL credit (expense) at nominal rate	13,300	3,330	16,716	1,356
Adjustments in the calculation basis for determining the effective tax rate				
Net amount of permanent additions and exclusions	(1,862)	510	(1,863)	76
Tax incentives	-	(739)	-	-
Current income tax and social contribution	-	754	-	-
Deferred income tax and social contribution	11,438	2,347	14,853	1,432
IRPJ and CSLL effective rate	29.2%	31.67%	30.2%	35.92%
	Consolidated			
	Three-month period ended on		Six-month period ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income before IRPJ and CSLL	(39,041)	(7,078)	(48,127)	(2,186)
Nominal rate	34.00%	34.00%	34.00%	34.00%
IRPJ and CSLL credit (expense) at nominal rate	13,274	2,406	16,363	743
Adjustments in the calculation basis for determining the effective tax rate				
Net amount of permanent additions and exclusions	(2,385)	753	(2,933)	(198)
Tax incentives	-	(739)	-	-
Current income tax and social contribution	(549)	73	(1,423)	(887)
Deferred income tax and social contribution	11,438	2,347	14,853	1,432
IRPJ and CSLL effective rate	27.9%	34.2%	27.9%	24.9%

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

20. Outstanding credits and establishments payable

	Consolidated 06/30/2022
Prepaid cards credit values (i)	107,849
Payment schedule for acquirers (ii)	73,871
Other amounts under custody (iii)	110,431
Total	292,151

- (i) The balance available in payment accounts managed by Bankly basically comprises amounts owed to holders of prepaid cards issued by Bankly;
- (ii) Open transactions carried out by payment accounts comprise the amounts transacted by holders of prepaid cards issued by Bankly to be settled with the acquisition network of these transactions ("payment schedule for acquirers");
- (iii) Balance available in payment accounts managed by the Company, amounts to be returned by canceled, blocked, unidentified accounts, as well as amounts from international operations transacted by payment accounts to be settled.

The balances of outstanding credits and payables are from the operation of the subsidiary Bankly, as their acquisition was on May 30, 2022, there is no consolidated comparison for December 31, 2021.

21. Earn-out payable

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

As of June 30, 2022, the amount estimated by the Company to be paid is as follows:

- Promobit:
 - Earn-out estimated in 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 according to CDI, at BRL 261, totaling BRL 3,110 in the period ended June 30, 2022;
- Melhor Plano:
 - Earn-out estimated at BRL 19.358 to be paid in 2024;
 - Retained portion of BRL 481 for future contingencies, duly updated according to CDI, at BRL 44, totaling in the period ended June 30, 2022 BRL 525;

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

21. Earn-out payable--Continued

- Alter:
 - Earn-out estimated at BRL 1,741 to be paid in 2025;
 - Retained portion of BRL 1,068 for future contingencies, duly updated according to IPCA, at BRL 67, totaling in the period ended June 30, 2022, BRL 1,135;
- Acessopar:
 - Earn-out estimated at BRL 3,174 to be paid in 2025; On May 30, 2022, an earn-out advance of BRL 15,328 was recognized. As of June 30, 2022, the anticipated earn-out balance is BRL12,154.

The amount paid in advance was calculated prior to the amount payable by the fair value allocation report.

According to the signed agreement, if the amount owed by Méliuz is higher than the adjusted Earn Out Advance, the balance calculated must be paid by Méliuz. If the value is lower than the amount of the adjusted Earn Out Advance, the respective difference will be due and paid to Méliuz, within 45 (forty-five) days from the Notification of Calculation.

22. Net worth

a) Share capital

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 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 capital stock 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.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity-Continued

a) Capital Stock--Continued

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 capital stock.

