

**Padtec Holding S.A.**

Interim financial statements for the quarter ended  
March 31, 2023, accompanied by the Review Report  
on the Quarterly Information

## **Report on the Review of Quarterly Information**

To the Shareholders and the Management of  
**Padtec Holding S.A.**  
Campinas - SP

### **Introduction**

We have reviewed the individual and consolidated interim financial information of Padtec Holding S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, which comprises the Balance Sheet as of March 31, 2023 and the respective statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the accompanying notes.

The Company’s Management is responsible for preparing the individual and consolidated interim financial statements in compliance with Technical Pronouncement CPC 21(R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), as well as for its presentation in a manner consistent with the rules 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 compliance with Brazilian and international standards for the review of interim financial information (NBC TR 2410 - Interim Financial Information Review Performed by the Entity’s Auditor 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, mainly to persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. The scope of a review is significantly lower than an audit conducted in compliance with audit standards and, accordingly, has not allowed us to obtain assurance that we are aware of all significant matters that could be identified through an audit procedure. Therefore, we do not express an audit opinion.

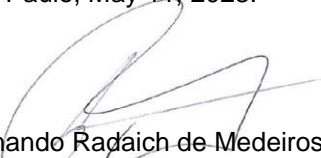
**Conclusion on the individual and consolidated interim information**

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in compliance with Technical Pronouncement CPC 21(R1) and International Standard IAS 34, applicable the preparation of Quarterly Information - ITR and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

**Other matters****Statement of value added**

The aforementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the quarter ended March 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. Such statements were submitted to review procedures carried out together with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content comply with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any facts that would lead us to believe that these statements of value added were not prepared, in all material respects, in compliance with the criteria defined in this Standard and in a consistent manner in relation to the individual and consolidated interim financial information taken together.

São Paulo, May 11, 2023.

  
Fernando Radaich de Medeiros  
Accountant CRC 1SP 217.532/O-6

RSM Brasil Auditores Independentes - Sociedade Simples  
CRC 2SP-030.002/O-7

**PADTEC HOLDING S.A.**

**BALANCE SHEETS**

AS OF MARCH 31, 2023 AND DECEMBER 31, 2022

(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	NOTE	Parent Company		Consolidated	
		03/31/23	12/31/22	03/31/23	12/31/22
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash and cash equivalents	4	1	60	44,287	49,620
Tradable securities	5	-	-	2,848	3,703
Trade accounts receivable	6	-	-	109,175	134,999
Inventories	7	-	-	108,545	93,435
Taxes recoverable	8	1,765	1,788	26,738	34,330
Financial transactions	17	-	-	42,534	41,125
Other credits	9	134	197	4,256	5,494
<b>TOTAL CURRENT ASSETS</b>		<b>1,900</b>	<b>2,045</b>	<b>338,383</b>	<b>362,706</b>
<b>NON-CURRENT</b>					
Trade accounts receivable	6	-	-	14,198	13,267
Restricted financial investments		-	-	244	212
Financial transactions	17	-	-	37,998	36,112
Judicial deposit	22.2	549	567	1,160	1,167
Other credits	9	-	-	212	409
		<b>549</b>	<b>567</b>	<b>53,812</b>	<b>51,167</b>
Investments	11.1	159,241	156,847	-	-
Net PPE	12	-	-	37,665	37,571
Net intangible assets	13	24	24	45,244	45,175
		<b>159,265</b>	<b>156,871</b>	<b>82,909</b>	<b>82,746</b>
<b>TOTAL CURRENT ASSETS</b>		<b>159,814</b>	<b>157,438</b>	<b>136,721</b>	<b>133,913</b>
<b>TOTAL ASSETS</b>		<b>161,714</b>	<b>159,483</b>	<b>475,104</b>	<b>496,619</b>

The accompanying notes are an integral part of these interim financial statements

## PADTEC HOLDING S.A.

### BALANCE SHEETS

AS OF MARCH 31, 2023 AND DECEMBER 31, 2022

(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	NOTE	Parent Company		Consolidated	
		03/31/23	12/31/22	03/31/23	12/31/22
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT</b>					
Loans and financing	14	-	-	8,850	23,595
Debentures	15	-	-	10,517	10,517
Lease transactions	16	-	-	6,183	6,044
Suppliers	19	64	80	68,801	68,223
Related parties	10	-	-	369	344
Taxes and contributions payable	20	47	60	4,219	14,541
Taxes and contributions payable - installment payment	21	105	119	1,617	1,931
Labor charges	23	312	285	25,477	22,774
Miscellaneous provisions	22.1	687	713	2,504	2,689
Financial transactions	17	-	-	42,534	41,125
Advances from customers		-	-	2,821	1,458
Other accounts payable		-	-	685	355
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,215</b>	<b>1,257</b>	<b>174,577</b>	<b>193,596</b>
<b>NON-CURRENT</b>					
Provision for labor, tax and civil risks	22.2	9,828	9,662	18,630	19,308
Loans and financing	14	-	-	68,306	68,769
Debentures	15	-	-	7,835	10,440
Suppliers	19	-	-	508	522
Lease transactions	16	-	-	17,362	18,909
Taxes and contributions payable - installment payment	21	-	8	1,783	2,016
Related parties	10	14,084	12,877	-	-
Financial transactions	17	-	-	37,998	36,112
Transactions with senior FIDC quotas	18	-	-	10,643	10,393
Other accounts payable		-	-	875	875
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>23,912</b>	<b>22,547</b>	<b>163,940</b>	<b>167,344</b>
<b>TOTAL LIABILITIES</b>		<b>25,127</b>	<b>23,804</b>	<b>338,517</b>	<b>360,940</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital	25.1	199,211	199,211	199,211	199,211
Accumulated losses		(60,103)	(60,780)	(60,103)	(60,780)
Goodwill on capital transaction		599	599	599	599
Other comprehensive income	25.2	(3,120)	(3,351)	(3,120)	(3,351)
<b>TOTAL EQUITY ASSIGNED</b>		<b>136,587</b>	<b>135,679</b>	<b>136,587</b>	<b>135,679</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>161,714</b>	<b>159,483</b>	<b>475,104</b>	<b>496,619</b>

The accompanying notes are an integral part of these interim financial statements

## PADTEC HOLDING S.A.

### STATEMENTS OF PROFIT OR LOSS FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	NOTE	Parent Company		Consolidated	
		03/31/23	03/31/22	03/31/23	03/31/22
<b>NET OPERATING REVENUE</b>	27	-	-	<b>79,164</b>	<b>72,757</b>
Cost of goods sold and services provided	28	-	-	(50,675)	(52,092)
<b>GROSS PROFIT</b>		-	-	<b>28,489</b>	<b>20,665</b>
<b>OPERATING REVENUES (EXPENSES)</b>					
Administrative expenses	29.1	(918)	(1,105)	(7,373)	(6,889)
Selling expenses	29.1	-	-	(9,007)	(8,028)
Research and development expenses	29.1	-	-	(9,724)	(8,438)
Equity income	11.5	2,163	(4,840)	-	-
Other operating revenues (expenses), net	29.2	(449)	1,553	(816)	2,473
<b>PROFIT (LOSS) BEFORE FINANCE INCOME (COSTS)</b>		<b>796</b>	<b>(4,392)</b>	<b>1,569</b>	<b>(217)</b>
<b>FINANCIAL RESULT</b>					
Financial income	30	3	-	5,821	5,899
Finance costs	30	(122)	(85)	(6,713)	(10,158)
<b>PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>		<b>677</b>	<b>(4,477)</b>	<b>677</b>	<b>(4,476)</b>
Income tax and social contribution					
Current	31	-	-	-	(1)
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>677</b>	<b>(4,477)</b>	<b>677</b>	<b>(4,477)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>					
Controlling shareholders		677	(4,477)	677	(4,477)
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>677</b>	<b>(4,477)</b>	<b>677</b>	<b>(4,477)</b>
<b>EARNINGS (LOSSES) PER SHARE</b>					
Diluted earnings (losses) per share	26	0.0086	(0.0571)	0.0086	(0.0571)

The accompanying notes are an integral part of these interim financial statements

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**PADTEC HOLDING S.A.**

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	<b>Parent Company and Consolidated</b>	
	<b>03/31/23</b>	<b>03/31/22</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>677</b>	<b>(4,477)</b>
Items that may be reclassified subsequently to the statement of income (loss)		
Other comprehensive income		
Translation adjustments of balance sheet of subsidiaries abroad	231	(272)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>908</b>	<b>(4,749)</b>
Comprehensive income (loss) attributable to:		
Controlling shareholders	908	(4,749)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>908</b>	<b>(4,749)</b>

