

**Individual and Consolidated Interim
Financial Information**

**Livotech da Bahia Indústria e Comércio
S.A.**

June 30, 2021

with Auditor's Report on Review of quarterly Information

Livetech da Bahia Indústria e Comércio S.A.

Individual and consolidated interim financial information

June 30, 2021

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Report on the review of individual and consolidated interim financial information

To the
Shareholders, Directors and Officers of
Livetech da Bahia Indústria e Comércio S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Livetech da Bahia Indústria e Comércio S.A. ("Company") contained in the Quarterly information Form (ITR) for the quarter ended June 30, 2021, which comprise the individual and consolidated statements of financial position as of June 30, 2021 and the respective statements of income and comprehensive income for the three-month and six-month period then ended and the changes in equity and cash flows for the six-month period then ended, including accompanying notes.

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

Scope of the review

We conducted our review in accordance with the Brazilian and international standards on reviews of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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

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

Emphasis – Restatement of the corresponding amounts

As mentioned in note 2.2, as result of changes in accounting policies or correction of errors identified by the Company, the corresponding amounts related to the prior period, presented for comparison purposes, have been adjusted and are being restated as provided for in NBC TG 23 – Accounting Policies, Change of Estimate and Rectification of Error). Our conclusion does not contain a modification related to this matter.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended June 30, 2021, prepared under the responsibility of Company's management and presented as supplementary information for purposes of IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, to conclude they are reconciled with interim financial information and accounting records, as applicable, and if their form and content are in accordance with the criteria established in NBC TG 09 - Statement of Value Added. Based on our review, we are not aware of any fact that leads us believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria established in this standard and is consistent with respect to the individual and consolidated Interim financial information taken as a whole.

São Paulo, August XX, 2021

ERNST & YOUNG
Auditores Independentes S.S.
CRC- 2SP034519/O-6

Bruno Mattar Galvão
Accountant CRC-1SP267770/O-6-T-CE

Livetech da Bahia Indústria e Comércio S.A.

Balance sheets

June 30, 2021 and December 31, 2020

In thousands of Reais

	Note	Individual		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets					
Current Assets					
Cash and cash equivalent	4	18,953	33,219	22,584	37,785
Short-term investments	4	14,065	52,046	14,065	52,046
Accounts receivable, net	5	177,781	161,578	179,607	162,581
Recoverable taxes	6.1	58,473	20,885	59,344	22,762
Derivative financial instruments	28	4,899	8,088	4,899	8,088
Inventories	7	209,836	134,180	215,418	138,780
Advances to suppliers	11	45,677	33,753	48,383	34,927
Related parties	23	4,018	3,991	-	-
Prepaid expenses		453	182	453	183
Total current assets		534,155	447,922	544,753	457,152
Non-current					
Accounts receivable, net	5	69,178	43,590	69,178	43,590
Judicial deposits		109	-	109	-
Derivative financial instruments	28	2,199	6,122	2,199	6,122
Deferred taxes	6.2	19,974	15,231	19,974	15,231
Right-of-use assets	17	3,492	5,313	3,492	5,313
Investments	8	3,660	2,509	-	-
Property, plant and equipment, net	9	396,188	345,787	396,315	345,930
Intangible Assets, net	10	50,151	37,969	50,153	37,972
Total non-current assets		544,951	456,521	541,420	454,158
Total Assets		1,079,106	904,443	1,086,173	911,310

	Note	Individual		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Suppliers	12	134,104	144,369	137,695	149,074
Personnel, social charges and benefits	13	24,655	24,198	24,722	24,269
Taxes payable	14	19,909	7,096	20,861	8,907
Loans, financing and debentures	16	297,123	195,861	297,123	195,861
Dividends payable	21	-	15,006	-	15,006
Derivative financial instruments	28	3,092	-	3,092	-
Lease liabilities	17	2,125	2,650	2,125	2,650
Related parties	23	341	309	341	309
Other obligations	18	46,773	44,945	49,230	45,225
Deferred revenue	15	3,071	7,545	3,071	7,545
		531,193	441,979	538,260	448,846
Non-current liabilities					
Loans, financing and debentures	16	373,794	328,808	373,794	328,808
Derivative financial instruments	28	6,291	-	6,291	-
Provisions for contingencies	19	479	479	479	479
Deferred revenue	15	-	437	-	437
Lease liabilities	17	1,444	2,781	1,444	2,781
		382,008	332,505	382,008	332,505
Equity					
Capital stock	21	86,666	86,666	86,666	86,666
Capital reserves	21	10,000	10,000	10,000	10,000
Income reserves	21	33,225	33,225	33,225	33,225
Accumulated profits	21	36,173	-	36,173	-
Other comprehensive income	21	(159)	68	(159)	68
		165,905	129,959	165,905	129,959
Total liabilities and equity		1,079,106	904,443	1,086,173	911,310

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Income Statements

Comparison of the Six-Month Periods Ended June 30, 2021 and 2020

(In thousands of Reais, except earnings per share)

Note	Individual				Consolidated			
	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
				(restated)				(restated)
Net revenue	24	272,218	490,498	158,526	306,312	276,678	502,269	160,186
Cost of goods and services rendered	25	(199,934)	(354,426)	(110,363)	(205,803)	(202,990)	(362,998)	(110,936)
Gross profit		72,284	136,072	48,163	100,509	73,688	139,271	49,250
Operating income (expenses)								
Personnel expenses	26	(13,930)	(27,002)	(12,997)	(26,219)	(14,076)	(27,339)	(13,043)
Selling expenses	26	(18,728)	(35,765)	(7,928)	(15,651)	(18,848)	(36,103)	(8,124)
General and administrative expenses	26	(9,004)	(16,009)	(3,402)	(6,100)	(9,172)	(16,277)	(3,825)
Other operating income and expenses, net	26	5,954	4,433	(1,319)	(3,000)	5,712	3,854	(1,461)
. Consumption expenses		-	-	-	-	-	-	-
Equity pickup	26	612	1,421	276	175	-	-	-
		(35,096)	(72,922)	(25,370)	(50,795)	(36,384)	(75,865)	(26,453)
Income before finance income (expenses), income and social contributions taxes		37,188	63,150	22,793	49,714	37,304	63,406	22,797
Finance income		37,657	49,093	7,633	28,335	37,678	49,116	7,633
Finance expenses		(37,757)	(63,614)	(16,800)	(55,842)	(37,894)	(63,893)	(16,804)
Finance income (expenses), net	27	(100)	(14,521)	(9,167)	(27,507)	(216)	(14,777)	(9,171)
Income before income and social contribution taxes		37,088	48,629	13,626	22,207	37,088	48,629	13,626
Current income and social contribution taxes	22	(12,233)	(17,199)	(3,743)	(6,065)	(12,233)	(17,199)	(3,743)
Deferred income and social contribution taxes	22	1,869	4,743	1,261	2,425	1,869	4,743	1,261
Net income for the period		26,724	36,173	11,144	18,567	26,724	36,173	11,144
Attributable to:		-	-	-	-	26,724	36,173	11,144
Equity holders of the parent		-	-	-	-	-	-	-
Earnings per share attributable to equity holders of the parent (Expressed in R\$ per share)		-	-	-	-	-	0.8076	0.4145
Basic and diluted earning per share	21	-	-	-	-	-	-	-

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of Comprehensive Income
Six-month periods ended June 30, 2021 and 2020
In thousands of Reais

	Individual				Consolidated			
	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020 (restated)	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020 (restated)
Net income for the period	26,724	36,173	11,144	18,567	26,724	36,173	11,144	18,567
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)	(316)	(227)	17	16	(316)	(227)	17	16
Currency translation adjustment								
Comprehensive income for the period	26,408	35,946	11,161	18,583	26,408	35,946	11,161	18,583
Attributable to:								
Equity holders of the parent	26,408	35,946	11,161	18,583	26,408	35,946	11,161	18,583

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of changes in equity

Six-month periods ended June 30, 2021 and 2020

In thousands of Reais

	<u>Capital reserve</u>			<u>Income reserve</u>		Other		
	Capital stock	Share premium	Legal reserve	Investments grant	Retained profit reserve	comprehensive income	Retained earnings	Total equity
Balance as of December 31, 2019	86,666	10,000	2,834	4,526	-	1	(29,816)	74,211
Net income for the period	-	-	-	-	-	-	18,567	18,567
Currency translation adjustment	-	-	-	-	-	15	-	15
Balance as of June 30, 2020 (Restated)	86,666	10,000	2,834	4,526	-	16	(11,249)	92,793
Balances as of December 31, 2020	86,666	10,000	6,363	11,961	14,901	68	-	129,959
Net income for the period	-	-	-	-	-	-	36,173	36,173
Currency translation adjustment	-	-	-	-	-	(227)	-	(227)
Balance as of June 30, 2021	86,666	10,000	6,363	11,961	14,901	(159)	36,173	165,905

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of cash flows

Six-month periods ended June 30, 2021 and 2020

In thousands of Reais

	Individual		Consolidated	
	06/30/2021	06/30/2020 (restated)	06/30/2021	06/30/2020 (restated)
Cash flow from operating activities				
Net income for the period	36,173	18,567	36,173	18,567
Adjustment to reconcile net income for the period to cash from operating activities				
Depreciation and amortization	63,876	43,032	63,890	43,038
Allowance for expected credit losses	15,381	4,784	15,381	4,784
Provision for obsolescence	977	2,959	977	2,959
Provision for contingencies and others, net	-	(77)	-	(77)
Fair value adjustments of derivative financial instruments	(3,700)	(20,424)	(3,700)	(20,424)
Interest on lease	-	-	-	-
Equity pickup	(1,421)	(175)	-	-
Short-term financial investments	(127)	(80)	(127)	(80)
Interest expenses and foreign exchange variation	14,761	43,434	14,747	43,410
Present value adjustment	2,191	(696)	2,191	(696)
Write-off of property, plant and equipment and intangible assets	187	473	187	475
Share-based payment expenses	1,583	-	1,583	-
Provision for current income and social contribution taxes	17,199	6,065	17,199	6,065
Deferred income and social contribution taxes	(4,743)	(2,425)	(4,743)	(2,425)
Decrease (increase) of assets:				
Accounts receivable	(59,307)	(49,486)	(60,130)	(51,020)
Recoverable Income and social contribution taxes	-	-	-	-
Recoverable taxes	(37,588)	(3,688)	(36,582)	(4,124)
Judicial deposits	-	-	-	-
Inventories	(78,030)	28,896	(79,012)	36,383
Advances to suppliers and judicial deposits	(12,033)	(4,698)	(13,564)	(4,969)
Prepaid expenses	(271)	(349)	(270)	(349)
Other credits	-	-	-	-
Settlement of derivative financial instruments.	4,516	-	4,516	-
Increase (decrease) in liabilities				
Suppliers	811	2,363	(902)	(5,373)
Payable income and social contribution taxes	-	-	-	-
Taxes payable	1,326	(1,359)	467	(947)
Personnel, social charges and benefits	(1,126)	7,039	(1,130)	7,050
Deferred revenue	(4,911)	(7,262)	(4,911)	(7,262)
Related parties	32	2,308	32	2,308
Other obligations	1,770	(3,659)	3,947	505
Payment of interest	(25,541)	(19,789)	(25,541)	(19,789)
Payment of income and social contribution taxes	(5,712)	(3,151)	(5,712)	(3,151)
Payment of lawsuits and other				
Net cash used in operating activities:	(73,727)	42,602	(75,034)	44,858

Livotech da Bahia Indústria e Comércio S.A.