On May 30, 2022, at the Company's Extraordinary Shareholders' Meeting, the capital increase of BRL 148,215 was approved through the issuance of 61,246,071 registered common shares with no par value, within the authorized capital limit, as a consequence of the approval of the Merger of shares of Acessopar Investimentos e Participações S.A.. Consequently, the Company's share capital totaled 920,393,121.82 (nine hundred and twenty million, three hundred and ninety-three thousand, one hundred and twenty-one reais and eighty-two cents), represented by 864,916,071 (eight hundred and sixty and four million, nine hundred and sixteen thousand, seventy-one) common shares.

In the same Extraordinary Shareholders' Meeting, 48 (forty-eight) subscription bonuses were approved to the former partners of Acessopar, which may result in the subscription, by their holders, of up to 3,277,883 (three million, two hundred and seventy-seven thousand, eight hundred and eighty-three) common, registered shares, in case of exercise.

The Company's major shareholders as of June 30, 2022 are: Israel Fernandes Salmen (16.27% of the shares), ORG INVESTMENTS LLC (5.05% of the shares), Lucas Marques Peloso Figueiredo (1.98% of the shares) and Andre Amaral Ribeiro (0.63% of the shares). The remaining shareholders total 76.07% of the Shares.

As announced to the market, ORG INVESTMENTS LLC is owned by board member controlling shareholder Ofli Campos Guimarães. ORG is a signatory to the Company Shareholders' Agreement and Mr. Ofli is the Chairman of the Company's Board of Directors.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity--Continued

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.

In April 2022, 208,442 treasury shares were transferred in the form of restricted shares to one of the directors of management as compensation, equivalent to BRL 1,757. On the 22nd of the same month, the remaining payment of the intangible asset *Muambator* took place with the equity instruments, totaling 732,759 shares, equivalent to BRL 2,607. The initial debt related to the purchase of this intangible asset was initially recorded at BRL 2,550, generating a discount on the operation.

On May 12, 2022, two contracts of restricted shares were granted to the company's directors as a form of compensation in the total of 1,337,861 shares, corresponding to BRL 6,625.

As of June 30, 2022, there are no treasury-held shares.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity--Continued

c) Capital Reserve

The Company's capital reserve at June 30, 2022 is BRL (57,845), 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.

In April 2022, the company made a payment of restricted shares to one of its board members with a premium of BRL 242. In the same month, there was a payment based on shares to settle the debt of Intangible Asset *Muambator*, which generated a discount of BRL 56. In May 2022, the acquisition of subsidiary *Acessopar* through an exchange of shares (see Explanatory Note 22.a) resulted in a negative goodwill of BRL 14,616.

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.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity--Continued

c) Capital Reserves--Continued

ii) *Stock Option Plan*--Continued

The Company approved in minutes of a Board of Directors' meeting the following grants of stock options, pursuant to the list initialed by all and filed, with the Company's headquarters, under the SOP Plan.

<u>Date of the RCA</u>	<u>Approved Concessions</u>
06/30/2021	179,364
10/29/2021	1,054,760
11/29/2021	401,408
12/14/2021	963,431
01/05/2022	129,241
02/02/2022	1,735,041
03/09/2022	648,180
04/14/2022	275,900
05/23/2022	241,214

Furthermore, in the RCA of May 23, 2022, the re-ratification of 241,214 Options granted was approved, distributed to the Beneficiaries on April 1, 2022, May 2, 2022 and May 3, 2022, according to the list initialed by all and hereby filed with the Company's headquarters, within the scope of 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 5% of the total number of common shares issued by the Company.

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 shareholders' 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:

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity--Continued

c) Capital Reserves--Continued

ii) *Stock Option Plan--Continued*

a) Assumptions for recognition of stock compensation expense--Continued

Date Granted	Total stock options granted	Strike Price	Estimated annual volatility	Expected dividend on shares	Weighted average risk-free interest rate	Maximum maturity	Fair value at concession date
02/25/2021	1.784.730	BRL 0,002	81,45%	0,14%	7,13%	6 years	BRL 4,48
05/03/2021	372.000	BRL 0,002	93,22%	0,14%	6,07%	6 years	BRL 6,06
05/03/2021	9.066	BRL 0,002	93,22%	0,14%	7,97%	6 years	BRL 6,03
05/17/2021	197.376	BRL 0,002	93,78%	0,14%	8,27%	6 years	BRL 5,53
06/07/2021	16.452	BRL 0,002	94,90%	0,14%	7,96%	6 years	BRL 6,03
07/19/2021	19.710	BRL 0,002	72,07%	0,14%	10,36%	6 years	BRL 10,06
07/30/2021	185.184	BRL 0,002	83,25%	0,14%	8,79%	6 years	BRL 11,22
08/02/2021	174.420	BRL 0,002	72,07%	0,14%	10,36%	6 years	BRL 11,38
09/08/2021	384.616	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
09/20/2021	44.844	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
10/11/2021	22.348	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
10/18/2021	437.249	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
11/01/2021	299.357	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
11/08/2021	55.710	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
12/06/2021	976.167	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
12/20/2021	21.450	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
12/22/2021	37.617	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
12/23/2021	25.327	BRL 0,002	76,93%	0,14%	10,60%	6 years	BRL 3,21
01/17/2022	583.658	BRL 0,002	74,66%	0,00%	11,22%	6 years	BRL 2,88
02/01/2022	1.237.761	BRL 0,002	71,00%	0,00%	11,22%	6 years	BRL 2,34
03/02/2022	648.180	BRL 0,002	72,12%	0,00%	11,19%	6 years	BRL 2,54
04/01/2022	334.494	BRL 0,002	77,40%	0,00%	11,02%	6 years	BRL 2,61
05/02/2022	53.192	BRL 0,002	77,89%	0,00%	12,16%	6 years	BRL 1,88
05/03/2022	129.428	BRL 0,002	77,89%	0,00%	12,16%	6 years	BRL 1,77
06/30/2022	26.719.400	BRL 0,002	76,26%	0,00%	12,61%	6 years	BRL 1,90

Stock options movement

	SOP Plan
Options at 12/31/2021	4,858,237
Granted	29,706,113
Exercised	-
Canceled	(793,906)
Options at 06/30/2022	33,770,444
Options exercisable in 2022	264,000
Options exercisable in 2023	-
Options exercisable in 2024	1,182,476
Options exercisable in 2025	10,051,887
Options exercisable in 2026	10,446,191
Options exercisable in 2027	11,825,890
Personnel expenses including charges as of 12/31/2021	4,653
Personnel expenses, compensation as of 06/30/2022	3,222
Personnel expenses, charges as of 06/30/2022	461

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity--Continued

c) Capital Reserves--Continued

iii) Other Reserves

Corresponds to the option to purchase the remaining interest in Picodi.com's share capital for BRL 41,314, on June 30, 2022, whereby the amount of BRL 40,840 will be recognized at present value for the redemption amount classified under equity.

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.

d) Profit reserve

On April 29, 2022, the Annual Shareholders' Meeting ("AGO") approved the proposal to absorb the 2021 loss, in the amount of BRL 3,405, from the profit retention reserve account (Statutory Reserve).

e) Other comprehensive results

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 derecognition of the investment. The effect on shareholders' equity in the period ended June 30, 2022 is BRL 2,654 (BRL 1,241 as of December 31, 2021).

Added to this effect is the amount of BRL 43, referring to the change in Méliuz's interest, due to dilution, after converting contracts from small crowdfunding investors.

The total effect of other comprehensive income on shareholders' equity for the period ended June 30, 2022 is BRL 3,852 (BRL 1,241 as of December 31, 2021).

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

22. Shareholders' Equity -- Continued

f) 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.

	<u>06/30/2022</u>	<u>06/30/2021</u>
Number of shares (a)	864,916,071	864,916,071
Profit & loss in the period	(34,311)	(2,555)
Basic earnings per common share (in BRL)	(0.04)	(0.00)

(a) The calculation of the basic earnings per share as of June 30, 2021 is being restated by the current number of shares issued by the company in accordance with CPC 41 - Earnings per Share.