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**PADTEC HOLDING S.A.**

STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	<b>Parent Company and Consolidated</b>				
	<b>Share Capital</b>	<b>Goodwill on capital transaction</b>	<b>Accumulated translation adjustments</b>	<b>Retained earnings/losses</b>	<b>Total equity</b>
<b>BALANCE AS OF DECEMBER 31, 2021</b>	<b>199,211</b>	<b>599</b>	<b>(939)</b>	<b>(70,534)</b>	<b>128,337</b>
Loss for the period	-	-	-	(4,477)	(4,477)
Exchange variation adjustment of subsidiaries	-	-	(272)	-	(272)
<b>BALANCE AS OF MARCH 31, 2022</b>	<b>199,211</b>	<b>599</b>	<b>(1,211)</b>	<b>(75,011)</b>	<b>123,588</b>
<b>BALANCE AS OF DECEMBER 31, 2022</b>	<b>199,211</b>	<b>599</b>	<b>(3,351)</b>	<b>(60,780)</b>	<b>135,679</b>
Net income (loss) for the period	-	-	-	677	677
Exchange variation adjustment of subsidiaries	-	-	231	-	231
<b>BALANCE AS OF MARCH 31, 2023</b>	<b>199,211</b>	<b>599</b>	<b>(3,120)</b>	<b>(60,103)</b>	<b>136,587</b>

The accompanying notes are an integral part of these interim financial statements

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## PADTEC HOLDING S.A.

### STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
<b>Cash flows from operating activities</b>				
Profit (loss) for the period before taxes	677	(4,477)	677	(4,476)
Adjustments to reconcile net income (loss) for the period with cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	6,134	3,750
Interest and inflation adjustments on loans	-	-	1,683	1,041
Interest and inflation adjustments on debentures	-	-	885	1,065
Amortization of costs with issuance of debentures	-	-	62	62
Allowance for doubtful accounts	-	-	(1,177)	(1,040)
Creation (reversal) of miscellaneous provisions	(26)	-	(185)	173
Provision for labor, tax and civil risks	647	(2,323)	85	(3,592)
Provision for inventory obsolescence	-	-	220	692
Equity income	(2,163)	4,840	-	-
Write-off of PPE and intangible assets	-	-	72	47
<b>Decrease (increase) in operating assets:</b>				
Trade accounts receivable	-	-	26,070	17,632
Tradable securities	-	-	855	-
Inventories	-	-	(15,330)	(18,586)
Taxes recoverable	23	-	7,592	99
Related parties	-	(100)	-	-
Judicial deposit	18	161	7	134
Other credits	63	44	1,435	(2,279)
<b>Increase (decrease) in operating liabilities:</b>				
Lease transactions	-	-	(1,408)	(929)
Suppliers	(16)	43	564	706
Labor charges	27	37	2,703	2,764
Taxes and contributions payable	(35)	4	(10,869)	(5,355)
Related party transactions	1,207	-	25	94
Transactions with senior FIDC quotas	-	-	250	-
Income tax and social contribution - paid	-	-	-	(1)
Charges on loans and financing - paid	-	-	(1,242)	(907)
Debenture charges - paid	-	-	(885)	(1,055)
Advances from customers	-	-	1,363	(2,468)
Other accounts payable	-	-	330	(275)
Labor, tax and civil indemnities - paid	(481)	-	(763)	-
<b>Net cash used in (provided by) operating activities</b>	<b>(59)</b>	<b>(1,771)</b>	<b>19,153</b>	<b>(12,704)</b>
<b>Cash flows from investment activities</b>				
Restricted financial investments	-	-	(32)	3,211
Acquisition of PPE and intangible assets	-	-	(6,369)	(3,946)
Related party loan agreement	-	1,771	-	-
<b>Net cash used in (provided by) investing activities</b>	<b>-</b>	<b>1,771</b>	<b>(6,401)</b>	<b>(735)</b>
<b>Cash flows from financing activities</b>				
Forfeiting	-	-	-	(88)
Raising of loans and financing	-	-	1,134	-
Payment of loans and financing - principal	-	-	(16,783)	(2,903)
Payment of debentures - principal	-	-	(2,667)	(2,667)
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>(18,316)</b>	<b>(5,658)</b>
Exchange variation of cash in foreign currency	-	-	231	(272)
<b>Decrease in cash and cash equivalents</b>	<b>(59)</b>	<b>-</b>	<b>(5,333)</b>	<b>(19,369)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>-</b>	<b>49,620</b>	<b>87,468</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1</b>	<b>-</b>	<b>44,287</b>	<b>68,099</b>
<b>Non-cash transactions</b>				
Right-of-use of lease	-	-	-	1,978

The accompanying notes are an integral part of these interim financial statements

## PADTEC HOLDING S.A.

### STATEMENTS OF VALUE ADDED

FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
<b>1 - Revenues</b>	<b>(180)</b>	<b>1,381</b>	<b>100,353</b>	<b>96,138</b>
1.1. Sale of goods, products and products	-	-	100,658	93,748
1.2. Allowance for doubtful accounts	-	-	1,177	1,040
1.3. Other revenues	(180)	1,381	(1,482)	1,350
<b>2 - Inputs purchased from third parties</b>	<b>(701)</b>	<b>(301)</b>	<b>(39,372)</b>	<b>(40,985)</b>
2.1. Cost of products, goods and services sold	-	-	(29,344)	(30,302)
2.2. Energy, third-party services and other operating expenses	(701)	(301)	(10,028)	(10,683)
<b>3 - Retentions.</b>	<b>-</b>	<b>-</b>	<b>(6,134)</b>	<b>(3,750)</b>
3.1. Depreciation and amortization	-	-	(6,134)	(3,750)
<b>4 - Value added produced, net</b>	<b>(881)</b>	<b>1,080</b>	<b>54,847</b>	<b>51,403</b>
<b>5 - Value added received on transfer</b>	<b>2,166</b>	<b>(4,840)</b>	<b>5,821</b>	<b>5,899</b>
5.1. Equity income	2,163	(4,840)	-	-
5.2. Financial revenues	3	-	5,821	5,899
<b>6 - Total value added to distribute</b>	<b>1,285</b>	<b>(3,760)</b>	<b>60,668</b>	<b>57,302</b>
<b>7 - Distribution of value added</b>	<b>1,285</b>	<b>(3,760)</b>	<b>60,668</b>	<b>57,302</b>
<b>7.1. Personnel and charges</b>	<b>407</b>	<b>546</b>	<b>26,396</b>	<b>25,276</b>
Direct compensation	374	485	18,181	21,874
Benefits	33	61	7,017	2,059
Severance Fund (FGTS)	-	-	1,198	1,343
<b>7.2. Taxes, fees and contributions</b>	<b>79</b>	<b>86</b>	<b>26,215</b>	<b>25,369</b>
Federal	77	85	18,087	17,937
State	-	-	7,410	6,759
Municipal	2	1	718	673
<b>7.3. Third-party capital remuneration</b>	<b>122</b>	<b>85</b>	<b>7,380</b>	<b>11,134</b>
Financial costs	122	85	6,713	10,158
Rents	-	-	667	976
<b>7.4. Equity remuneration</b>	<b>677</b>	<b>(4,477)</b>	<b>677</b>	<b>(4,477)</b>
PROFIT (LOSS) FOR THE PERIOD	677	(4,477)	677	(4,477)

The accompanying notes are an integral part of these interim financial statements

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## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 1. GENERAL INFORMATION

#### 1.1. Operational context

Padtec Holding S.A. ("Company", B3: PDTC3), started its operations as an investment company in Internet projects in 2000, the year it went public on B3 S.A. – Brasil, Bolsa, Balcão ("B3").

In June 2020, the Company completed the process of merging shares issued by Padtec S.A. and the consequent conversion of Padtec S.A. into its wholly-owned subsidiary, which is currently its only investee.

Padtec S.A. was incorporated in 2001 and aims to provide high-capacity connections throughout Brazil, the Americas and around the world.