Statements of cash flow--Continued
Six-month periods ended June 30, 2021 and 2020
In thousands of Reais

	Individual		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
		(restated)		(restated)
Investments activities				
Loan to related parties	(547)	(3,319)	-	-
Acquisition of assets property, plant and equipment and intangible assets	(125,123)	(104,588)	(125,121)	(104,618)
Acquisition of net subsidiary from acquired cash	-	-	-	-
Capital increase in investee	(50)	(492)	-	-
Cash acquired from subsidiaries' merger	-	-	-	-
Acquisition of short-term investments	500	(3,600)	500	(3,600)
Redemption of short-term investments	37,608	4,206	37,608	4,206
Net cash used in investing activities	(87,612)	(107,793)	(87,013)	(104,012)
Financing activities				
New loans and debentures acquired	245,462	140,000	245,462	140,000
Payment of loans and financing (principal)	(81,676)	(52,203)	(81,676)	(52,203)
Payment of leasing obligations	(1,707)	(1,381)	(1,707)	(1,381)
Discounted Trade Bills	-	-	-	-
Dividends and Interest on Own Capital	(15,006)	-	(15,006)	-
Currency translation adjustment	-	-	-	-
Net Cash used in financing activities	147,073	86,416	147,073	86,416
	(14,266)	21,225	(14,974)	27,262
Currency translation adjustment on cash and cash equivalents	-	-	(227)	16
Net decrease in cash and cash equivalents	(14,266)	21,225	(15,201)	27,278
Cash and cash equivalent at the beginning of the period	33,219	27,222	37,785	28,228
Cash and cash equivalents at the end of the period	18,953	48,447	22,584	55,506

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Statements of value added

Six-month periods ended June 30, 2021 and 2020

In thousands of Reais

	Individual		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
		(restated)		(restated)
Revenues.				
Sale of goods, products and services	573,088	363,779	585,557	378,191
Other revenues	8,719	329	8,719	334
provision (reversal) of allowance for expected credit losses	(15,380)	(4,784)	(15,380)	(4,784)
Inputs acquired from third-parties	566,427	359,324	578,896	373,741
Cost of products, goods and services sold	(279,709)	(155,820)	(289,184)	(168,975)
Materials, energy, third party service, others	(41,717)	(19,877)	(42,464)	(20,698)
Loss and recovery of assets	(977)	(2,957)	(977)	(2,957)
Other	(1,060)	(404)	(1,063)	(406)
	(323,463)	(179,058)	(333,688)	(193,036)
Gross value added	242,964	180,266	245,208	180,705
Retention				
Depreciation and amortization	(63,876)	(42,990)	(63,890)	(42,996)
Net value added generated	179,088	137,276	181,318	137,709
Value added received in transfer				
Equity pickup	1,421	175	-	-
Finance income	32,708	6,326	32,708	6,326
Other	18,578	22,009	18,578	22,009
Total value added to be distributed	231,795	165,786	232,604	166,044
Distribution of Value Added				
Personnel				
Direct compensation	17,546	19,663	17,825	19,746
Employees' profit sharing	2,720	1,660	2,720	1,660
Benefits	2,918	2,522	2,934	2,527
FGTS	1,067	803	1,067	803
Other	338	235	383	245
	24,589	24,883	24,929	24,982
Taxes, charges and contributions				
Federal	87,812	55,606	87,879	55,610
State	10,575	10,285	10,575	10,285
Local	11,284	3,317	11,284	3,317
	109,671	69,208	109,738	69,212
Debt remuneration				
Interest	61,235	53,057	61,235	53,057
Rent	127	71	529	225
Other	-	-	-	-
	61,362	53,128	61,764	53,283
Equity remuneration				
Dividends	-	-	-	-
Retained profit	36,173	18,567	36,173	18,567
	36,173	18,567	36,173	18,567
Total value added to be distributed	231,795	165,786	232,604	166,044

See accompanying notes.

Livotech da Bahia Indústria e Comércio S.A.

Explanatory notes to the individual and consolidated intermediate accounting information

June 30, 2021

(In thousands Reais, unless otherwise indicated)

1. Operations

Livotech da Bahia Indústria e Comércio S.A. ("Company" or "WDC" or "WDC Networks"), headquartered at Rodovia BA 262 Rodovia Ilhéus x Urucuca Km 2.8, Ilhéus/BA, is a technology company, which manufactures and distributes information technology, telecommunications and electronic security products with 100% national capital and operates in Brazil since 2004.

The Company is engaged in the distribution of products of market niches with high growth rates, such as broad band internet, electronic security, data and telephony connectivity, professional audio and video, data center infrastructure and Iota (internet of things) in the B2B segment.

2. Basis of preparation and presentation of interim financial information

The issuance of the interim financial information, individual and consolidated, was authorized by Management on August 16, 2021.

The interim financial information of the Company, for the period ended June 30, 2021 includes the interim financial information, individual and consolidated, prepared in accordance with NBC TG 21 - Interim Statement approved by the Federal Accounting Council and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) and presented in conformity with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR).

Management assessed the ability of the Company and of its subsidiaries to continue as a going concern and believes that it and its subsidiaries have resources to continue their operations in the future.

The Company's Management states that all relevant information specific to the interim financial information, and only they, is being evidenced, and that it corresponds to that used by it in its management.

The interim financial information is presented in thousands Reais (unless otherwise indicated), functional and presentation currency, and has been prepared assuming the Company's going concern and financial support.

Livetech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

2. Basis of preparation and presentation of interim financial information-- Continued

The Interim financial information, individual and consolidated, was prepared based on the historical cost and adjusted to reflect (i) the fair value of financial instruments measured at fair value through the result; and (ii) fair value of assets acquired and liabilities assumed in a business combination.

The preparation of the interim financial information requires the Company's Management to make judgments, estimates and use assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may diverge from those estimates.

This interim financial information was prepared following the base of preparation and accounting policies consistent with those adopted in the preparation of the financial statements on December 31, 2020, and should be read in conjunction with these statements. The information of accompanying notes that was not subject to material changes or that did not present relevant disclosures compared to December 31, 2020, was not fully repeated in this quarterly information. However, selected information was included to explain the principal events and transactions occurred to allow the understanding of the changes in the financial position and performance of operations of the Company since the publishing of the financial statements on December 31, 2020, issued on February 16, 2021 and was applied on consist basis in the comparative period presented.

Subsequent events were assessed until August 5, 2021, when the interim financial information, individual and consolidated, was approved by the Board of Directors. The IFRS do not require the presentation of the Statement of Value Added (DVA), which is considered as supplementary information, without prejudice to the set of Interim Financial Information.

2.1 Basis of Consolidation

Subsidiaries are all entities in which the Company has the power to regulate the financial and operating policies that usually follow an interest corresponding to more than half of the voting rights. The existence and the effect of possible voting rights currently exercisable or convertible are considered when it is assessed if the Company controls another entity. The subsidiaries are fully consolidated as of the date in which the control is transferred to the Company. They cease to be consolidated as of the date in which the control ends.

Livetech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

2. Basis of preparation and presentation of interim financial information--Continued

2.1 Basis of Consolidation--Continued

The individual and consolidated interim financial information includes the financial information of the Company and its subsidiaries on June 30, 2021. In the individual interim financial information of the parent company the financial information of the subsidiaries is recognized under the equity accounting method.

The fiscal year of the subsidiaries coincides with the fiscal year of the Parent Company ("Individual") and the accounting practices have been applied on consistent basis throughout the consolidated entities.

The consolidated interim financial information includes the operations of the Company and its subsidiaries, as follows:

Subsidiaries	Percentage of interest	
	06/30/2021	12/31/2020
Livetech Colômbia, S.A.S ("WDC Colômbia")	100%	100%
Wdcnet Usa, Corp ("WDC US")	100%	100%
Livetech Panamá, S.A ("WDC Panamá")	100%	100%
Livetech Franchising Administração Ltda ("Livetech Franchising")	100%	100%

The main consolidation procedures are:

Elimination of the balances of consolidated intercompany assets and liabilities accounts;

Elimination of interest in capital, reserves and accumulated profits of the consolidated companies; and

Elimination of the balances of revenues and expenses, as well as unrealized profits, derived from intercompany transactions.

2.2. Restatement of interim financial information

During the preparation of the interim financial information for the period ended June 30, 2020, Management identified adjustments (as result of changes in accounting policies and errors).

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

2. Basis of preparation and presentation of interim financial information-- Continued

2.2. Restatement of interim financial information--Continued

Statements of profit or loss - six-month period ended June 30, 2020

	Reference	Individual		Consolidated	
		Originally Presented	Adjustments	Originally Presented	Adjustments
Net revenues	D	306,312	-	306,312	308,406
Cost of goods sold and services rendered	D	(205,803)	-	(205,803)	(206,620)
Gross profit		100,509	-	100,509	101,786
Operating income (expenses)					1
Personnel expenses	A	(22,946)	(3,273)	(26,219)	(23,040)
Selling expenses	D	(15,651)	-	(15,651)	(15,848)
Administrative expenses	D	(6,100)	-	(6,100)	(6,588)
Other operating expenses, net	D	(2,999)	(1)	(3,000)	(3,335)
Equity pickup		175	-	175	-
		(47,521)	(3,274)	(50,795)	(48,812)
Income before finance income (expenses), net		52,988	(3,274)	49,714	52,975
Finance income (expenses), net	D	(27,507)	-	(27,507)	(27,494)
Income before income and social contribution taxes		25,481	(3,274)	22,207	25,481
Current income and social contribution taxes	B	(6,566)	501	(6,065)	(6,566)
Deferred income and social contribution taxes	B	1,999	425	2,424	1,999
Net income for the period		20,914	(2,347)	18,567	20,914
Attributable to:					(2,347)
Equity holders of the parent		20,914	2,347	18,567	20,914