As of June 30, 2022 the calculation of basic and diluted earnings per share remains the same, due to the losses accrued in the period.

23. 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 proceedings with expectation of probable loss, which were provisioned, in the total amount of BRL 359 as of June 30, 2022 (BRL 101 as of December 31, 2021).

b) Judicial Contingent Liabilities

In addition to the provisions established, there are other contingent liabilities in the amount of approximately BRL 130 as of June 30, 2022 (BRL 66 as of December 31, 2021) relative to civil and labor claims.

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

24. Net Operating Revenue

	Parent Company			
	Three-month period		Six-month period	
	ended on		ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues				
Services Provision	67,802	48,580	155,131	102,969
ISSQN on services	(2,468)	(894)	(5,365)	(1,768)
PIS on services	(1,033)	(765)	(2,374)	(1,612)
COFINS on services	(4,755)	(3,520)	(10,932)	(7,423)
Total Net Revenue	59,546	43,401	136,460	92,166

	Consolidated			
	Three-month period		Six-month period	
	ended on		ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues				
Services Provision	88,648	59,871	189,600	117,305
ISSQN on services	(2,835)	(968)	(5,966)	(1,842)
PIS on services	(1,201)	(782)	(2,588)	(1,629)
COFINS on services	(5,537)	(3,600)	(11,925)	(7,503)
Total Net Revenue	79,075	54,521	169,121	106,331

Considering the six-month period ended June 30, 2022, Méliuz has two customers whose net revenues individually represented more than 10% of its total net revenue, namely, BRL 32,740 and BRL 23,037. On June 30, 2021, three customers represented more than 10% of its total net revenue, namely BRL 23,359, BRL 17,124 and BRL 12,028.

25. Financial Income

	Parent Company			
	Three-month period		Six-month period	
	ended on		ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Financial Income				
Active exchange variation	-	1	1	1
Income from financial investments	13,294	1,239	22,197	2,494
Interest received	1,375	-	2,613	6
Monetary restatement	137	15	217	33
	14,806	1,255	25,028	2,534
Financial expenses				
Interest paid on late payments	(9)	(19)	(43)	(144)
Loan and financing charges	(21)	(58)	(37)	(111)
Banking expenses	(1,109)	(133)	(1,322)	(360)
Other financial expenses	(182)	(50)	(335)	(541)
	(1,321)	(260)	(1,737)	(1,156)
Financial Result (a)	13,485	995	23,291	1,378

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

25. Financial result--Continued

	Consolidated			
	Three-month period ended on		Six-month period ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Financial Income				
Active exchange variation	193	1	198	1
Income from financial investments	16,428	1,253	25,481	2,515
Interest received	1,379	10	2,619	20
Other financial income	187	-	299	40
Monetary restatement	138	16	218	33
	18,325	1,280	28,815	2,609
Financial expenses				
Interest paid on late payments	(461)	(68)	(764)	(194)
Loan and financing charges	(705)	(58)	(721)	(111)
Banking expenses	(1,077)	(199)	(1,333)	(430)
Other financial expenses	(295)	(53)	(463)	(545)
	(2,538)	(378)	(3,281)	(1,280)
Financial Result (a)	15,787	902	25,534	1,329

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

26. Information by segment

The information by segment was prepared considering the criteria used by the main operational decision-maker in the evaluation of performance, in the making of decisions regarding the allocation of resources for investment and other purposes, considering the regulatory environment and similarities between products and services.

Méliuz's operations are basically divided into the following segments: B2C (Business to Customers) National, B2C (Business to Customers) International, B2B (Business to Business) and other segments.

The measurement of managerial results by segments takes into account all revenues and expenses calculated by the companies that make up each segment, as detailed below.

B2C Segment (Business to Customers) National

The National B2C segment comprises the results of Méliuz, including e-commerce operations, Gift Card, Recarga, Méliuz Nota Fiscal, digital account, credit card and payments and the results of Promobit.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

26. Information by segment--Continued

B2C Segment (Business to Customers) International

It comprises the results of Picodi's international operations.