The Company holds direct and indirect interests in the following subsidiaries and investment fund:

	Equity interest (%)			
	03/31/23		12/31/22	
	Direct	indirect	Direct	Indirect
Padtec S.A. (a)	100.00%		100.00%	
Sucursal Argentina (b)	-	100.00%	-	100.00%
Padtec EUA (c)	-	100.00%	-	100.00%
Padtec Colômbia (d)	-	100.00%	-	100.00%
Padtec Chile (e)	-	100.00%	-	100.00%
Padtec Peru (f)	-	100.00%	-	100.00%
Padtec Soluções Para Redes Ltda. (g)	-	100.00%	-	100.00%
FIDC FUNTTEL PADTEC - Fundo de Investimento em Direitos Creditórios (h)	-	20.00%	-	20.00%

- Padtec S/A is a privately held company focused on the development, manufacture, and commercialization of turnkey solutions for optical systems. Its portfolio includes equipment for corporate access, Data Center Interconnect, Storage Area Network Extension, metropolitan networks, and terrestrial multi-terabit long-distance networks, as well as providing platforms and solutions for the telecom system.
- Padtec Sucursal Argentina is an operating company, headquartered in Argentina, incorporated in 2007. Its main purpose is to perform sales activities, resell Group Padtec's products and provide implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.
- Padtec Estados Unidos da América is an operating company headquartered in the USA, in the state of Georgia, incorporated in 2014. Its main purpose is to perform sales activities, resell Group Padtec's products and provide implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.
- Padtec Colombia is an operating company headquartered in Colombia, incorporated in 2014. Its main purpose is to perform commercial activities, reselling the Group's products and providing implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.
- Padtec Chile is an operating company headquartered in Chile, incorporated in 2019, with 100% of its shares subscribed by Padtec Sucursal Argentina. Its main purpose is to perform sales activities, resell Group Padtec's products and provide implementation, operation and maintenance services.
- Padtec Peru is an operating company headquartered in Peru, incorporated in 2022, with 99% of its shares subscribed by Padtec S.A and 1% by Padtec Sucursal Colômbia. Its main purpose is to perform sales activities, resell Group Padtec's products and provide implementation, operation and maintenance services.

## **PADTEC HOLDING S.A.**

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

- g) Padtec Soluções Para Redes Ltda. is a privately-held company focused on leasing of equipment and solutions for optical systems. Its portfolio includes rental equipment for corporate access, Data Center Interconnect, Storage Area Network Extension, metropolitan networks, and terrestrial multi-terabit long-distance networks.
- h) FIDC Funttel Padtec - Fundo de Investimento em Direitos Creditórios, was created for the purpose of providing its shareholders with the appreciation of their shares through the allocation of their resources predominantly in credit rights arising from transactions of Equipment Purchase and Sale Agreements, entered into between Padtec S.A., as seller, and its customers, as buyers. The fund is managed by Finvest D.T.V.M. Ltda. and its operations began in April 2022. The paid-in capital of FIDC Funttel Padtec will be up to R\$ 100 million, with contributions of up to R\$ 80 million from BNDESPAR (senior quotas) and up to R\$ 20 million from Padtec S.A. (subordinated quotas, shown in the individual balance sheet of the investee in the group of tradable securities). Senior quotas are shown in the fund as shareholders' equity and in the Company's consolidated financial statements in the liability group (Note No. 18).

## **2. PRESENTATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **2.1. Basis of preparation**

The individual and consolidated interim financial statements were prepared in compliance with IAS 34 - "Interim Financial Reporting", issued by the International Accounting Standards Board ("IASB"), as well as Technical Pronouncement CPC 21 (R1) - "Interim Reporting" and are presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of the Quarterly Information - ITR.

The accounting policies adopted in preparing the individual and consolidated interim financial information are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2022, and, therefore, both should be read together.

The presentation of the individual and consolidated Statement of Value Added (SVA) is required by Brazilian corporate law and accounting policies adopted in Brazil applicable to publicly held companies. IFRS standards do not require the presentation of such statement. Accordingly, under IFRS, this statement is presented as a supplementary information without prejudice to the set of financial statements.

The consolidated interim financial statements include the financial statements of Padtec Holding S.A. and the companies in which the Company holds direct or indirect control, as detailed in Note 1, whose fiscal years and accounting practices are coincident. Direct and indirect subsidiaries have been consolidated since the acquisition date, which corresponds to the date on which the Company acquired control.

The Company's Management represents that all relevant information applicable to the interim financial statements is evidenced in the notes and corresponds to that used in its management.

The authorization for the issuance of this individual and consolidated interim financial information was given by Management on May 11, 2023.

### **2.2. Basis of measurement**

The individual and consolidated interim financial statements were prepared based on the historical cost.

## PADTEC HOLDING S.A.

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### 2.3. Functional currency and presentation currency

The individual and consolidated interim financial statements are presented in Brazilian reais, the functional currency used by the Company (Parent Company). The functional currency of subsidiaries located abroad corresponds to the currency of their respective countries. The effects of translating the functional currency of subsidiaries abroad into Brazilian reais are recorded in equity as other comprehensive income – effects of conversion of investments abroad. All balances have been rounded to the closest thousands, except when otherwise indicated.

### 3. Significant accounting policies

The individual and consolidated interim financial statements were prepared based on the same accounting policies described in Notes Nos. 3.1 to 3.17 disclosed in the financial statements for the year ended December 31, 2022, published on March 22, 2023. The effect of changes in accounting policies also is expected in the consolidated financial statements for the year ended December 31, 2023.

### 4. Cash and cash equivalents

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
Cash bank deposits	1	60	10,968	17,000
Highly-liquid financial investments	-	-	33,319	32,620
	<b>1</b>	<b>60</b>	<b>44,287</b>	<b>49,620</b>

Immediately-liquid financial investments as of March 31, 2023 and December 31, 2022 refer to investments in CDB (Bank Deposit Certificate), held in top-tier financial institutions, remunerated at rates from 100% to 104% of CDI (Interbank Deposit Certificate), and are subject to a low risk of change in value.

### 5. Tradable securities

FIDC Funttel Padtec - Fundo de Investimento em Direitos Creditórios	Consolidated	
	03/31/23	12/31/22
ICVM 355 Fund Shares	2,628	3,490
Federal Bonds	220	213
	<b>2,848</b>	<b>3,703</b>

The investment in the credit rights investment fund is diversified in quotas of other immediately liquid investment funds, government bonds, and credit rights arising from transactions generated by investee Padtec S.A. (notes 6 and 18).

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### 6. Trade receivables

	<b>Consolidated</b>	
	<b>03/31/23</b>	<b>12/31/22</b>
Referred in national currency	75,475	103,554
Referred in foreign currency (a)	36,464	38,638
FIDC FUNTEL - Padtec (b)	10,270	8,969
	<b>122,209</b>	<b>151,161</b>
(+) Court-Supervised Reorganization Oi (c)	2,493	2,493
(-) Provision for recognition of revenue outside the accounting period (d)	(680)	(3,562)
(+) Estimated credit losses (e)	(649)	(1,826)
	<b>123,373</b>	<b>148,266</b>
Current assets	109,175	134,999
Non-current assets	14,198	13,267
	<b>123,373</b>	<b>148,266</b>

- a) Consolidated represented by US\$ 7,177 thousand as of March 31, 2023 (US\$ 7,405 thousand as of December 31, 2022).
- b) Credits related to FIDC FUNTTEL PADTEC consolidation, according to Note 18.
- c) Grupo Oi filed for court-supervised reorganization on June 20, 2016, based on the Court-Supervised Reorganization and Bankruptcy Law (Law No.11.101/2005). On December 20, 2017, subsidiary Padtec S.A. adhered to Clause 4.3.6 of Oi's Court-Supervised Reorganization Plan, which provides that: "Payments of debt instruments included in the court-supervised reorganization will be paid with a 20-year grace period, as of the homologation date, in 5 annual, equal and successive installments, plus TR per year, the first installment falling due January 2039."
- d) Provision for reversal of revenue recognition outside the accrual period ("cut-off").
- e) Estimated losses on doubtful accounts are based on the assumptions of CPC 48 – Financial Instruments, and considers the analysis of the level of historical losses and knowledge and monitoring of the individual situation of customers. Management constantly monitors all bills and the individual situation of its customers, as well as the quality of credit granted. Based on these assessments, the Management understands that the amounts provisioned as of March 31, 2023 are sufficient to cover possible losses with default

Below are the amounts of Trade Accounts Receivable due and past due, by maturity period:

	<b>Consolidated</b>	
	<b>03/31/23</b>	<b>12/31/22</b>
Falling due	119,707	143,317
01-30 days past due	721	215
31-60 days past due	1,089	153
61-90 days past due	10	259
91-120 days past due	16	113
121-150 days past due	-	1,194
151-180 days past due	-	697
181-360 days past due	103	1,577
Over 361 days past due	563	3,636
	<b>122,209</b>	<b>151,161</b>

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Changes in the allowance for estimated losses on doubtful accounts are as follows:

	Parent Company and Consolidated				
	12/31/22	03/31/23			
	Opening balance	Addition to provision	Reversal	Effective losses	Closing balance
Estimated losses on doubtful accounts	(1,826)	(354)	240	1,291	(649)
<b>Total</b>	<b>(1,826)</b>	<b>(354)</b>	<b>240</b>	<b>1,291</b>	<b>(649)</b>

The changes on effective losses refer to the realization of losses recognized in the Company's results and the reversal of amounts resulting from the renegotiation and receipt from customers that were provisioned as losses (note 28.2).