Statements of Comprehensive Income on June 30, 2020

	Reference	Individual		Consolidated	
		Originally Presented	Adjustments	Originally Presented	Adjustments
Net income for the period	A/B	20,914	(2,347)	18,567	20,914
Other comprehensive income that may be reclassified to profit and loss in subsequent periods (net of tax)		16	-	16	-
Currency translation adjustment		-	-	-	-
Comprehensive income for the period		20,930	(2,347)	18,583	20,930
Attributable to:					(2,347)
Equity holders of the parent		20,930	2,347	18,583	20,930

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

2. Basis of preparation and presentation of interim financial information

2.2. Restatement of interim financial information--Continued

Statements of cash flows on June 30, 2020

	Individual		Consolidated		
	Originally Presented	Adjustments	Originally Presented	Originally Presented	Adjustments
Net income for the period	20,914	2,347	18,567	20,914	2,347
Adjustments to reconcile the net income of the year to the cash from operating activities					
(Reduction) Increase of assets	77,828	926	76,902	78,314	926
(Reduction) Increase of liabilities	(80,422)	-	(80,422)	(75,176)	-
	24,314	(3,273)	27,587	20,290	(3,273)
Net cash used in operating activities	42,634	-	42,634	44,342	-
Net cash used in investments activities	(107,826)	-	(107,826)	(107,333)	-
Net cash used in financing activities	86,416	-	86,416	86,416	-
Net decrease in cash and cash equivalents	21,224	-	21,224	23,425	-
Cash and cash equivalent at the beginning of the period	27,223	-	27,223	28,228	-
Cash and cash equivalents at the end of the period	48,447	-	48,447	51,653	-
Net increase in cash and cash equivalents	-	-	-	-	-

Statements of value added on June 30, 2020

	Reference	Individual		Consolidated		
		Originally Presented	Adjustments	Originally Presented	Originally Presented	Adjustments
Total value added to be distributed	E/C	102,340	63,446	165,785	102,421	63,622
Distribution of Value Added		-	-	-	-	-
Personnel	A	17,584	7,064	24,648	17,679	7,058
Other	A	4,026	(3,791)	235	4,026	(3,781)
		21,610	3,273	24,883	21,705	3,277
Taxes, charges and contributions						
Federal	C	3,483	52,123	55,606	3,483	52,127
State	C	3,716	6,569	10,285	3,716	6,569
Local		197	3,120	3,317	197	3,120
		7,396	61,812	69,208	7,396	61,816
Debt remuneration	B/E	52,420	708	53,128	52,406	877
Equity remuneration						
Net income for the period		20,914	(2,347)	18,566	20,914	(2,348)
Total value added distributed		102,340	63,445	165,785	102,421	63,622

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

2. Basis of preparation and presentation of interim financial information--Continued

2.2. Restatement of interim financial information--Continued

Adjustments.

The balances for the periods of June 30, 2020 are being restated due to changes in the accounting policy adopted by the Company and correction of errors as shown below:

- (a) Adjustment related to appropriation of expenses of share-based compensation plan during the vesting period and reclassification between lines of the statements of cash flows related to the same issue.
- (b) Adjustment derived from the effect of deferred income and social contribution taxes on expenses of share-based compensation plan.
- (c) Adjustments related to presentation of PIS and COFINS on sales and charges reallocated to the respective lines of federal taxes, charges and contributions.
- (d) Other dispersed adjustments and rounding adjustments for better presentation of the interim financial information.
- (e) Redistribution of value added.

The aforementioned adjustments do not affect the balance sheet for the year December 31, 2020, presented for purposes of comparison with the interim financial information.

Also, the information provided in the following accompanying notes related to the periods ended on June 30, 2020 are being submitted again to correct mistakes in the number of current assets and profit per share identified after the release of the interim financial information, as informed below:

	<u>Individual</u>	<u>Individual</u>
	<u>Originally stated</u>	<u>Restated</u>
	<u>06/30/2020</u>	<u>06/30/2020</u>
Net income for the period	18,567	18,567
Weighted average of shares for the period	89,584	44,792
Gross receipt per share - (in Reais)	0.207	0.415

2.3. New standards and interpretations and amendments to standards

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

New standards, changes and interpretations to standards in force.

Since January 1st, 2021, the changes in the following pronouncements are in effect, without material impacts on the interim financial information of the Company:

- CPC 50 /IFRS 17 Insurance Agreement;
- Additionally, in the period ended June 30, 2021 no standards or pronouncements issued in prior periods came into effect, with impact on the interim financial information of the Company.

3. Special events that occurred during the period

3.1. Effect of New Coronavirus from individual and consolidated interim financial information

The Company has monitored the evolution of the new Coronavirus ("Covid-19") pandemic and has taken preventive and mitigating measures in line with the guidelines established by health authorities with focus on the security of its employees and continuity of its operations.

The main measures adopted by the Company are:

- Creation of prevention committee, involving the Board of Executive Officers and Board of Directors, in order to continuously monitor the evolution of the COVID-19, its possible impacts and the measures required;
- New protection procedures to employees and third parties working in our premises following the WHO and other trustable sources' determinations on distancing, hygiene and cleaning;
- Home-Office regime for approximately 70% of employees - technology systems and remote training, which contributed with the high productivity of the teams albeit remotely;
- Suspension or postponement of events and business trips in Brazil and abroad;

The Company did not adopt in the period measures of reduction of salary and working hours of its employees, neither did it reduce teams out of the ordinary course of business.

3. Special events that occurred during the period--Continued

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

3.1. Effect of New Coronavirus from individual and consolidated interim financial information--Continued

Operational features

The business of WDC Networks is resilient due to certain characteristics:

- Approximately 40% of its revenues are recurring, and with long-term agreements;
- Low concentration of revenue: the major customer represents 6% of the Company's revenue;
- The Company has high level of corporate governance, and cash generation;
- Most sales were already made remotely.

Potential impacts on our operation

Since the beginning of the pandemic, the Company was not subject to any material negative impact on its results derived from the new economic scenario caused by the Coronavirus, accordingly, its operations were not interrupted, not even temporarily or partially, on remote basis and continues to operate normally.

Although there has been no impact, the following issues should be pointed out:

- In the period there was higher demand for connectivity, and on-line services increased volumes of products in the Telecom segment, due to the greater essentiality of this type of service;
- Large projects continued to produce new demands, due to the long-term scope of these customers;
- Customers of segments focused on events and places of agglomeration of people will have sales postponed until the end of the circulation restriction;
- Default has affected a small number of customers, therefore, we do not presently have elements or visibility to recognize additional provisions for expected loss.

3. Special events that occurred during the period--Continued

3.1. Effect of New Coronavirus from Individuals and consolidated Interim financial information--Continued

Livetech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

The Company understands that is taking the proper and necessary measures to prevent the dissemination of COVID-19, and ensure business continuity over the period of pandemic. Although the Company's operations or financial position have not been materially affected until now, Management cannot estimate or predict the occurrence of future events related to the pandemic, being certain that it continues to constantly monitor the impacts on its operations, and is committed to inform possible new scenarios and measures necessary to be adopted.

The Company continues to operate and reaffirm the commitment with the security of the employees and with customer service. In view of the limited impact on the Company's operations and financial results, there is no need to recognize losses or additional provisions until now.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

4. Cash and cash equivalents and short-term investments

4.1. Cash and cash equivalents

Cash equivalents are held in order to meet short-term cash commitments and not for investments or other purposes, and the Company considers as cash equivalents the amounts that are immediately realizable and convertible into cash.

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and cash equivalent	18,953	32,412	22,584	36,978
Short-term investments (a)	-	807	-	807
Total	18,953	33,219	22,584	37,785

(a) On June 30, 2021, short-term investments in Bank Deposit Certificates (CDB) were remunerated at average rate of 105% of CDI (105% of CDI on December 31, 2020) with daily liquidity redeemable with the issuer without material loss of value.

Short-term investments

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Bank Deposit Certificate (b)	14,065	52,046	14,065	52,046
Total	14,065	52,046	14,065	52,046

(b) On June 30, 2021, short-term investments in Bank Deposit Certificates (CDB) were remunerated at average rate of 105% of CDI (100% of CDI on December 31, 2020)

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

5. Accounts receivable, net

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Accounts receivable - goods sold	226,181	187,800	228,007	188,803
Accounts receivable - lease	62,717	43,926	62,717	43,926
Accounts receivable gross	288,898	231,726	290,724	232,729
Allowance for expected credit losses	(41,939)	(26,558)	(41,939)	(26,558)
Total	246,959	205,168	248,785	206,171
Current	177,781	161,578	179,607	162,581
Non-current	69,178	43,590	69,178	43,590

	Individual and Consolidated
Movement of proceeds for expected credit losses:	
On December 31, 2019	(13,833)
Additions	(5,982)
Write-offs	-
On June 30, 2020	(19,815)
On December 31, 2020	(26,558)
Additions	(15,381)
Write-offs	-
On June 30, 2021	(41,939)

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Failing due	213,323	162,498	215,149	163,504
Overdue securities from - 0 to 30 days	13,597	16,741	13,597	16,741
Overdue securities from - 31 to 90 days	12,547	15,513	12,547	15,513
Overdue securities from - 91 to 180 days	10,184	7,124	10,184	7,124
Overdue securities from - 181 to 270 days	7,840	6,440	7,840	6,437
Overdue securities from - 271 to 365 days	6,062	13,283	6,062	13,283
Securities overdue form more than 365 days	25,345	10,127	25,345	10,127
Total	288,898	231,726	290,724	232,729

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

5. Accounts receivable--Continued

5.1. Accounts receivable of lease and future minimum rents

The Company has as business line the lease of equipment. These leases have average term of 60 months and the minimum rents are fixed and subject to annual adjustment according to inflation rate.

The future minimum receipts of such leases are as follows:

Individual and Consolidated			
	Minimum lease receipts	06/30/2021	12/31/2020
2021		124,209	211,516
2022		171,994	101,532
2023		105,357	47,482
2024		65,344	27,699
2025		44,081	11,053
2026		5,484	-
Total		516,469	399,282

These lease agreements generated revenues in the period ended June 30, 2021 in the amount of R\$143,178 (R\$120,481 on June 30, 2020), and are disclosed in Note 24.