Segmento B2B (Business to Business)

Essentially composed of the subsidiaries Bankly and Acessopar, including Banking as a Service (BaaS) operations.

Other segments

It presents the operations of the subsidiaries Gana, Melhor Plano, Alter and FIDC, which are analyzed by Management separately from the other segments.

The company does not manage its assets and liabilities by segment.

Statement of Managerial Profit and Loss by Segment

	06/30/2022				
	B2C	B2C Internacional	B2B	Other segments	Consolidated
Net revenues	142,215	12,372	7,353	7,181	169,121
Operating Expenses					
Cashback expenses	(95,348)	(1,604)	-	(252)	(97,204)
Personnel expenses	(63,861)	(2,992)	(6,167)	(5,125)	(78,145)
Commercial and marketing expenses	(10,464)	(2,335)	(108)	(463)	(13,370)
Software expenses	(13,161)	(559)	(75)	(375)	(14,170)
General and administrative expenses	(5,909)	(4,167)	(5,487)	(446)	(16,009)
Third-party services	(15,383)	(502)	(838)	(361)	(17,084)
Depreciation and amortization	(3,427)	(841)	(235)	(12)	(4,515)
Others	(668)	9	(758)	(877)	(2,294)
	(208,221)	(12,991)	(13,668)	(7,911)	(242,791)
Gross Profit	(66,006)	(619)	(6,315)	(730)	(73,670)
Equity participation results	-	-	9	-	9
Income before financial income and taxes	(66,006)	(619)	(6,306)	(730)	(73,661)
Financial income	23,209	146	2,293	(199)	25,534
Income before income taxes	(47,712)	(473)	(4,013)	(929)	(48,127)
Current and deferred income and social contribution taxes	14,190	(14)	-	(746)	13,430
Net Profit (loss) in the period	(28,522)	(487)	(4,013)	(1,675)	(34,697)

Méliuz S.A.

Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

26. Information by segment--Continued

Statement of managerial results by segment--Continued

	06/30/2021			
	B2C	B2C Internacional	Other segments	Consolidated
Net revenues	93,446	10,872	2,013	106,331
Operating Expenses				
Cashback expenses	(45,790)	-	-	(45,790)
Personnel expenses	(17,238)	(1,852)	(1,593)	(20,683)
Commercial and marketing expenses	(16,040)	(1,152)	(50)	(17,242)
Software expenses	(7,099)	(248)	(34)	(7,381)
General and administrative expenses	(1,388)	(1,894)	(137)	(3,419)
Third-party services	(10,864)	(3,321)	(142)	(14,327)
Depreciation and amortization	(893)	(302)	(1)	(1,196)
Others	(14)	609	(403)	192
	(99,326)	(8,160)	(2,360)	(109,846)
Gross Profit	(5,880)	2,712	(347)	(3,515)
Equity participation results	-	-	-	-
Income before financial income and taxes	(5,880)	2,712	(347)	(3,515)
Financial income	1,367	(11)	(27)	1,329
Income before income taxes	(4,513)	2,701	(374)	(2,186)
Current and deferred income and social contribution taxes	1,290	(527)	(218)	545
Fiscal year net income	(3,223)	2,174	(592)	(1,641)

27. Risk management and financial instruments

a) General Considerations and Policies

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

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.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

a) General considerations and policies--Continued

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	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash and cash equivalents and Bonds and Securities	413,581	489,256	776,428	514,749

Classification of Financial Instruments

At June 30, 2022 and December 31, 2021, there is no difference between cost and fair values, the financial instruments were summarized and classified as follows:

Parent Company

On June 30, 2022	Amortized Cost	Fair value through profit or loss	Total
Financial Assets			
Cash and Cash Equivalents	316,556	-	316,556
Securities	97,025	-	97,025
Trade accounts Receivable	30,207	-	30,207
Loans with related parties	5,052	-	5,052
Advances	4,316	-	4,316
Earn-out advance	12,154	-	12,154
	465,310	-	465,310
Financial Liabilities			
Suppliers	6,570	-	6,570
Commercial Lease Operations	1,160	-	1,160
Cashback	14,303	-	14,303
Call option	-	41,314	41,314
	22,033	41,314	63,347

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

a) General considerations and policies--Continued

Parent Company -- Continued

On 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
Temporary investments	18,588	-	18,588
Loans with related parties	4,376	-	4,376
	<u>565,672</u>	<u>-</u>	<u>565,672</u>
Financial Liabilities			
Suppliers	4,569	-	4,569
Commercial Lease Operations	1,501	-	1,501
Cashback	36,911	-	36,911
Earn-out	-	38,194	38,194
Call option	-	41,314	41,314
	<u>42,981</u>	<u>79,508</u>	<u>122,489</u>

Consolidated

On June 30, 2022	Amortized cost	Fair value through profit or loss	Total
Financial Assets			
Cash and Cash Equivalents	404,943	-	404,943
Securities	371,485	-	371,485
Trade accounts Receivable	47,357	-	47,357
Custody of Crypto Assets	-	9,281	9,281
Crypto assets portfolio	-	95	95
Earn-out advance	12,154	-	12,154
	<u>835,939</u>	<u>9,376</u>	<u>845,315</u>
Financial Liabilities			
Suppliers	24,262	-	24,262
Loans and financing	258	-	258
Commercial Lease Operations	1,160	-	1,160
Cashback	14,303	-	14,303
Outstanding credits and establishments payable	292,151	-	292,151
Call option	-	41,314	41,314
Crypto assets portfolio	-	9,281	9,281
	<u>332,134</u>	<u>50,595</u>	<u>382,729</u>

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

a) General considerations and policies--Continued

Classification of Financial Instruments--Continued

Consolidated -- Continued

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
Custody of Crypto Assets	-	28,303	28,303
Crypto assets portfolio	-	106	106
	<u>600,219</u>	<u>28,409</u>	<u>628,628</u>
Financial Liabilities			
Suppliers	6,953	-	6,953
Loans and financing	457	-	457
Commercial Lease Operations	1,501	-	1,501
Cashback	36,911	-	36,911
Custody of Crypto Assets	-	28,303	28,303
Earn-out	-	38,194	38,194
Call option	-	41,314	41,314
	<u>45,822</u>	<u>107,811</u>	<u>153,633</u>

b) financial risk management

Financial risk factors

The Company's activities expose it to various financial risks, namely: 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, and the policies must be approved by the Board of Directors. Treasury identifies, assesses 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 foreign exchange and interest rates.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

b) Financial Risk Management--Continued

Financial Risk Factors--Continued

b.1) Market Risk--Continued

i) Exchange risk

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

The Company has a low volume of operations in US Dollars and Euros, representing essentially 7% of the revenue both in the semester and in the quarter. In addition, considering the acquisition of Picodi in February 2021, variations in the Polish zloty may affect the measurement of the Company's revenue.

ii) Interest rate risk

The Company's interest rate risk arises from financial 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 lending and borrowing 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 44.65% 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. They consider the risk of non-settlement of operations held in financial institutions with which they operate, which are considered by the market to be first-rate ones.

b.3) Liquidity Risk

Management continually monitors the forecasts of the liquidity requirements of the Company and its subsidiary to ensure that it has sufficient cash to meet operating needs, investment plans and financial obligations.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. 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 with post-fixed interest rates and with daily liquidity (CDBs of financial institutions that fall within the investment policy approved by management).