### 7. Inventories

	Consolidated	
	03/31/23	12/31/22
Finished products	21,938	19,650
Products in progress	1,952	2,094
Raw materials	58,033	52,120
Resale materials	4,171	2,738
Import in progress	12,718	10,492
Inventories held on third parties (a)	24,943	21,331
	<b>123,755</b>	<b>108,425</b>
<b>Provision for inventories</b>		
(-) Provision for obsolescence and slow turnover (b)	(15,210)	(14,990)
	<b>108,545</b>	<b>93,435</b>

- a) Refers substantially to raw materials under manufacturing process and pieces of equipment held as guarantee by customers.
- b) Refers to an allowance for inventory obsolescence and slow-moving inventory items. For this estimate, discontinued inventories are considered materials out of the quality standard and items with no movements whose realization is considered unlikely by Management, since newer technologies and/or solutions are available in the market. The provision for the realization of inventories is constituted based on the analysis of the sales prices charged, net effects of taxes and fixed expenses incurred in sales efforts.

Changes in provisions for obsolescence and slow turnover are as follows:

	Consolidated			
	12/31/22	03/31/23		
	Opening balance	Addition to provision	Reversal	Closing balance
Inventories	(11,269)	(1,222)	1,119	(11,372)
Inventories held on third parties	(3,721)	(574)	457	(3,838)
	<b>(14,990)</b>	<b>(1,796)</b>	<b>1,576</b>	<b>(15,210)</b>

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### 8. Taxes recoverable

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
Tax on the circulation of goods and services - ICMS	-	-	2,780	1,011
Industrialized product tax forwarding in transit - IPI	-	-	405	237
Financial credit (a)	-	-	6,028	13,695
Social Integration Program (PIS)	-	-	437	443
Contribution to Social Security Financing - COFINS	-	-	1,969	2,000
Social contribution on net income - CSLL (b)	2	8	807	1,609
Corporate Income Tax - IRPJ (b)	1,757	1,774	9,564	6,326
Brazilian Social Security Institute (INSS)	-	-	2	692
Income tax withholding - IRRF	6	6	451	1,650
Withholding tax from public agencies	-	-	1,598	2,651
Other	-	-	2,697	4,016
	<b>1,765</b>	<b>1,788</b>	<b>26,738</b>	<b>34,330</b>

- a) In December 2019, the amendment to Law No. 8.248/1991 (Information Technology Law) by Law No. 13.969/2019 was published, effective from April 1, 2020, until December 2029. Accordingly, the tax incentive has become the receipt of financial credit proportional to the investments in research and development (R&D) made in advance. The financial credit is calculated on a quarterly basis and used to pay federal taxes controlled by the Brazilian Federal Revenue Service.
- b) Balances arising from overpayments due to mandatory monthly advances.

### 9. Other credits

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
Rental guarantee deposit	-	-	149	149
Payroll advance	-	-	626	609
Advances to suppliers (a)	79	99	1,924	2,934
Prepaid insurance premiums (b)	55	98	1,249	1,608
Other credits receivable	-	-	520	603
	<b>134</b>	<b>197</b>	<b>4,468</b>	<b>5,903</b>
Current assets	134	197	4,256	5,494
Non-current	-	-	212	409
	<b>134</b>	<b>197</b>	<b>4,468</b>	<b>5,903</b>

- (a) Advances made to service providers.
- (b) Performance bond related to Finep transactions. (Note No. 14)



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### 10. Related parties

The Company has the following shareholders with a relevant interest (interest over five percent (5%) in its capital):

- a) Fundação CPqD – Centro de Pesquisa e Desenvolvimento em Telecomunicações, and
- b) BNDES Participações S.A. – BNDESPAR

Company's direct and indirect interests in subsidiaries are described in Note No.1.

Controlling shareholders, subsidiaries and affiliates, entities with joint control and entities under common control that somehow have significant influence over the Company and its subsidiaries were considered as related parties.

The main related-party transactions and respective types are shown below:

- a) **Intercompany loan:** Financial transactions performed between the Company and its subsidiaries. The balances of the loan agreements are adjusted with interest of 2% per month, maturing in 24 months.
- b) **Sales of products:** Sales of finished products between Padtec S.A. and its subsidiaries, performed under conditions considered by the Company to be similar to those of the market at the time of the negotiation, in line with the internal policies pre-established by the Management.
- c) **Other services:** Transactions between Fundação CPqD and Padtec S.A., referring to expenses with infrastructure and administrative expenses according to the apportionment defined between contractual parties.
- d) **Technological development services:** An agreement was made with Fundação CPqD to perform research & development activities. The amounts relating to technological services with CPqD Foundation result from the Company's and its subsidiaries investments in a center of excellence in optical communication for the development of innovative technologies for use in all the solutions offered by Padtec S.A, which are performed at market prices and under arm's-length conditions.

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	Parent Company			Consolidated		
	03/31/23	12/31/22		03/31/23	12/31/22	
	Padtec	Total	Total	Fundação CPqD	Total	Total
<b>Liabilities</b>						
Other services (c)	-	-	-	369	369	344
Loan (a)	14,084	14,084	12,877	-	-	-
	<b>14,084</b>	<b>14,084</b>	<b>12,877</b>	<b>369</b>	<b>369</b>	<b>344</b>
Current liabilities	-	-	-	369	369	344
Noncurrent liabilities	14,084	14,084	12,877	-	-	-
	<b>14,084</b>	<b>14,084</b>	<b>12,877</b>	<b>369</b>	<b>369</b>	<b>344</b>

	Consolidated			
	03/31/2023			03/31/2022
	Padtec Argentina	Padtec Colômbia	Total	Total
<b>Revenues</b>				
Sales of products (b)	1,150	7,052	8,202	11,390
	<b>1,150</b>	<b>7,052</b>	<b>8,202</b>	<b>11,390</b>
<b>Expenses / Costs</b>				
Technological development services (d)	-	-	-	417
Other services (c)	-	-	-	99
	-	-	-	<b>516</b>

### Key management personnel compensation

Key management staff of the Company, its subsidiaries or its controllers are also considered to be Related Parties to the Company (see the Policy on Related Party Transactions of Padtec Holding S.A.).

Compensation paid to Executive Officers, members of Board of Directors and members of Supervisory Board, when in operation, and to the members of the Statutory Audit and Risks Committee is set by the Shareholders Meeting and is consistent with market standards. The maximum global amount (covering fixed and variable compensation) for the year 2023, approved at the Shareholders' Meeting held on April 28, 2023 is R\$ 12,689. The annual compensation effectively paid to key management personnel includes the amounts related to monthly fees, bonuses related to the performance of the previous year, contributions to official social security and private pension:

	03/31/23	03/31/22
<b>Short-term benefits</b>		
Salaries including bonuses	1,044	2,702
Social security charges	202	182
Private Pension Fund	57	64
Other	35	63
<b>Total Compensation</b>	<b>1,338</b>	<b>3,011</b>

Subsidiary Padtec S.A. sponsors two private pension plans for its Management and employees, managed by Fundação Sistel de Seguridade Social, as described in Note No. 24.

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The Company has no additional post-employment obligations to its Management and does not grant any other long-term benefits, such as length-of-service leave. The Company does not grant either any severance benefits to members of senior management in addition to those defined in the employment contract, signed between them and the Company.

The amounts shown in the table above are included in the total of "labor expenses and social charges" shown in the table in Note 28.1.