The revenue to be recognized in future periods related to these lease agreements is as follows:

Recognition period	06/30/2021	12/31/2020
2021	126,843	207,699
2022	172,430	107,001
2023	105,357	51,267
2024	65,344	28,253
2025	44,081	13,044
2026	5,484	-
Total	519,539	407,264

For agreements in which the term of receipt is shorter than the lease period, the Company recognizes deferred revenue corresponding to the amounts received in advance.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

6. Recoverable and deferred taxes

6.1. Recoverable taxes

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
IRRF to be recovered	466	439	466	439
IRPJ and CSLL to be offset	17,800	3,378	17,800	3,378
PIS and COFINS to be recovered				
(a)	14,143	1,991	14,143	1,991
ICMS to be offset	21,817	13,141	21,817	13,141
IPI to be offset	3,926	1,324	3,926	1,324
Deferred PIS and COFINS	309	601	309	601
Other	12	11	883	1,888
Total	58,473	20,885	59,344	22,762

(a) On May 17, 2021, the Federal Supreme Court ("STF") decided for the General Repercussion of RE 574.706 (Issue 69) that excluded the ICMS from the PIS and COFINS calculation basis as of March 15, 2017. After hearing from its legal advisors, the Company assessed the ICMS amount from the PIS and COFINS basis related to period from April 2017 to May 2021, amassing a total of R\$8,595. Such amount was acknowledged in the period ended on June 30, 2020, under other operational income. With the STF decision, the Company started to exclude the ICMS from the PIS and COFINS basis.

6.2. Deferred income and social contribution taxes

	Individual and Consolidated	
	06/30/2021	12/31/2020
Deferred income and social contribution taxes related to:		
Taxes assets:		
Allowance for doubtful accounts	8,093	4,981
Provision for loss due to inventory devaluation	4,027	3,695
Provision for share-based compensation	5,544	5,006
Adjustment to actual value business combination	40	60
Adjustment to actual value accounts receivable	1,269	543
Provision for tax contingencies	163	163
Provision deferred revenue (MAXBR)	909	1,742
Taxes liabilities:		
Derivatives - Swap	277	(688)
Tax amortization of goodwill generated on the acquisition of Mundo	(348)	(271)
Net deferred tax assets	19,974	15,231

6.2.1. Estimate of credit recovery

Deferred income and social contribution taxes	
2021	6,861
2022	9,711
2023	2,346
2024	1,056
Total	19,974

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

7. INVENTORIES

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Raw material	8,137	8,882	8,137	8,882
Goods	127,022	75,812	132,549	80,412
Inventory in transit	43,175	31,693	43,230	31,693
Finished products	30,160	27,500	30,160	27,500
Software for resale	15,482	3,455	15,482	3,456
Estimated impairment losses (a)	(14,140)	(13,162)	(14,140)	(13,163)
Total	209,836	134,180	215,418	138,780

Provision for obsolescence	Individual and Consolidated
On December 31, 2019	(9,069)
Additions	(2,959)
On June 30, 2020	(12,028)
On December 31, 2020	(13,163)
Additions	(977)
On June 30, 2021	(14,140)

(a) Regarding the estimate losses amount to reduce the realizable value and obsolescence of inventories. The amounts from the additions and reversals are included in the costs of sold goods (DRE).

8. Investments

	Individual	
	06/30/2021	12/31/2020
Wdc Us	1,505	1,414
Wdc Colômbia	1,839	598
Livotech Panamá	267	497
Livotech Franchising	49	-
	3,660	2,509

Subsidiaries	06/30/2021			
	Percentage of interest	Equity	Net Revenue	Net income (loss) for the period
Direct				
WDC Us	100%	1,505	2,649	158
Wdc Colômbia	100%	1,839	8,922	1,496
Wdc Panamá	100%	267	841	(232)
Franchising	100%	49	-	(1)
Total		3,660	12,412	1,421

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

8. Investments--Continued

12/31/2020				
Subsidiaries	Percentage of interest	Equity	Net Revenue	Net income (loss) for the period
Direct				
Wdc Us	100%	1,414	5,259	503
Wdc Colômbia	100%	598	7,921	448
Wdc Panamá	100%	497	16,771	(26)
Total		2,509	29,951	925

Changes in investments	Wdc Us	Wdc Colômbia	Wdc Panamá	Franchising	Total
Balances as of December 31, 2020	1,414	598	497		2,509
Capital increase	-	-	-	50	50
Profit or loss of period	158	1496	(232)	(1)	1,421
Currency translation adjustment (a)	(48)	(200)	21	-	(227)
Other changes	(19)	(55)	(19)		(93)
Balance as of June 30, 2021	1,505	1,839	267	49	3,660

(a) In the six-month period ended on June 30, 2021, an amount of R\$ 227 was submitted regarding the effects of the Currency translation adjustment resulting from the conversion into Reais from the interim financial information of the subsidiaries located abroad, originally prepared in US Dollars (USD), Colombian Pesos (COP). These effects are entered as "Other Comprehensive Income" in the Equity,

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

9, PROPERTY, PLANT AND EQUIPMENT, NET

	Individual						
	Furniture and wares	Computer equipment	Vehicles	Rental products	Machines and equipment	Buildings	Others
Annual depreciation rate (%)	10%	20%	20%	20%	10%	4%	10%
On December 31, 2019	712	909	553	235,666	279	-	1,055
Additions	77	92	-	91,798	2	544	428
Write-offs	-	(4)	(65)	(405)	-	-	1
Depreciation	(58)	(139)	(96)	(38,127)	(20)	-	(14)
On June 30, 2020	731	858	392	288,932	261	544	1,470
Additions	21	108	200	99,497	5	19	-
Write-offs	-	-	(106)	(318)	-	(1)	-
Depreciation	(58)	(137)	(91)	(46,502)	(19)	-	(19)
On December 31, 2020	694	829	395	341,609	247	562	1,451
Additions	59	389	-	105,497	43	-	-
Write-offs	-	-	(139)	(48)	-	-	-
Depreciation	(64)	(168)	(67)	(54,946)	(20)	(122)	(13)
On June 30, 2021	689	1,050	189	392,112	270	440	1,438
On December 31, 2019							
Cost	1,282	1,819	1,142	379,930	413	-	1,207
Accumulated depreciation	(571)	(911)	(589)	(144,263)	(135)	-	(150)
Net residual amount	711	908	553	235,667	278	-	1,057
On June 30, 2020							
Cost	1,360	1,880	995	463,845	415	544	1,624
Accumulated depreciation	(629)	(1,022)	(603)	(174,913)	(154)	-	(154)
Net residual amount	731	858	392	288,932	261	544	1,470
On June 30, 2021							
Cost	1,440	2,378	483	633,718	463	561	1,624
Accumulated depreciation	(751)	(1,328)	(294)	(241,606)	(193)	(121)	(186)
Net residual amount	689	1,050	189	392,112	270	440	1,438

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

9. Property, plant and equipment--Continued

	Consolidated						
	Furniture and wares	Computer equipment	Vehicles	Rental products	Machines and equipment	Buildings	9 Others
Annual depreciation rate (%)	10%	20%	20%	20%	10%	4%	10%
On December 31, 2019	726	974	553	235,666	279	-	1,055
Additions	80	118	-	91,798	2	544	428
Write-offs	-	(6)	(65)	(405)	-	-	1
Depreciation	(58)	(145)	(96)	(38,127)	(20)	-	(14)
On June 30, 2020	748	941	392	288,932	261	544	1,470
Additions	31	147	200	99,497	5	19	-
Write-offs	-	-	(106)	(318)	-	(1)	-
Depreciation	(58)	(143)	(91)	(46,502)	(19)	-	(19)
On December 31, 2020	721	945	395	341,609	247	562	1,451
Additions	59	388	-	105,497	43	-	-
Write-offs	-	-	(139)	(48)	-	-	-
Depreciation	(65)	(182)	(67)	(54,946)	(20)	(122)	(13)
On June 30, 2021	715	1,151	189	392,112	270	440	1,438
On December 31, 2019	1,298	1,886	1,142	379,929	414	-	1,205
Cost							
Accumulated depreciation	(572)	(912)	(589)	(144,263)	(135)	-	(150)

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

Net residual amount							1,055	
	726	974	553	235,666	279	-		239,253
On June 30, 2020								
Cost	1,377	1,971	995	463,845	415	544	1,624	470,771
Accumulated depreciation	(629)	(1,030)	(603)	(174,913)	(154)	-	(154)	(177,483)
Net residual amount	748	941	392	288,932	261	544	1,470	293,288
On June 30, 2021								
Cost	1,468	2,504	483	633,718	463	561	1,624	640,821
Accumulated depreciation	(753)	(1,353)	(294)	(241,606)	(193)	(121)	(186)	(244,506)
Net residual amount	715	1,151	189	392,112	270	440	1,438	396,315

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Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

10. Intangible assets

Individual	Software Licenses	Lease Software	Customers' Portfolio	Goodwill Incorporation (a)	Trademarks and Patents	Total
Annual amortization rate (%)	20%	20%	27%	Undefined	20%	
On December 31, 2019	2,645	-	11,441	2,275	2	16,363
Additions	157	11,484	-	-	6	11,647
Amortization	(631)	(217)	(1,921)	-	-	(2,769)
On June 30, 2020 (restated)	2,171	11,267	9,520	2,275	8	25,241
Additions	247	17,967	-	-	7	18,221
Amortization	(641)	(2,652)	(2,200)	-	-	(5,493)
On December 31, 2020	1,777	26,582	7,320	2,275	15	37,969
Additions	960	18,174	-	-	1	19,135
Amortization	(819)	(3,788)	(2,346)	-	-	(6,953)
On June 30, 2021	1,918	40,968	4,974	2,275	16	50,151

Consolidated	Software Licenses	Lease Software	Customers' Portfolio	Goodwill Incorporation (a)	Trademarks and Patents	Total
Annual amortization rate (%)	20%	20%	27%	Undefined	20%	
On December 31, 2019	2,647	-	11,441	2,275	2	16,365
Additions	157	11,484	-	-	6	11,647
Amortization	(631)	(217)	(1,921)	-	-	(2,769)
On June 30, 2020 (restated)	2,173	11,267	9,520	2,275	8	25,243
Additions	248	17,967	-	-	7	18,222
Amortization	(641)	(2,652)	(2,200)	-	-	(5,493)
On December 31, 2020	1,780	26,582	7,320	2,275	15	37,972
Additions	959	18,174	-	-	1	19,134

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Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

Amortization	(819)	(3,788)	(2,346)	-	-	(6,953)
On June 30,						
2021	1,920	40,968	4,974	2,275	16	50,153

(a) Goodwill resulting from the expectation of future profitability (Munddo Acquisition).