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

Parent Company

At June 30, 2022	Less than 1 year	1 to 3 years	Total
Suppliers	6,570	-	6,570
Cashback	13,511	792	14,303
Commercial leasing	618	542	1,160
Call option	-	41,314	41,314
Total	20,699	42,648	63,347

Consolidated

At June 30, 2022	Less than 1 year	1 to 3 years	Total
Suppliers	24,262	-	24,262
Loans and financing	258	-	258
Cashback	13,511	792	14,303
Commercial leasing	618	542	1,160
Outstanding credits and establishments payable	292,151	-	292,151
Call option	-	41,314	41,314
Crypto assets portfolio	9,281	-	9,281
Total	340,081	42,648	382,729

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.

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

c) Capital Management

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.

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 June 30, 2022 and December 31, 2021:

Parent Company

	06/30/2022	12/31/2021
(-) Cash and cash equivalents	(316,556)	(489,256)
(-) Bonds and securities	(97,025)	-
Net (cash) debt (exc. lease liabilities)	(413,581)	(489,256)
(+) Lease liabilities	1,160	1,501
Net (cash) debt	(412,421)	(487,755)
Equity	789,982	678,908
Debt ratio	(52.2%)	(71.8%)

Consolidated

	06/30/2022	12/31/2021
(-) Cash and cash equivalents	(404,943)	(514,749)
(-) Bonds and securities	(371,485)	-
Net (cash) debt (exc. lease liabilities)	(776,428)	(514,749)
(+) Loans and financing	258	305
(+) Lease liabilities	1,160	1,501
Net (cash) debt	(775,010)	(512,943)
Equity	803,642	695,483
Debt ratio	(96.4%)	(73.8%)

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

d) Sensitivity Analysis

The sensitivity analysis of the financial instruments was prepared under the terms of CVM Instruction no. 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, as they are based on statistical simplifications, do not necessarily reflect the amounts determined in the next financial statements. The use of different methodologies could 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 no. 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 financial instruments; and
- The remote adverse scenario considers a 50% deterioration in the main risk variable determining the fair value of financial instruments.

The probable scenario adopted by the Company is the 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

	<u>Financial Instruments</u>
	<u>06/30/2022</u>
CDI rate (%) Bacen	13.25%
Financial investments in cash and cash equivalents	316,556
Securities	97,025
Receivables from related parties	5,052
Advances	4,316
Advance of earn-out	12,154
Amounts exposed to CDI rate variation risk	435,103
Possible adverse scenario (-25%)	(14,413)
Remote adverse scenario (-50%)	(28,826)

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Explanatory Notes to the interim financial statements -- Continued

June 30, 2022

(In thousands of reais, unless otherwise indicated)

27. Risk Management and Financial Instruments--Continued

d) Sensitivity Analysis--Continued

Consolidated

	<u>Financial Instruments</u> <u>06/30/2022</u>
CDI rate (%) Bacen	13.25%
Financial investments in cash and cash equivalents	404,943
Securities	371,485
Advance of earn-out	12,154
Amounts exposed to CDI rate variation risk	788,582
Possible adverse scenario (-25%)	(26,122)
Remote adverse scenario (-50%)	(52,244)

28. Insurance Coverage

The insurance adopted by the Company refer to insurance of interns in the amount of BRL 10 per intern in case of accidental death/total or partial permanent disability, insurance for directors and managers with a maximum premium of BRL 154 and fire/thunder/explosion insurance, as well as loss of rent for which the total coverage is BRL 8,000 for the Manaus branch.

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.

29. Subsequent Events

(i) Share-Based Compensation Plan

On July 14, 2022, the Company approved in minutes of a Board of Directors' meeting the granting of 27,713,175 stock options.

(ii) Conversion of Bankly's shareholding in Acessopar

On July 01, 2022, were recorded minutes approving the transfer of the shareholding interest Méliuz holds in Bankly to Acessopar, through a share capital increase.

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Explanatory Notes to the interim financial statements -- Continued
June 30, 2022
(In thousands of reais, unless otherwise indicated)

Management

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OFFICER

ISRAEL FERNANDES SALMEN
OFFICER

LUCAS MARQUES PELOSO FIGUEIREDO
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