### 11. Investments and provision for unsecured liabilities

The summarized accounting information of the Company's subsidiaries, including the total amounts of assets, liabilities, unsecured liabilities, income and loss for the period, are presented below:

#### 11.1. Breakdown of investments

	<b>Parent Company</b>	
	<b>03/31/23</b>	<b>12/31/22</b>
Investments in subsidiaries		
Padtec S.A.	159,241	156,847
	<b>159,241</b>	<b>156,847</b>

#### 11.2. Summary of financial information of subsidiaries

	<b>Automatos</b>		<b>Chenonceau</b>		<b>Padtec S.A.</b>	
	<b>Participações Ltda. (a)</b>		<b>Participações S.A. (a)</b>			
	<b>03/31/23</b>	<b>12/31/22</b>	<b>03/31/23</b>	<b>12/31/22</b>	<b>03/31/23</b>	<b>12/31/22</b>
Share Capital	-	-	-	-	230,003	230,003
Total assets	-	-	-	-	483,768	502,457
Total liabilities	-	-	-	-	324,527	345,610
Equity	-	-	-	-	159,241	156,847
Income (loss) for the period	-	906	-	73	2,163	7,885
Number of shares (in thousands)	-	-	-	-	230,003	230,003
Number of shares held (in thousands)	-	-	-	-	230,003	230,003
Shareholding percentage	-	-	-	-	100.00%	100.00%

(a) Companies merged by the Company in November 2022.

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### 11.3. Summary of financial information of indirect subsidiaries

	Padtec S.A Sucursal Argentina		Padtec EUA		Padtec Colômbia		Padtec Peru		Padtec Soluções Para Redes Ltda (a)	
	03/31/23	12/31/22	03/31/23	12/31/22	03/31/23	12/31/22	03/31/23	12/31/22	03/31/23	12/31/22
Share Capital	2,160	2,160	24,292	23,877	16,400	16,400	14	-	-	-
Total assets	13,494	12,935	384	645	24,662	26,118	420	-	-	-
Total liabilities	10,046	10,385	1,296	1,113	15,630	16,077	411	-	-	-
Net equity (negative net worth)	3,448	2,550	(912)	(468)	9,032	10,041	9	-	-	-
Income (loss) for the period	872	748	(882)	(3,181)	(1,192)	(1,305)	(4)	-	-	-
Number of shares (in thousands)	2,160	2,160	24,292	23,877	16,400	16,400	10,000	10,000	100	100
Number of shares held (in thousands)	2,160	2,160	24,292	23,877	16,400	16,400	10,000	10,000	100	100
Shareholding percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(a) Shown in number of shares.

### 11.4. Changes in investments at the Parent Company

	Automatos Participações Ltda.		Chenonceau Participações S.A.		Padtec S.A.		Total	
	03/31/23	03/31/22	03/31/23	03/31/22	03/31/23	03/31/22	03/31/23	03/31/22
Opening balance of investments	-	-	-	1,188	156,847	151,373	156,847	152,561
Opening balance - loss of investment	-	(4,578)	-	-	-	-	-	(4,578)
Equity income	-	1,080	-	4	2,163	(5,924)	2,163	(4,840)
Translation adjustment of balance sheet of subsidiaries abroad	-	-	-	-	231	(272)	231	(272)
Other	-	(1)	-	-	-	-	-	(1)
Balance of the provision for losses in subsidiaries	-	3,499	-	-	-	-	-	3,499
<b>Closing balance of investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,192</b>	<b>159,241</b>	<b>145,177</b>	<b>159,241</b>	<b>146,369</b>

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### 12. Property, plant and equipment, net

	Consolidated					Total
	Machinery and equipment	Computer equipment	Furniture and fixtures	Third-party property improvement	Right to use lease (a)	
<b>Balance as of December 31, 2022</b>						
Cost	22,539	12,613	2,677	4,025	32,013	<b>73,867</b>
Accumulated depreciation	(18,825)	(8,038)	(1,763)	(1,870)	(5,800)	<b>(36,296)</b>
<b>Balance as of December 31, 2022</b>	<b>3,714</b>	<b>4,575</b>	<b>914</b>	<b>2,155</b>	<b>26,213</b>	<b>37,571</b>
Acquisitions	2,356	51	11	-	-	<b>2,418</b>
Write-offs and disposals (acquisition)	(29)	(7)	-	-	(78)	<b>(114)</b>
Write-offs and disposals (depreciation)	56	-	(11)	-	-	<b>45</b>
Depreciation	(401)	(438)	(60)	(248)	(1,108)	<b>(2,255)</b>
<b>Balance as of March 31, 2023</b>	<b>5,696</b>	<b>4,181</b>	<b>854</b>	<b>1,907</b>	<b>25,027</b>	<b>37,665</b>
Cost	24,866	12,657	2,688	3,799	31,935	<b>75,945</b>
Accumulated depreciation	(19,170)	(8,476)	(1,834)	(1,892)	(6,908)	<b>(38,280)</b>
<b>Balance as of March 31, 2023</b>	<b>5,696</b>	<b>4,181</b>	<b>854</b>	<b>1,907</b>	<b>25,027</b>	<b>37,665</b>

- (a) The Company adopted IFRS 16/CPC 6 (R2) - Lease transactions on January 1, 2020, considering as a basis for analysis the agreements with identifiable assets, for which the control of the use of the asset, economic benefits, among other aspects provided for in the pronouncement, are exclusive to the Company, irrespective of the legal form given to the agreement. Service agreements and supply agreements were treated as leasing agreements when there is an identifiable asset.

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### 13. Intangible assets

	Parent Company	
	Brands and patents	Total
Cost	24	24
<b>Balance as of December 31, 2022</b>	<b>24</b>	<b>24</b>
Cost	24	24
<b>Balance as of March 31, 2023</b>	<b>24</b>	<b>24</b>

	Consolidated						
	Software	Software Development	Brands and patents	Technical Information License	Development projects completed	Development projects in progress	Total
<b>Balance as of December 31, 2022</b>							
Cost	11,687	37	27	6,250	43,585	17,149	78,735
Accumulated amortization	(8,413)	-	-	(5,737)	(19,410)	-	(33,560)
<b>Balance as of December 31, 2022</b>	<b>3,274</b>	<b>37</b>	<b>27</b>	<b>513</b>	<b>24,175</b>	<b>17,149</b>	<b>45,175</b>
Acquisitions	2	-	-	373	-	3,576	3,951
Transfer in development to completed	-	-	-	-	8,538	(8,538)	-
Write-offs and disposals (acquisition)	(3)	-	-	-	-	-	(3)
Amortization	(323)	-	-	(222)	(3,334)	-	(3,879)
<b>Balance as of March 31, 2023</b>	<b>2,950</b>	<b>37</b>	<b>27</b>	<b>664</b>	<b>29,379</b>	<b>12,187</b>	<b>45,244</b>
Cost	11,681	37	27	6,623	52,123	12,187	82,678
Accumulated amortization	(8,731)	-	-	(5,959)	(22,744)	-	(37,434)
<b>Balance as of March 31, 2023</b>	<b>2,950</b>	<b>37</b>	<b>27</b>	<b>664</b>	<b>29,379</b>	<b>12,187</b>	<b>45,244</b>

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## PADTEC HOLDING S.A.

### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023 (Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

Development projects in progress refer to new technologies under development that meet the recognition criteria related to the completion and use of assets and generation of future economic benefits.

#### 14. Loans and financing

Modality	Agreed rate	Annual average effective rate	Due date	Guarantee	Consolidated	
					03/31/23	12/31/22
<b>Local currency</b>						
Working Capital - Safra	CDI + 5.53% p.a.	19.33%	10/22/20 to 09/23/25	-	6,144	6,752
Working Capital - Daycoval	CDI + 5.9% p.a.	19.72%	10/29/20 to 09/30/24	Receivables	2,672	3,007
Working Capital - ABC Brasil	CDI + 4.38% p.a.	18.13%	12/23/20 to 05/23/24	Receivables	4,462	5,130
Letter of credit with FINIMP	10.14% per year	10.14%	03/20/2023	Credit letter	-	14,687
Finep	TR + 2.30% and 2.80% p.a.	3.93%	02/15/20 to 12/15/42	Bank-issued guarantee	63,878	62,788
					<u>77,156</u>	<u>92,364</u>
				Current liabilities	8,850	23,595
				Non-current liabilities	68,306	68,769
					<u>77,156</u>	<u>92,364</u>

Repayment schedule by year of maturity:

	Consolidated											TOTAL
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033-2042	
Loans and financing	6,805	11,379	4,111	4,111	4,111	4,111	4,111	4,111	4,111	3,454	26,741	77,156

Loans and Financing raised by the Company do not require the fulfillment of any covenants.

#### 14.1. Payments

During the first quarter of 2023, R\$ 18,025 was paid in the consolidated referring to interest and principal on loans obtained by the Company.

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### 14.2. Raising of Loans and Financing

Subsidiary Padtec S.A. has eight financing facilities with FINEP for technological investments in the amount of R\$ 118,455. The funds are released according to the disbursement and proof of costs under the strategic innovation plan of Padtec S.A. and, so far, R\$ 63,831 have been capitalized.