11. Advance to Suppliers

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Advances to local suppliers	11,422	7,894	14,128	9,068
Advances to international suppliers	34,255	25,859	34,255	25,859
Total	45,677	33,753	48,383	34,927

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Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

12. Trade accounts payable

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Local suppliers	60,894	61,500	63,383	66,205
International suppliers	73,210	82,869	74,312	82,869
Total	134,104	144,369	137,695	149,074

13. Personnel, social charges and benefits

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Profit sharing and bonus	2,652	5,738	2,652	5,738
Vacation pay and 13th Salary	4,353	2,153	4,353	2,153
Social security contribution tax (INSS) payable	746	711	746	711
Unemployment Compensation Fund (FGTS) payable	165	238	165	238
IRRF	403	612	403	612
Share-based payments	16,306	14,723	16,306	14,723
Other	30	23	97	94
Total	24,655	24,198	24,722	24,269

14. Taxes payable

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Income and social contribution taxes payable	16,046	5,428	16,046	6,964
Federal value-added tax (IPI) payable	1,969	55	1,969	55
State value-added tax (ICMS) payable	956	676	956	676
IRRF	33	34	33	34
Federal taxes (installment payment plan)	357	467	357	467
Other	548	436	1,500	711
Total	19,909	7,096	20,861	8,907

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Notes to the individual and consolidated interim financial information --Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

15. Deferred revenues

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Deferred revenue lease agreement				
(a)	3,071	7,982	3,071	7,982
Total	3,071	7,982	3,071	7,982
Current	3,071	7,545	3,071	7,545
Non-current	-	437	-	437

(a) Income from commercial operating lease, resulting from asset lease agreements, acknowledged in the income during the lease term.

16. Loans, financing and debentures

The loans, financing and debentures contracted by the Company and in effect on the date of this interim financial information are as follows:

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

16. Loans, financing and debentures--Continued

The loans and financing contracted by the Company are as follows:

a) Loans in local currency

Financial Institution	Annual Charges	Maturity	Modality	Index	Guarantee	Individual and Consolidated			
						06/30/2021		12/31/2020	
						Current	Non-current	Current	Non-current
Banco do Brasil.	7.24% to 7.84%	Oct/24	Working Capital	CDI+Spread	Real Estate				
BNDES	15.93%	Dec/23	Working Capital	IPCA+Spread	Trade Bills.	25,619	21,867	26,190	33,011
Banco BTG	6.70% to 7.42%	Sep/23	Working Capital	CDI+Spread	Trade Bills.	13,333	20,211	13,333	26,972
Banco CCB	6.75% to 8.55%	Apr/24	Working Capital	CDI+Spread	Trade Bills.	101,333	59,588	13,333	66,698
Banco CEF S.A	6.43% and 6.68%	Jun/24	Working Capital	CDI+Spread	Trade Bills.	9,267	18,889	6,667	11,677
Banco Daycoval	14.57%	Jul/21	Working Capital	CDI+Spread	Trade Bills.	13,891	25,286	9,091	10,613
Banco Santander	6.75% to 10.56%	Mar/23	Working Capital	CDI+Spread	Trade Bills.	156	-	1,094	164
Banco Votorantim	6.95% to 9.85%	Apr/25	Working Capital	CDI+Spread	Trade Bills.	16,622	7,411	27,250	14,380
						16,520	19,057	16,144	26,670
						196,741	172,309	113,102	190,185

b) Loans in foreign currency

Financial Institution	Annual Charges	Maturity	Modality	Index	Guarantee	Individual and Consolidated			
						06/30/2021		12/31/2020	
						Current	Non-current	Current	Non-current
Banco ABC Brasil	7.25% to 7.90%	Feb/24	Finimp	CDI	Trade Bills.	23,758	14,093	24,011	12,609
Banco BBM Bocom	7.23% to 8.75%	Nov 24	Working Capital	CDI	Trade Bills.	11,499	25,580	14,449	11,962
Banco Bradesco S.A.	7.75%	May/24	Working Capital	CDI	Trade Bills.	5,789	32,302	-	-
Banco Citi	4.25% to 7.75%	Feb/25	Working Capital	LIBOR and CDI	Trade Bills.	24,825	37,106	23,811	27,570
Banco Votorantim	7.90% to 8.07%	Jul/25	Working Capital	CDI	Trade Bills.	3,311	28,534	-	-
						69,182	137,615	62,271	52,141

As detailed in note 28 b), for all foreign currency loans the Company has contracted derivative instruments for exchange hedge (exchange swap).

Livetech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

16. Loans, financing and debentures--Continued

c) Debentures

Financial Institution	Annual Charges	Maturity	Modality	Index	Guarantee	Individual and Consolidated			
						06/30/2021		12/31/2020	
						Current	Non-current	Current	Non-current
Banco Itaú	5.75%	Nov/22	Debentures	CDI	Accommodation + Trade Bills	17,998	6,937	18,543	18,359
Banco Itaú Asset	7.25%	Nov/24	Debentures	CDI	Accommodation + Trade Bills	7,778	32,300	1,111	38,927
Banco Bradesco S.A.	7.25%	Nov/24	Debentures	CDI	Accommodation + Trade Bills	5,424	24,633	834	29,196
						31,200	63,870	20,488	86,482
Current						297,123	-	195,861	-
Non-current						-	373,794	-	328,808

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

16. Loans, financing and debentures--Continued

The transaction is shown as below:

	<u>Individual and Consolidated</u>
Balances as of December 31, 2019	<u>357,687</u>
New loans and debentures acquired	140,000
Financial charges	31,546
Payment of interest	(19,789)
Payment (principal)	(52,203)
Balance as of June 30, 2020	<u>457,241</u>
Balances as of December 31, 2020	<u>524,669</u>
New loans and debentures acquired	245,462
Financial charges	23,682
Payment of interest	(41,220)
Payment (principal)	(81,676)
Balance as of June 30, 2021	<u>670,917</u>

16.1 Restrictive covenants (covenants)

The Company is subject to restrictive covenants in loans, financing and debentures that restrict certain decision-making processes, and may require the early maturity or refinancing of debts if the Company fails to comply with these restrictive covenants.

The indexes and the minimum and maximum amounts required by these restrictive covenants have annual periodicity, that is, should be measured and presented at the closing of the fiscal years. Exception applies to the agreement with Banco BTG Pactual S.A., which requires presentation of this information also for June 30, 2021.

On December 31, 2020 all financial indexes have been met.

As for BTG Pactual S.A., these are the facts:

- (i) The ratio between the net debt and the EBITDA (covenants) of the Company needs to be lower than or equal to 3.00 x on June 30, 2021.
- (ii) The ratio between and Finance expenses, net (covenants) of the Company needs to be higher than or equal to 3.00 x on June 30, 2021.
- (iii) The financial indexes mentioned in the items (i) and (ii) were complied with.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

17. Lease liabilities

	Individual and Consolidated	
	06/30/2021	12/31/2020
Assets		
Right to use the asset	3,492	5,313
Total	3,492	5,313
Liabilities		
Lease of real estate	3,569	5,431
Total	3,569	5,431
Liabilities current	2,125	2,650
Liabilities non-current	1,444	2,781

The transactions in the right to use the assets leased in the period are as follows:

	Individual and Consolidated
Lease assets	
Balances as of December 31, 2019	4,452
Ingress	3,023
Depreciation	(1,382)
Balance as of June 30, 2020	6,093
Balances as of December 31, 2020	5,313
Ingress	933
Write-offs	(1,233)
Depreciation	(1,521)
Balance as of June 30, 2021	3,492

The transactions in the right to use the assets leased in the period are as follows:

	Individual and Consolidated
Lease liability	
Balances as of December 31, 2019	4,509
Payments	(1,381)
Ingress	3,023
Charges	172
Balance as of June 30, 2020	6,323
Balances as of December 31, 2020	5,431
Payments	(1,707)
Write-offs	(1,233)
Ingress	933
Charges	145
Balance as of June 30, 2021	3,569

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

17. Lease liabilities--Continued

The future maturities of the lease liability are as follows:

Aging Fulfillment	
2021	1,172
2022	1,752
2023	433
2024	212
	<u>3,569</u>

Upon initial recognition, to determine the fair value of the lease, the nominal discount rate was applied to minimum payments, considering the validity term of the lease agreement. On June 30, 2021 the average term of the leases was 25 months.

18. Other Obligations

	Individual		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Obligations with third parties (a)	4,517	6,774	4,517	6,774
Advance from customer	16,905	27,319	16,905	27,319
Bill and hold transactions (b)	8,022	9,980	8,022	9,980
Others (c)	17,329	872	19,786	1,152
Total	46,773	44,945	49,230	45,225
Current	46,773	44,945	49,230	45,225
Non-current	-	-	-	-

(a) Refers to the purchase of assets from Axyon Distribuidora Ltda. with the sole purpose of acquiring the exclusive right of 100% of the current and future customer agreements, and the exclusive right of acquisition of information technology and telecommunications products of certain suppliers.

(b) The balance of this account is fully composed of simple billing notes, which are awaiting the customer's definition about the destination of goods (solar energy products). When destined, the future sale note is generated and the revenue is recognized.

(c) Balance refers to obligations with third parties existing on the base date in which the nationalization of software/customs proceedings are in progress.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

19. Provision for contingencies

Contingencies classified as probable losses

	Labor	Tax	Individual and Consolidated	
			Civil	Total
On December 31, 2019	-	556	-	556
Ingress	-	365	-	365
Write-offs	-	(441)	-	(441)
Monetary restatement	-	-	-	-
On June 30, 2020	-	479	-	479
On December 31, 2020	-	479	-	479
Ingress	-	-	-	-
Write-offs	-	-	-	-
Monetary restatement	-	-	-	-
On June 30, 2021	-	479	-	479

The Company is party to lawsuits arising from the ordinary course of business, including tax and civil proceedings.

The Company classifies the risks of loss on the lawsuits as “probable”, “possible” or “remote”. The provision recorded in relation to these lawsuits is determined by the Company’s Management, based on the analysis of its legal advisors, and reasonably reflects the estimated probable losses.

The Company’s Management believes that the provision for labor, tax and civil risks, recognized in accordance with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets is sufficient to cover losses on administrative and judicial proceedings, as set forth below:

Taxes

The Company is involved in judicial discussions with Anatel related to possible products that are non compliant with the requirements determined by the regulatory agency. The balance recorded on June 30, 2021 related to these discussions amounts to R\$479 (R\$479 on December 31, 2020).

Livetech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

19. Provision for contingencies-Continued

Contingencies classified as possible losses

	Labor	Tax	Individual and Consolidated	
			Civil	Total
On December 31, 2019	-	1,400	149	1,549
Ingress	-	-	31	31
Write-offs	-	-	-	-
Monetary restatement	-	8	-	8
On June 30, 2020	-	1,408	180	1,588
On December 31, 2020	51	1,409	216	1,676
Ingress	-	2,667	-	2,667
Write-offs	-	(1)	-	(1)
Monetary restatement	-	-	-	-
On June 30, 2021	51	4,075	216	4,342

The Company is involved in process of manifestation of non-conformity and protocol of petition requiring the suspension of collectability based on the qualification to the special installment payment (pert). It is also awaiting deferral of the administrative defense regarding the NCM notice of infraction disputed in the inspection and the ICMS rate differential in interstate operations. On June 30, 2021, the amounts of lawsuits classified as possible loss totaled R\$4,075 (R\$1,409 on December 31, 2020).