The following table presents each of these financing facilities.

Modality/Contract	Effective Term	Rate	Credit Released	Loans raised				
				2020	2021	2022	2023	Total
FINEP - 02.22.0026.00	02/07/2020 to 02/15/2032	TR+2.8%	7,793	3,896	3,896	-	-	7,792
FINEP - 02.20.003.00	02/07/2020 to 02/15/2040	TR+2.8%	16,172	6,469	6,359	3,344	-	16,172
FINEP - 02.21.032.00	04/20/2021 to 05/15/2039	TR+2.8%	16,819	-	5,887	-	-	5,887
FINEP - 02.21.033.00	04/20/2021 to 05/15/2039	TR+2.8%	2,835	-	1,701	-	1,134	2,835
FINEP - 02.22.0025.00	04/16/2022 to 04/15/2042	TR+2.3%	39,953	-	-	15,000	-	15,000
FINEP - 02.22.0026.00	04/16/2022 to 04/15/2040	TR+2.8%	4,101	-	-	2,000	-	2,000
FINEP - 02.22.0027.00	04/16/2022 to 04/15/2040	TR+2.8%	9,349	-	-	4,500	-	4,500
FINEP - 02.22.0511.00	11/21/2022 to 12/15/2042	TR+2.8%	21,434	-	-	9,645	-	9,645
			<b>118,455</b>	<b>10,365</b>	<b>17,843</b>	<b>34,489</b>	<b>1,134</b>	<b>63,831</b>

### 14.3. Reconciliation of liabilities resulting from financing activities

	<b>Consolidated</b>
<b>Balance as of December 31, 2021</b>	<b>52,293</b>
Interest expenses	1,041
Interest Payment	(907)
Amortization	(2,903)
<b>Balance as of March 31, 2022</b>	<b>49,524</b>
<b>Balance as of December 31, 2022</b>	<b>92,364</b>
Interest expenses	1,683
Interest Payment	(1,242)
Loans raised	1,134
Amortization	(16,783)
<b>Balance as of March 31, 2023</b>	<b>77,156</b>



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### 15. Debentures

In December 2020, subsidiary Padtec S.A. issued R\$ 40,000 in simple debentures not convertible into shares, with security interests (fiduciary assignment of bank account), in a single series, for public distribution placed with restricted efforts pursuant to CVM Instruction 476 (in force at that time, "Debentures").

Modality	Agreed Rate	Due date	Annual average effective rate	Consolidated	
				03/31/23	12/31/22
<b>Local currency</b>					
Debentures – Padtec S.A	CDI + 3.8% p.a.	03/21/21 to 12/21/24	16.60%	<u>18,352</u>	<u>20,957</u>
				<u><b>18,352</b></u>	<u><b>20,957</b></u>
Current liabilities		Current liabilities		10,517	10,517
Noncurrent liabilities		Noncurrent liabilities		<u>7,835</u>	<u>10,440</u>
				<u><b>18,352</b></u>	<u><b>20,957</b></u>

Repayment schedule by year of maturity:

	Consolidated		
	2023	2024	TOTAL
Debentures	8,074	10,278	<b>18,352</b>

Debentures have a maturity term of 4 (four) years, counted from their issue date, therefore maturing on December 21, 2024. The net funds raised through this issue were allocated to the reprofiling and extension of the Company's debts.

#### Covenants

The Debentures require compliance with some covenants, in addition to additional obligations, which are calculated on an annual basis. The financial covenant establishes that: Net Financial Debt to EBITDA ratio must be maintained at a ratio of up to two integers and five tenths (2.5) until the full payment of the Guaranteed Obligations, to be determined on an annual basis, from the year 2020 ("Financial Covenant"), based on the annual statements of the issuer (Padtec S.A.) for the immediately previous period, audited by an Independent Auditor, which should include the mention of compliance or not with the Financial Covenant of the issue of the Debentures.

The Company monitors these indexes on a systematic and constant basis, in order to ensure that the conditions are met. In Management's understanding, all restrictive conditions and financial and non-financial clauses are duly complied with as of March 31, 2023.

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### 15.1.Reconciliation of liabilities resulting from financing activities

<b>Balance as of December 31, 2021</b>	<b>31,405</b>
Interest expenses	1,065
Interest Payment	(1,055)
Amortization of costs with issuance of debentures	62
Payment of debentures - principal	(2,667)
<b>Balance as of March 31, 2022</b>	<b>28,810</b>
<b>Balance as of December 31, 2022</b>	<b>20,957</b>
Interest expenses	885
Interest Payment	(885)
Amortization of costs with issuance of debentures	62
Payment of debentures - principal	(2,667)
<b>Balance as of March 31, 2023</b>	<b>18,352</b>

### 16. Lease transactions

The leased amount was calculated based on the present value of the fixed lease payments not made until that date. The amounts of the installments payable were discounted at the contractual rate or rates on loans (discount rate), plus other contractual obligations provided for in the lease agreements adjusted to present value.

Subsidiary Padtec S.A. has lease agreements with Daycoval Leasing – Banco Múltiplo S/A, referring to the lease of equipment that is being used in the Company's operation. The leases last for 36 months and include a call option clause at the end of the respective terms. Lease payments will be made in 36 equal installments with final maturity by June 2026. The effect of this accounting is the recording of R\$ 7,464 in property, plant and equipment in the group of right-of-use, with a corresponding entry to the rental obligation in current and no-current liabilities.

The discount rate in force and used to calculate the present value of the provision for leasing of the identified assets and, consequently, for the monthly appropriation of financial interest, is 3.29% to 6.30%, in accordance with the effective term of each lease agreement.

#### Lease with Related Parties

The Company and its subsidiaries have a commitment arising from an operating lease agreement for the property where its administrative headquarters are located, executed with CPqD Foundation. The lease has a three-year term (expiring in 2025), with an option to renew after this period, and has no purchase option clauses at its termination. The lease payment is adjusted annually by the IGPM, and the actual rate of 6.3% per year was applied to reflect market prices. The effect of this accounting is the recording in property, plant and equipment, with a corresponding entry to the rental obligation in current liabilities (see Note No. 10).

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	Consolidated	
	03/31/2023	12/31/2022
<b>LIABILITIES</b>		
Provision for leasing	23,545	24,953
	<b>23,545</b>	<b>24,953</b>
Current liabilities	6,183	6,044
Noncurrent liabilities	17,362	18,909
	<b>23,545</b>	<b>24,953</b>

Below is the change in provision for lease:

	Consolidated			
	12/31/2022	Payment	Amortization of Financial Interest	03/31/2023
Machinery and equipment	5,734	(708)	113	5,139
Building lease - related parties	19,219	(866)	53	18,406
	<b>24,953</b>	<b>(1,574)</b>	<b>166</b>	<b>23,545</b>
Current liabilities	6,044			6,183
Noncurrent liabilities	18,909			17,362
	<b>24,953</b>			<b>23,545</b>

### 17. Financial Transactions

As of March 31, 2023, the Company has recorded financial transactions of Vendor, Fortait and FIDC with Grupo Sifra in the amount of R\$ 42,534 (R\$ 41,125 as of December 31, 2022) in current liabilities and R\$ 37,998 (R\$ 36,112 as of December 31, 2022) in non-current liabilities. The corresponding entries for such entries are recorded in current assets and non-current assets and the transactions are described below:

	Consolidated	
	03/31/2022	12/31/2023
<b>Financial transactions</b>		
Vendor	51,151	50,371
Forfait	29,381	26,835
FIDC - Sifra	-	31
	<b>80,532</b>	<b>77,237</b>
Current liabilities	42,534	41,125
Noncurrent liabilities	37,998	36,112
	<b>80,532</b>	<b>77,237</b>

#### 17.1. Vendor Transactions

The Company entered into Vendor agreements with Banco do Brasil, Banco Safra, Banco Industrial, Banco Sofisa, Banco Paulista, Banco Regional de Desenvolvimento do Extremo Sul and Banco Daycoval, which consist of sales financing transactions based on the principle of credit assignment. As of March 31, 2023 these financial institutions granted credits to 23 customers of the Company, upon Financing Promise Agreements, with a balance drawn of R\$ 84,301 maturing by December 2032. This amount is used to purchase the Company's products and services. As of March 31, 2023 there was no default and the amount recorded is R\$ 26,777 in the short term and R\$ 24,374 in the long term.