20. Share-based payments x

On January 17, 2019, the Board of Directors of the Company approved the variable share-based compensation plan, indicating key professionals that have been granted the options and the total number to be distributed (with settlement in financial resources).

The vesting period of the program is of four years, from the entry of the fund 2B Capital as shareholder of the Company in April 2017, or the date of admission of the professional, prevailing the most recent date (initial date). For this reason, the effects of the Plan are retroactive to 2017.

The vesting period is determined as follows:

Vesting Period	18 months	24 months	36 months	48 months
Variable Remuneration Percentage	25.0%	50.0%	75.0%	100.0%

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

20. Share-based payments--Continued^x

The agreement establishes that the beneficiary acquires the right to receive a gross variable compensation over time (vesting period) to be calculated by applying a percentage (which depends on the beneficiary) on the positive amount obtained from the subtraction of the value of the shares of the Company in that Liquidity Event by the value of the share on the initial date, in accordance with the formula:

$$\text{Variable Remuneration} = \frac{\text{Percentage by Variable (which depends on the beneficiary)}}{\text{Base Value}} \times (\text{Value of the Company's Valuation} - \text{Base Value})$$

Liquidity event is defined as the disposal to non-shareholder third parties of shares representing at least 50% (fifty percent) plus one share of the capital stock of the Company. The base value per share on the granting date is updated by the IPCA/IBGE variation from the granting date until the date of liquidity event, multiplied by the total number of shares issued by the Company on the same date.

Considering that the Liquidity Event did not occur on the base date June 30, 2021, there was no exercise of right or settlement.

Since the settlement will be made in cash, the liability should be measured at fair value at the end of each reporting period, until settlement, and any changes in the fair value should be recognized in the result of period. The fair value of the shares should be measured at the market price of the shares of the entity (or estimated market price, if the shares are not publicly traded), adjusted according to the terms and conditions under which the shares had been granted.

For the Company, as result of the fact that the shares granted are subject to terms and conditions that are not applicable to the shares traded in the market (not observable), the fair value of the shares should be determined by applying a model of pricing of options, which estimates at which price the respective equity instruments could be traded, on the measurement date, in a transaction between parties that are aware of the subject and are willing to trade. The appraisal technique should be consistent with the appraisal methodologies usually accepted to price financial instruments. Accordingly, the Company applied the model of pricing of options "multiple of EBITDA", which considers the assumption of historical value of equity and current expectation based on the observable market information (level 2), and the terms and conditions under which the rights of valuation of shares had been granted. The liability related to share-based payment is disclosed in note 13. The result of share-based payment in the first quarter was R\$1,583.

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

21. Equity

21.1. Capital stock

The capital stock on June 30, 2021 is R\$86,666 (86,666 on December 31, 2020), fully subscribed and paid up represented by shares without par value, distributed as follows.

The shareholding structure on June 30, 2021 and December 31, 2020 is as follows:

Shareholder	06/30/2021		12/31/2020	
	Common shares (a)		Common shares	
	Quantity	%	Quantity	%
Vanderlei Rigatieri Junior	22,908	51.14%	45,815	51.14%
2B Capital - Brasil Capital de Crescimento	19,339	43.18%	38,678	43.18%
Francisco Sérgio Day de Toledo	2,545	5.68%	5,091	5.68%
Total shares	44,792	100.00%	89,584	100.00%

(a) Related to the Extraordinary General Meeting held on February 15, 2021, the grouping of shares was approved, the capital stock being restated for 44,792 thousand shares.

21.2 Legal Reserve

It is recognized through the appropriation of 5% of net profit for the year, in conformity with article 193 of Law No. 6,404/76, up to the limit of 20% of capital. On June 30, 2021 the reserve was not recognized.

21.3 Dividends.

The Company's bylaws establishes a mandatory minimum dividend of 25%, calculated on annual net profit adjusted according to article 202 of Law No. 6,404/1976. We set forth below the calculation of dividends released for the year 2020:

	12/31/2020
Net income for the year	70,587
Grant reserve	(7,435)
Appropriation of the Legal Reserve	(3,529)
Total	59,623
Adjusted net profit	59,623
Distribution	
Minimum mandatory dividends (25%)	(14,906)
Additional dividends	-
Retained profit reserve	(14,901)
Absorption of accumulated losses	29,816

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

21. Equity--Continued

21.4. Investment grant

On December 31, 2020, the Company has a balance in the amount of R\$11,961 related to tax incentive for reduction of 75% of income tax until the calendar year 2024 order of the Federal Revenue Service No. 129/2015, calculated based on the operating profit, in connection with the Manufacturing and Assembly of Communication and Security Equipment. The result obtained with this tax benefit is recognized as revenue or reduction of expenses in the result for the period and transferred to account of subsidy reserve in the equity. In the period ended June 30, 2021 there was no allocation to this reserve.

21.5. Share premium

On April 17, 2017 it was approved the capital increase in the amount of R\$30,000, with issuance of 28,036,726 common shares, fully subscribed by 2B Capital, under the terms of the subscription form at the price of R\$40,000. Of the total price of issuance of shares, R\$30,000 are destined to the composition of capital stock, and the balance, in the amount of R\$10,000, is allocated to the capital reserve as goodwill on the subscription of shares.

21.6 Profit retention reserve

The Company recognized Special Reserve on non-distributed profits under the terms of paragraph 4 (article 202 of Law No. 6,404), and, if not absorbed by losses in subsequent years, they should be paid as dividend as soon as the Company's financial position so permits. The unpaid profits under articles 193 to 197 should be distributed as dividends.

21.7. Profit per Share

The Gross receipt per share is calculated dividing the attributable profit to the shareholders of the Company by the weighted average of current common shares during the period, as shown below:

	Individual		Consolidated	
	06/30/2021	06/30/2020 (Restated)	06/30/2021	06/30/2020 (Restated)
Net income for the period	36,173	18,567	36,173	18,567
Weighted average of shares for the period	44,792	44,792	44,792	44,792
Gross receipt per share - (in Reais)	0.8076	0.4145	0.8076	0.4145

(a) Related to the Extraordinary General Meeting held on February 15, 2021, the grouping of shares was approved, the capital stock being restated for 44,792 thousand shares. This way, the weighted average of current shares was adjusted and are reflecting the effects of the grouping of shares to all the submitted periods.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

21. Equity--Continued

21.7. Profit per Share

The Company has no instrument with diluting effect. Accordingly, the diluted profit per share is equivalent to the basic profit per share.

22. Income and social contribution taxes

	Individual		Consolidated	
	06/30/2021	06/30/2020 (restated)	06/30/2021	06/30/2020 (restated)
Profit before taxes	48,629	22,207	48,629	22,207
Expense referring to IRPJ and CSLL on profit at a rate of 34%	16,534	7,550	16,534	7,550
Additions / (Exclusions) on Permanent Differences:				
Non-deductible Expenses	1,346	304	1,346	304
Appropriation of deferred revenues (MAXBr)	(737)	(1,944)	(737)	(1,944)
Other (AVP, equity pickup and others)	(700)	(11)	(700)	(11)
Tax Benefícios (SUDENE/PAT)	(3,987)	(2,259)	(3,987)	(2,259)
IR/CS Total	12,456	3,640	12,456	3,640
Current income and social contribution taxes	(17,199)	(6,065)	(17,199)	(6,065)
Deferred income and social contribution taxes	4,743	2,425	4,743	2,425
Effective IR / CS Charge	25.75%	16.40%	25.75%	16.40%

23. Related parties

Compensation of the Managers and related parties

The compensation paid by the Company to its Directors and Statutory Officers was recorded under the captions General and Administrative Expenses. The share-based payment is outstanding and recorded under the caption Personnel, charges and social benefits.

	Individual and Consolidated	
	06/30/2021	06/30/2020
Compensation of the executive board (fixed)	1,788	1,280
Performance bonus (variable)	1,077	1,493
Share-based payment	1,583	3,336
Total	4,448	6,109

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

23. Related parties--Continued

Compensation of the Managers and related parties--Continued

For the periods ended June 30, 2021 and June 30, 2020, our Directors and Officers did not receive any pension, retirement or similar benefits.

Commitments with related parties

The principal balances with related parties derive from transactions with related companies, which were carried out at prices and conditions agreed between the parties, as follows:

	Individual	
	06/30/2021	12/31/2020
Assets		
Loan related parties - Colombia (a)	3,518	3,991
Advance for future capital increase Panamá (AFAC)	500	-
Total	4,018	3,991
	Individual and Consolidated	
	06/30/2021	12/31/2020
Liabilities		
Guarantors Compensation (b)	341	309
Total	341	309
	06/30/2021	06/30/2020
Result		
Guarantors Compensation (b)	2,264	1,144
Total	2,264	1,144

(a) Loan agreement with related parties set up in the subsidiary in Colombia.

(b) Agreement of the officers Vanderlei Rigatieri and Francisco Sergio Day Toledo, as warrantors/guarantors for obligations assumed by the Company, at applicable rates that are better than those practiced in the market.

In addition to the transactions mentioned above, the Company has a related-party lease agreement with PDV Industrialização de Equipamentos Eletrônicos Ltda.

Modality	06/30/2021			06/30/2020	
	Assets	Liabilities	Result	Liabilities	Result
Real estate Lease	360	360	238	120	240
Forklift Lease	130	130	53	29	58
	490	490	291	149	298

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

23. Related parties--Continued

Commitments with related parties--Continued

The leases have no contractual provision for application of interest, and are adjusted only upon renewals or amendments. The transactions are carried out under conditions agreed between the parties. The agreements are covered by IFRS 16, and therefore, the amounts are presented under the captions Lease liabilities and Right of use (note 19). PDV is not consolidated in the Company.

The leases have no contractual provision for application of interest, and are adjusted only upon renewals or amendments. The transactions are carried out under conditions agreed between the parties, respecting the market conditions.