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### 17.2. Discount without recourse (forfait)

The Company entered into Forfait agreements with Banco do Brasil and Banco ABC, which consist of financing transactions for international sales, based on the principle of discounting receivables, providing terms and better conditions for customers. As of March 31, 2023, credits were granted to 4 of the Company's customers, with a balance drawn of R\$ 41,200 with maturity by October 2025. This amount is used for the acquisition of Company's products. So far, there was no default and the amount recorded is R\$ 15,757 in the short term and R\$ 13,624 in the long term.

### 18. TRANSACTIONS WITH SENIOR FIDC FUNTTEL PADTEC QUOTAS

FIDC FUNTTEL PADTEC - Fundo de Investimentos em Direitos Creditórios (FIDC FUNTTEL Padtec) aims to provide to its shareholders the appreciation of its shares by means of investing resources mainly in credit rights arising from the transaction of Equipment Purchase and Sale Contracts, entered into between Padtec S.A., as seller, and its customers, as buyers of equipment of equipment for the telecommunications sector, which are recognized as Goods or Products Developed in Brazil by the Ministry of Science, Technology and Innovations, or equivalent government body, under the terms of the MCT Ordinance No. 950, of December 12, 2006 and/or that are qualified as being part of a Basic Productive Process.

FIDC FUNTTEL Padtec was launched as a closed condominium and for an indefinite period. The fund has BNDES PARTICIPAÇÕES S/A as its senior shareholder (a party related to the Company, see Note 10) and exclusively PADTEC S.A. as a subordinate shareholder in the proportion 80% / 20% respectively. FIDC FUNTTEL PADTEC operation began in April 2022.

FIDC Funttel Padtec's equity structure as of March 31, 2023 is shown below:

	Contractual amount of shares	Subscribed			Total
		Total amount of shares	Padtec Interest	Third-Party interest	
<b>FIDC FUNTTEL PADTEC</b>					
Senior	80,000	1.054	-	10,643	10,643
Subordinated	20,000	1.000	2,500	-	2,500
<b>Total</b>	<b>100,000</b>		<b>2,500</b>	<b>10,643</b>	<b>13,143</b>

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The Balance Sheet as of March 31, 2023 is shown below:

<b>FIDC FUNTTEL PADTEC</b>	<b>03/31/23</b>	<b>12/31/22</b>
<b>Assets</b>		
Tradable securities	2,848	3,703
Trade accounts receivable	10,271	8,969
Other receivables	63	258
<b>Total assets</b>	<b>13,182</b>	<b>12,930</b>
<b>Liabilities</b>		
Other accounts payable	39	37
	<b>39</b>	<b>37</b>
<b>Equity</b>		
Share capital	12,500	12,500
Retained earnings	1,030	780
Amortization of shares - LE	(387)	(387)
<b>Total equity</b>	<b>13,143</b>	<b>12,893</b>
<b>Total Liabilities and Net Equity</b>	<b>13,182</b>	<b>12,930</b>

The Statement of Profit or Loss for the period ended March 31, 2023 and December 31, 2022 is as follows:

<b>FIDC FUNTTEL PADTEC</b>	<b>03/31/23</b>	<b>12/31/22</b>
Finance Revenues	325	1,025
Financial Expenses	(75)	(245)
<b>Net income for the period</b>	<b>250</b>	<b>780</b>

### 19. Suppliers

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>03/31/23</b>	<b>12/31/22</b>	<b>03/31/23</b>	<b>12/31/22</b>
Domestic suppliers	64	80	27,843	25,016
International suppliers	-	-	41,466	43,729
	<b>64</b>	<b>80</b>	<b>69,309</b>	<b>68,745</b>
Current liabilities	64	80	68,801	68,223
Noncurrent liabilities	-	-	508	522
	<b>64</b>	<b>80</b>	<b>69,309</b>	<b>68,745</b>

### 20. Taxes and contributions payable

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>03/31/23</b>	<b>12/31/22</b>	<b>03/31/23</b>	<b>12/31/22</b>
Tax on the circulation of goods and services - ICMS	-	-	205	1,074
Corporate Income Tax - IRPJ	-	9	-	37
Excise Tax - IPI	-	-	2,039	6,077
Social contribution on Net Income - CSLL	-	5	-	6
Social Integration Program- PIS	-	-	64	711
Contribution to social security financing - COFINS	6	6	306	3,281
Service Tax - ISS	31	31	347	423
Other	10	9	1,258	2,932
Current liabilities	<b>47</b>	<b>60</b>	<b>4,219</b>	<b>14,541</b>

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### 21. Taxes and contributions payable - installment payment

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
Installment payment of tax on the circulation of goods and services - ICMS (a)	-	-	3,078	3,585
Installment payment of tax on service - ISS	105	127	105	127
Other	-	-	217	235
<b>Total liabilities</b>	<b>105</b>	<b>127</b>	<b>3,400</b>	<b>3,947</b>
Current liabilities	105	119	1,617	1,931
Noncurrent liabilities	-	8	1,783	2,016
	<b>105</b>	<b>127</b>	<b>3,400</b>	<b>3,947</b>

- a) Subsidiary Padtec S.A. adhered to the installment payment plan to refinance its ICMS-related debts, pursuant to Joint Resolution SP/PGE 02/12 and SF 72/12, in the amount of R\$ 5,181 with an outstanding balance as of March 31, 2023 in the amount of R\$ 3,078 with final maturity up to January 2027.

### 22. Provisions

#### 22.1. Miscellaneous provisions

	Consolidated			
	12/31/22	03/31/23		
	Opening balance	Addition to provision	Reversals	Final balance
Provision for commission (a)	855	272	(498)	629
Repairs during warranty (b)	1,121	106	(39)	1,188
Other	713	-	(26)	687
<b>Total</b>	<b>2,689</b>	<b>378</b>	<b>(563)</b>	<b>2,504</b>

- a) Refers to the provision of fixed monthly salaries to salespeople, for the payment of commissions on sales made to customers, pursuant to contractual clauses.  
b) Recognized to meet expenditures relating to products, including warranty and contractual obligations.

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### 22.2.Provision for labor, tax and civil risks

The Company and its subsidiaries are parties to lawsuits and administrative proceedings, arising from the normal course of their operations, involving tax, civil, labor, and other matters. Provision is made only for amounts whose risk of loss is classified as probable.

	Parent Company				
	12/31/22	03/31/23			
	Opening balance	Additions	Reversals	Payments	Final balance
Labor (a)	8,914	611	(5)	(481)	9,039
Tax	748	41	-	-	789
<b>Total provisions</b>	<b>9,662</b>	<b>864</b>	<b>(217)</b>	<b>(481)</b>	<b>9,828</b>
Judicial deposits (c)	(567)	(26)	44	-	(549)
<b>Total</b>	<b>9,095</b>	<b>838</b>	<b>(173)</b>	<b>(481)</b>	<b>9,279</b>
	Consolidated				
	12/31/22	03/31/23			
	Opening balance	Additions	Reversals	Payments	Final balance
Labor (a)	10,942	911	(196)	(746)	10,911
Civil	3,977	155	-	-	4,132
Tax (b)	4,130	94	(782)	-	3,442
Administrative	259	-	(97)	(17)	145
<b>Total provisions</b>	<b>19,308</b>	<b>1,160</b>	<b>(1,075)</b>	<b>(763)</b>	<b>18,630</b>
Judicial deposits (c)	(1,167)	(47)	54	-	(1,160)
<b>Total</b>	<b>18,141</b>	<b>1,113</b>	<b>(1,021)</b>	<b>(763)</b>	<b>17,470</b>

#### (a) Labor

Lawsuits filed by former employees of the Company (which succeeded Automatos Participações Ltda. in two lawsuits, due to the merger completed in November 2022), of subsidiary Padtec S.A., as well as former investees (Officer and Pini), claiming labor rights.

In 1Q23, the Company transacted in its provisions the amount of R\$ 31 and paid labor indemnities in the amount of R\$ 746 (Note 29.2).

#### (b) Tax

The main proceeding refers to Tax on Industrialized Products (IPI) of subsidiary Padtec S.A., which was assessed by the Brazilian Federal Revenue Service for the alleged sale of incentivized product accessories unaccompanied by the final products, allegedly not complying with the requirement to enjoy the tax benefit provided for in the Information Technology Law then in force (reduction of IPI rate). The subsidiary was assessed for the periods of 2011 and 2012 and the accrued risk is R\$ 2,654.

#### (c) Judicial Deposits

The amounts refer to judicial deposits held on behalf of investee Padtec S.A. and the Company in labor lawsuits.