24. Net Revenue

	Individual		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Gross sales revenue	445,051	249,435	456,862	251,551
Gross lease revenue	143,178	120,481	143,178	120,481
Gross revenue	588,229	369,916	600,040	372,032
.Tax on Billing	(84,672)	(58,848)	(84,712)	(58,848)
(-) Returns	(13,059)	(4,756)	(13,059)	(4,777)
Net revenue	490,498	306,312	502,269	308,407

25. Costs of goods sold and services rendered

	Individual		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Cost of goods sold	(279,707)	(155,820)	(288,279)	(156,634)
Depreciation costs	(59,050)	(38,424)	(59,050)	(38,424)
Import and Freight Costs	(11,112)	(6,203)	(11,112)	(6,203)
Personnel Costs	(1,573)	(1,712)	(1,573)	(1,712)
Inventory Obsolescence Provision	(977)	(2,959)	(977)	(2,959)
Legal Entities Services Provided	(949)	(323)	(949)	(323)
Other costs	(1,058)	(362)	(1,058)	(365)
Total Costs	(354,426)	(205,803)	(362,998)	(206,620)

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

26. Expenses by nature

	Individual		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
		(restated)		(restated)
Personnel	(27,002)	(26,219)	(27,339)	(26,313)
Freight and Storage	(11,521)	(7,563)	(11,782)	(7,758)
Allowance for expected credit losses	(15,381)	(4,784)	(15,381)	(4,784)
Marketing and Advertising	(721)	(300)	(721)	(300)
Sales representation	(7,942)	(2,487)	(8,019)	(2,488)
Travel and Accommodation	(200)	(517)	(200)	(517)
Tax expenses	690	1,115	690	1,115
Legal Entities Services Provided	(11,873)	(2,607)	(12,127)	(3,090)
Depreciation and amortization	(4,826)	(4,608)	(4,840)	(4,614)
Maintenance and Repair	(908)	(934)	(908)	(934)
Consumption expenses	(1,710)	(1,404)	(2,289)	(1,739)
Credit of PIS and COFINS	8,560	-	8,560	-
Other revenues/expenses	(1,509)	(662)	(1,509)	(662)
Equity pickup	1,421	175	-	-
Operating Expenses	(72,922)	(50,795)	(75,865)	(52,084)
Personnel expenses	(27,002)	(26,219)	(27,339)	(26,313)
Selling expenses	(35,765)	(15,651)	(36,103)	(15,847)
Administrative expenses	(16,009)	(6,100)	(16,277)	(6,589)
Other Operating Expenses	4,433	(3,000)	3,854	(3,335)

27. Financial income (expenses), net

	Individual		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
		(restated)		(restated)
Finance income	49,093	28,335	49,116	28,359
Currency translation adjustment	25,705	3,339	25,721	3,363
Fair value adjustment of derivative instruments	18,578	22,009	18,578	22,009
Interest income	4,515	2,730	4,522	2,730
Short-term investment income	141	80	141	80
Other finance income	154	177	154	177
Finance expenses	(63,614)	(55,842)	(63,893)	(55,855)
Currency translation adjustment	(16,639)	(13,523)	(16,642)	(13,523)
Fair value adjustment of derivative instruments	(14,878)	(18,399)	(14,878)	(18,399)
Interest on loans, financing and debentures	(23,827)	(18,022)	(23,827)	(18,022)
Guarantors Compensation	(2,264)	(2,308)	(2,264)	(2,308)
Discounts granted	(239)	(597)	(239)	(597)
IOF and IR on loans	(1,572)	(2,491)	(1,571)	(2,491)
Bank expenses	(832)	(487)	(1,098)	(500)
Other financial expenses	(3,363)	(15)	(3,374)	(15)
Finance income (expenses), net	(14,521)	(27,507)	(14,777)	(27,496)

Livetech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

28. Risk management and valuation of financial instruments

a) Risk considerations

Credit risk

Credit risk is the risk of a business counterparty failing to comply with an obligation contained in a financial instrument or customer agreement, which would cause a financial loss. The Company is exposed to the credit risk in its operating (mainly in relation to accounts receivable and credit notes) and financing activities, including deposits in banks and financial institutions.

Liquidity risk

The risk management policy aims at maintaining safe cash available and access to immediate funds level. The purpose of the Company is to maintain the balance between the continuity of the resources and the flexibility in the current account available for prompt use through the guaranteed accounts, derivatives from banking loans and loans with related parties.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of certain financial instrument may fluctuate due to the variations in market interest rates. The Company exposure to the risk of changes in market interest rates refers mainly to long-term obligations subject to variable interest rates. The Company has loans and financing with the main financial institutions to cover cash needs for investments and growth. As result of these transactions, the Company is exposed to the risk of debts linked to the CDI.

Foreign exchange risk

The foreign exchange risk is the risk that the fair value of a financial instrument's future cash flows may fluctuate in view of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates refers mainly to the operating activities of the Company (when revenues or expenses are denominated in a currency different from the functional currency of the Company). The Company manages its foreign exchange risk through transactions of purchases of goods from foreign suppliers, which are expected to occur within the twelve-month period from the purchase until the settlement of the supplier's invoice.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

28. Risk management and valuation of financial instruments--Continued

b) Fair value measurements:

Fair Value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an ordinary transaction between market players on the date of measurement. The measurement of fair value assumes that the transaction to sell the asset or transfer the liability will occur:

- In the principal market for the asset or liability.
- If there is no principal market, in the market that is most advantageous for the asset or liability. The main or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The measurement of the fair value of a non-financial asset considers the ability of the market player to generate economic benefits using the asset in its best possible use or selling it to another market player that would use the asset in its best use.

The Company uses appraisal techniques that are appropriate in the circumstances and for which there is sufficient data available to measure the fair value, maximizing the use of relevant observable data and minimizing the use of non-observable data. All assets and liabilities for which the fair value is measured or disclosed in the interim financial information are categorized according to the fair value hierarchy described below, based on the lower level information that is significant to the measurement of fair value as a whole:

- Level 1 - Prices quoted (not adjusted) in active markets for assets or liabilities identical to the one that the entity may have access on the measurement date.
- Level 2 - Appraisal techniques for which the lower level information that is significant to the measurement of fair value is directly or indirectly observable.
- Level 3 - Appraisal techniques for which the lower level information that is significant to the measurement of fair value is not available.

For assets and liabilities recognized in the interim financial information on recurring basis, the Company determines if there have been transfers between levels of hierarchy, reassessing the categorization (based on the lower level information that is significant to the measurement of fair value as a whole) at the end of each reporting period. When applicable, the external appraisers will be involved in the appraisal of material assets and liabilities.

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

28. Risk management and valuation of financial instruments--Continued

b) Fair value measurements--Continued

The involvement of external appraisers is decided annually by management, after discussion with management and their respective approval. The selection criteria include market knowledge, reputation, independence and verification if the professional standards are met. Usually, the appraisers are replaced every three years. Management decides, after discussion with the external appraisers of the Company, which appraisal techniques and information are used in each case.

On each reporting date, management analyzes the transactions in the amounts of assets and liabilities that should be measured or reassessed in accordance with the accounting policies of the Company. For purposes of this analysis, management confirms the principal information used in the last appraisal, comparing the information contained in the appraisal calculation with the agreements and other relevant documents.

Management, in conjunction with the external appraisers of the Company also compare each transaction at the fair value of each asset and liability with the respective external sources in order to determine if the transaction is acceptable.

For purposes of disclosure of fair value, the Company established classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the hierarchy level of the fair value, as explained above. The corresponding disclosures at the fair value of financial instruments and non-financial assets measured at fair value or upon disclosure of fair values are summarized in the respective notes.

The principal asset and liability financial instruments on June 30, 2021, as well as their respective market values are set forth below:

			Book value		Fair value	
	Fair Value Hierarchy	Classification	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets (current and non-current)						
Cash and cash equivalent	Level 1	Amortized cost	22,584	37,785	22,584	37,785
Short-term investments	Level 1	Amortized cost	14,065	52,046	14,065	52,046
Accounts receivable, net	Level 2	Amortized cost	248,785	206,171	248,785	206,171
Derivative financial instruments	Level 2	Fair value through the result	7,098	14,210	7,098	14,210
Total			292,532	310,212	292,532	310,213
Liabilities (current and non-current)						
Suppliers	Level 2	Amortized cost	137,695	149,074	137,695	149,074
Loans and financing	Level 2	Amortized cost	670,917	524,669	670,101	524,669
Derivative financial instruments	Level 2	Fair value through the result	9,383	-	9,383	-
Leases liabilities	Level 2	Amortized cost	3,569	5,431	3,569	5,431
Related parties	Level 2	Amortized cost	341	309	341	309
Other obligations	Level 2	Amortized cost	49,230	45,225	49,230	45,225
Total			871,135	724,708	871,135	724,708

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Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

((In thousands of Reais, unless otherwise indicated))

28. Risk management and valuation of financial instruments--Continued

b) Fair value measurements--Continued

The objective of the Company and its controller to manage its capital is to maintain the capacity of continuity of their operations to make sure their shareholders receive for their investments and to provide guarantee to the other interested parties, besides maintaining a proper capital structure.

There has been no change in the purposes, policies or processes during the period ended June 30, 2021.

b.1) Exposure to the risk of foreign currency

In order to reduce the volatility of cash flow, swap operations have been carried out to translate into US\$ the cash flow of certain debts in R\$ related to loan and financing agreements, at rates indexed mainly to the CDI. In these swap operations, the Company pays fixed rates in US\$ and receives compensation in R\$ linked to the interest rates of the covered debts. The average exchange rate of R\$4.9686 considered for the U.S. dollar on the base date June 30, 2021 was obtained from Bloomberg.

		06/30/2021		
		Fair value		
Agreements	Reference value	Adjustment receivable	Adjustment payable	Net position
SWAP	154,131	140,015	(137,731)	2,284
		Assets	-	7,099
		Liabilities	-	(9,383)
		12/31/2020		
		Fair value		
Agreements	Reference value	Adjustment receivable	Adjustment payable	Net position
SWAP	65,035	58,925	(44,715)	14,210
		Assets	-	14,210
		Liabilities	-	-

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

28. Risk management and valuation of financial instruments--Continued

c) Changes in liabilities from financing activities

	Consolidated							On June 30, 2020
	On December 31, 2019	Payment (principal)	Payment of interest	Merger	Currency translation adjustment or interest liabilities	New agreements	Others	
Loans, financing and debentures	357,687	(76,359)	35,913	-	-	140,000	-	457,241
Dividends payable	4,896	-	-	-	-	-	-	4,896
Capital stock	86,666	-	-	-	-	-	-	86,666
	Consolidated							On June 30, 2020
	On December 31, 2019	Payment (principal)	Payment of interest	Merger	Currency translation adjustment or interest liabilities	New agreements	Others	
Loans and financing	524,669	(81,676)	(42,036)	-	23,682	245,462	-	670,101
Dividends payable	15,006	-	-	-	-	-	(15,006)	-
Capital stock	86,666	-	-	-	-	-	-	86,666

a) Sensitivity analysis

In order to verify the sensitivity of the indexing unit in the checking accounts in foreign currency, cash equivalents and loans and financing as well as operations posing interest rate risk classified in cash equivalents, debentures and loans, to which the Company was exposed on the base date June 30, 2021, three different scenarios had been defined.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

28. Risk management and valuation of financial instruments--Continued

a) Sensitivity analysis--Continued

Based on projections disclosed by financial institutions (Central Bank of Brazil), it was obtained the projection of the foreign currency, CDI and Libor for each of the transactions analyzed, which is defined as probable scenario (scenario 1); based on this, it was calculated changes of 25% (scenario 2) and 50% (scenario 3). For each scenario it was presented the new accounting balance considering the stress rate:

Consolidated (Amounts in R\$/thousand)		Financial Revenues Projection					
Short-term investments - Consolidated	Interest Rate	06/30/2021	Scenario I	Scenario II	Probable Scenario	Scenario III	Scenario IV
			-50%	-25%	2.75%	25%	50%
Cash and cash equivalents and short-term investments	CDI	36,650	504	756	1,008	1,260	1,512
Loans, financing and debentures:							
Banco do Brasil	CDI	(47,486)	(902)	(1,353)	(1,803)	(2,254)	(2,705)
Banco BNDES	IPCA	(33,544)	(1,531)	(2,297)	(3,063)	(3,828)	(4,594)
Banco BTG	CDI	(160,921)	(1,261)	(1,891)	(2,522)	(3,152)	(3,783)
Banco CCB	CDI	(28,156)	(300)	(450)	(600)	(750)	(900)
Banco CEF S.A	CDI	(39,177)	(218)	(327)	(436)	(545)	(654)
Banco Daycoval	CDI	(156)	(14)	(21)	(27)	(34)	(41)
Banco Itaú Unibanco	CDI	(24,935)	(332)	(498)	(665)	(831)	(997)
Banco Itaú Asset	CDI	(40,078)	(543)	(814)	(1,085)	(1,356)	(1,628)
Banco Bradesco	CDI	(30,058)	(171)	(256)	(342)	(427)	(512)
Banco Bradesco	CDI	(38,091)	(236)	(354)	(472)	(590)	(709)
Banco Santander	CDI	(24,033)	(963)	(1,445)	(1,926)	(2,408)	(2,889)
Banco Votorantim	CDI	(67,421)	(705)	(1,058)	(1,410)	(1,763)	(2,116)
Banco ABC Brasil	CDI	(37,851)	(528)	(791)	(1,055)	(1,319)	(1,583)
Banco BBM Bocom	CDI	(37,079)	(497)	(746)	(994)	(1,243)	(1,491)
Banco Citi	CDI	(61,931)	(1,093)	(1,639)	(2,186)	(2,732)	(3,279)
SWAP - Banco ABC	Euro / CDI	2,771	1,423	2,135	2,847	3,559	4,270
SWAP - Citibank	Libor / Dollar / CDI	2,781	1,429	2,143	2,858	3,572	4,287
SWAP - Bocom	Dollar / CDI	(1,182)	(607)	(911)	(1,214)	(1,518)	(1,821)
SWAP - Votorantim	Dollar / CDI	(3,956)	(2,032)	(3,049)	(4,065)	(5,081)	(6,097)
SWAP - Bradesco	Dollar / CDI	(2,698)	(1,386)	(2,079)	(2,772)	(3,465)	(4,158)
Subtotal		(673,201)	(10,467)	(15,701)	(20,932)	(26,165)	(31,400)
Scenarios for Index Changes:							
(i) Dollar		5.00	2.57	3.85	5.14	6.42	7.71
(i) Euro		5.93	3.05	4.57	6.09	7.61	9.14
(ii) CDI		0.02	0.01	0.02	0.02	0.03	0.03
(iii) LIBOR		0.00	0.00	0.00	0.00	0.00	0.00
(iv) IPCA		0.08	0.05	0.07	0.09	0.11	0.14

(*) The loans in foreign currency operations are provided with hedge contracted with the same banks through foreign exchange swap.

Sources:

(i) Dollar/Euro - PTAX Banco Central do Brasil; (ii) CDI - Banco Central do Brasil; (iii) Libor - Global Rates; (iv) IPCA - Instituto Brasileiro de Geografia e Estatística.

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

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29. Segment Information

Management defined the strategic business model, and the Company's decisions are based on the segments: Telecom and Corporate. The segments have different dynamics of service, types of products and business models. The Telecom segment encompasses the market of fixed broad band internet, including optical fiber products and FTTH (fiber to the home), data networks, wi-fi, among other. The Corporate segment encompasses the B2B consumption market (companies), including electronic security, cyber security, infrastructure of data centers, building and residential automation, professional audio and video, LED panels, photovoltaic power generators, among other.

The information on the Company's segments (captions of the Consolidated) is included in the following tables:

	Telecom				Corporate				Total			
	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Gross sales revenue	108,001	198,917	71,352	130,944	150,520	257,945	59,375	120,607	258,521	456,862	130,727	251,551
Gross lease revenue	60,805	120,944	54,279	104,315	11,296	22,234	8,554	16,166	72,101	143,178	62,833	120,481
Gross revenue	168,806	319,861	125,631	235,259	161,816	280,179	67,929	136,773	330,622	600,040	193,560	372,032
(-) Taxes on Billing	(25,400)	(48,292)	(19,630)	(35,843)	(20,812)	(36,420)	(11,006)	(23,005)	(46,212)	(84,712)	(30,636)	(58,848)
(-) Returns	(4,689)	(7,661)	(1,159)	(2,444)	(3,043)	(5,398)	(1,579)	(2,333)	(7,732)	(13,059)	(2,738)	(4,777)
Net revenue	138,717	263,908	104,842	196,972	137,961	238,361	55,344	111,435	276,678	502,269	160,186	308,407
Cost of goods sold and services rendered	(87,826)	(168,119)	(66,924)	(122,025)	(115,164)	(194,879)	(44,012)	(84,595)	(202,990)	(362,998)	(110,936)	(206,620)
Gross profit	50,891	95,789	37,918	74,947	22,797	43,482	11,332	26,840	73,688	139,271	49,250	101,787
Operating Expenses	(14,740)	(33,099)	(14,819)	(27,706)	(21,644)	(42,766)	(11,634)	(24,378)	(36,384)	(75,865)	(26,453)	(52,084)
Finance income (expenses), net	2,190	(10,888)	(8,076)	(23,197)	(2,406)	(3,889)	(1,095)	(4,299)	(216)	(14,777)	(9,171)	(27,496)
Income before income and social contribution	38,341	51,802	15,023	24,044	(1,253)	(3,173)	(1,397)	(1,837)	37,088	48,629	13,626	22,207
Income and social contribution taxes	(10,097)	(11,482)	(2,270)	(3,329)	(267)	(974)	(212)	(311)	(10,364)	(12,456)	(2,482)	(3,640)
Net income for the year	28,244	40,320	12,753	20,715	(1,520)	(4,147)	(1,609)	(2,148)	26,724	36,173	11,144	18,567
% on Net revenue	20.36%	15.3%	12.16%	10.5%	-1.10%	-1.7%	-2.91%	-1.9%	9.66%	7.2%	6.96%	6.0%

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29. Segment Information--Continued

Equity accounts by segment

	Telecom		Corporate		Total	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Accounts receivable, net	164,436	152,875	84,349	53,296	248,785	206,171
Inventories	95,022	52,116	120,396	86,664	215,418	138,780
Property, plant and equipment	310,497	263,944	85,818	81,986	396,315	345,930
Other assets	129,795	118,115	95,860	102,314	225,655	220,429
Total assets	699,750	587,050	386,423	324,260	1,086,173	911,310
Suppliers	86,756	79,815	50,939	69,259	137,695	149,074
Loans and financing	525,637	392,890	145,280	131,779	670,917	524,669
Deferred revenue	3,071	7,982	-	-	3,071	7,982
Other liabilities and equity	157,821	148,265	116,669	81,320	274,490	229,585
Total liabilities + PL	773,285	628,952	312,888	282,358	1,086,173	911,310

a) Information of customers concentration

In the period ended June 30, 2021, the Company has no customer that represents individually 10% or more of the consolidated sales of the Company. Individually assessing the segments, we have: (i) in the Telecom segment, a customer was responsible for 7.1% of the total of sales in the segment (or 4.2% of the total of consolidated sales); and (ii) in the Corporate segment, a customer was responsible for 3.6% of the total of sales in the segment (or 1.5% of the total of consolidated sales).

b) Geographic information

	Subsidiaries in Brazil		Subsidiaries abroad	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net revenue	490,498	306,312	12,412	14,456
Assets non-current	544,674	358,076	129	103

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Notes to the individual and consolidated interim financial information--Continued

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30. Insurance coverage

The Company has insurance coverage in amounts considered by Management sufficient to cover the risks on its assets and/or liabilities. The insurance coverage encompasses the Factory located in the Industrial Park of Ilhéus, the office located in São Paulo, commercial branches located in São Paulo and the industrial branch located in Extrema, Minas Gerais.

	Individual and consolidated	
	06/30/2021	12/31/2020
Property damage	118,692	119,948
Civil liability	25,320	12,841
Other	577	729

31. Subsequent events

31.1. Changes in Indebtedness

On June 20, 2021, the Company contracted new loans with the banks Votorantim and ABC Brasil respectively in the amounts of R\$10,000 thousand and R\$20,000 thousand. The operations were approved at the Company's Board of Directors' Meeting held on July 08, 2021. The funds will be used for payment of suppliers of operational inventories, and/or equipment destined to cover long-term lease agreements with the Company's customers.

In the Meeting of the Board of Directors of the Company held on August 12, 2021, the Company renegotiated the loans contracted with Banco BTG Pactual: (i) changing the maturity date/amortization and the profile from short- to long-term in the amount of R\$ 74,532 thousand; (ii) cost reduction in the remuneration of said loans; (iii) exclusion of guarantee through the mandatory financial investment; and (iv) exclusion of the section of financial covenants.

31. Subsequent events--Continued

31.2. Public offering of shares

Livotech da Bahia Indústria e Comércio S.A.

Notes to the individual and consolidated interim financial information--Continued

June 30, 2021

(In thousands of Reais, unless otherwise indicated)

On July 22, 2021, the Company initiated the primarily public offer of distribution of 19,400,00 (nineteen million and four hundred thousand) new shares issued by the Company ("Primary Offer"), among them common, nominative, book entry, with no par value shares, all of them free and without any burdens ("Shares") at the price of R\$ 23.20 per Share ("Price per Share"), in the total amount of R\$450,080. The R\$ 225,040 amount will be used to raise the account of capital stock of the Company, and the R\$ 225,040 amount will be used to create a capital reserve due to the goodwill in the subscription of shares.

On the same date of this offer, the Company spent R\$ 22,768 in bank commissions, lawyer's fees, auditors etc., registered as non-recurring expenses in the Income Statement for the month the offer was held.

With the public offering of primary distribution of shares, the Company finished the share-based variable remuneration plan, having assessed the amounts payable to the plan beneficiaries that complied with such agreements, ending up with the total amount of R\$21,975, out of which R\$16,306 were provisioned on June 30, 2021. This R\$ 5,669 thousand difference will be registered as non-recurring expenses in the Income Statement of the month the IPO was released and the cash disbursement will occur during August 2021.