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### **(d) Contingencies with estimated losses classified as possible**

In the consolidated statements, there are other lawsuits with a total amount at risk of R\$ 82,214 assessed by the legal advisors as having a possible risk of loss as of March 31, 2023 (R\$ 89,745 as of December 31, 2022), for which no provision has been made, given that accounting practices adopted in Brazil do not require their accounting and the Company does not expect extraordinary situations justifying a provision, in its opinion. This amount comprises R\$ 65,412 related to tax risks, R\$ 13,483 related to labor risks, R\$ 3,162 civil risks and R\$ 157 administrative risks. The main proceedings that fall under the classification of possible risk of loss are detailed below:

- Subsidiary Padtec S.A. is a party to a tax foreclosure proceeding related to ICMS tax, which is in the appeal stage, in the amount of R\$ 6,549. The lower court decision was partially favorable to cancel the tax charged, maintaining, however, the requirement of fines.
- Subsidiary Padtec S.A. is a party to a tax foreclosure process embodied in CDA No.80 6 21 127486-04, demanding the payment of debts arising from Administrative Proceeding No.10831 724290/2014-65, already concluded at the administrative level, referring to the Tax Assessment Notice issued for requirement of a Regulatory Fine and differences calculated under II, IPI, PIS and COFINS, as a result of the alleged error in the tax classification of imported products. The purpose of the foreclosure is only the regulatory fine of 1% on the customs value, totaling R\$ 2,146. The Subsidiary guaranteed the foreclosure with the submission of a performance bond, to discuss in court the charge that it considers undue.
- There is a tax assessment notice issued against subsidiary Padtec S.A. by the Brazilian Federal Revenue Service referring to the payment of PIS and COFINS calculated on a non-cumulative basis, for the period from January 2009 to December 2010. The process is at the Tax Control and Monitoring Service of the Federal Revenue Service of Sorocaba/SP and is awaiting judgment of the challenge, in the amount of R\$ 6,345. This process was stayed by a lawsuit filed by the subsidiary in 2008. Due to STF decision in the leading case and of the final and unappealable decision of the aforementioned lawsuit linked to this proceeding, in favor of the plaintiff, such developments were informed in the records in May 2021 and the immediate cancellation of the tax assessment notice under analysis was requested.
- Subsidiary Padtec S.A. has tax assessment notices and challenge of fine due to alleged non-compliance with the Basic Productive Process (PPB), for allegedly selling products with undue use of the tax benefit of IPI reduction in 2011 and 2012, in the amount of R\$ 46,434. In January 2008, Padtec S.A. received a subpoena, which dismissed the challenge presented and maintained the assessment. In September 2019, the judgment of the Voluntary Appeals filed with CARF converted the proceeding into a diligence, which was started in 2021 and it is not completed.
- PerDComp Federal Taxes: Refers to Reimbursement Requests linked to the Offset Statements of subsidiary Padtec S.A., with credits arising from non-cumulative overpayment of taxes (IPI, COFINS, Cide and others), referring to several periods that were fully rejected and not ratified, amounting to R\$ 14,403 as of March 31, 2023. The records are at the National Process Management Center of the Federal Revenue Office in Ribeirão Preto/SP. There are also infraction notices of fines for non-approved offsets resulting from the same proceedings.
- Tax Assessment Notices issued by the Municipality of Belo Horizonte/MG, referring to (i) ISSQN payment at the rate of 5% related to alleged services rendered and fine for the issuance of a document other than that established by the municipal tax legislation, by the company PSG - Padtec Serviços Global de Telecomunicações Ltda (merged into subsidiary Padtec S.A.), by its branch located in that city from April 2015 to July 2016; and (ii) fine for issuing a document other than that established by the municipal tax legislation in the same period, with tax loss.. The proceedings amount to R\$ 5,399, with a "possible loss" risk, and is pending judgment by the administrative appellate court.



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### 23. Labor charges

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
Wages	91	91	3,639	3,424
Profit sharing	-	-	3,805	2,194
Social charges	45	51	6,224	6,522
Provision for Vacations / Christmas Bonus	-	-	8,158	7,087
Private pension fund	-	-	571	994
Share-based compensation - Phantom Shares (a)	176	143	2,910	2,364
Other	-	-	170	189
	<b>312</b>	<b>285</b>	<b>25,477</b>	<b>22,774</b>

- a) The Company has a Long-Term Incentive and Retention Plan ("Plan") approved in October 2021, comprising a compensation program for certain beneficiaries (officers and/or employees of the Company or its subsidiaries who are considered key professionals) that consists of granting Phantom Shares, with yield based on the market price of the Company's shares traded at B3 S.A. – Brasil, Bolsa, Balcão and settled in cash, as established in this Plan and in the First Long-Term and Retention Incentive Program under the Company's Long-Term and Retention Incentive Plan. There is no forecast of effective trading of shares issued by the Company, since there will be no issuance and/or delivery of shares for settlement of this Plan.

### 24. Private pension plan

Subsidiary Padtec S.A. sponsors two pension plans for its Management and employees, managed by Fundação Sistel de Seguridade Social. Supplementary pension plans are established as a defined contribution plan ("InovaPrev") or defined benefit ("CPqDPrev").

Under the defined benefit, the contribution and benefit amounts are defined when the plan is contracted, and funding is determined by actuarial calculations, to ensure that the plan can be granted and maintained. Under the defined contribution plan, the benefit amount is consistently adjusted, according to the applicable account balance held on behalf of the participant, which, in turn, results from the contribution amounts, contribution time, income arising from investments made, among other variables

Pursuant to the regulations for both plans, funding varies according to a contribution table based on salary ranges, from 1% to 8% of the employees' compensation.

As of March 31, 2023, there were no actuarial liabilities on behalf of Padtec S.A. arising from the supplementary pension plan.

Contributions made amounted to R\$ 743 on March 31, 2023 (R\$ 718 as of March 31, 2022), which were recorded as "labor expenses and social charges" in P&L for the period and included in the table of Note 29.1.

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### 25. Equity

#### 25.1. Share Capital

As of March 31, 2023, the Company's subscribed and paid-in capital is R\$ 199,211, divided into 78,450 book-entry common shares, with no par value.

Shareholder	03/31/23		12/31/22	
	Number of Shares	Interest - %	Number of Shares	Shareholding - %
Fundação CPqD – Centro de Pesquisa e Desenvolvimento em Telecomunicações	43,075,127	54.91%	43,075,127	54.91%
BNDES Participações S.A. – BNDESPAR	18,084,240	23.05%	18,084,240	23.05%
LMC Brazil, LLC	3,927,649	5.01%	3,927,649	5.01%
Other	13,362,763	17.03%	13,362,763	17.03%
	<b>78,449,779</b>	<b>100.00%</b>	<b>78,449,779</b>	<b>100.00%</b>

#### 25.2. Other comprehensive income

##### Translation adjustments

Refers to the accumulated translation adjustments for all foreign currency differences resulting from the conversion of the financial statements of operations abroad.

### 26. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued in the year.

The diluted earnings per share is calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all potential diluted common shares by the stock options, and number of shares that could have been bought is determined at fair value, based on the monetary value of all subscription rights linked to outstanding stock options. The Company does not hold outstanding shares with dilutive potential or other instruments that could result in a dilution of the earnings per share calculation.

The number of shares calculated, as described above, is compared with the number of shares issued, assuming the period of stock options. The following shows the basic and diluted earnings per share as of March 31, 2023 and 2022:

	Consolidated	
	03/31/23	03/31/22
<b>Basic numerator</b>		
Profit (loss) for the period	677	(4,477)
Number of Shares	78,450	78,450
<b>Basic and diluted earnings (losses) per share - in Brazilian reais</b>	<b>0.0086</b>	<b>(0.0571)</b>
<b>Diluted numerator</b>		
Profit (loss) for the period	677	(4,477)
Number of Shares	78,450	78,450
<b>Diluted earnings (losses) per share - in Brazilian reais</b>	<b>0.0086</b>	<b>(0.0571)</b>

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### 27. NET OPERATING REVENUE

	Consolidated	
	03/31/23	03/31/22
<b>Gross operating revenue</b>	105,831	95,211
Products sold	86,713	67,214
Services rendered	19,118	27,997
Taxes on sales	(21,494)	(20,991)
Returns and cancellations	(5,173)	(1,463)
<b>Net operating revenue</b>	<b>79,164</b>	<b>72,757</b>

### 28. COST OF GOODS SOLD AND SERVICES PROVIDED

	Consolidated	
	03/31/23	03/31/22
Materials	(29,765)	(34,514)
Labor	(12,241)	(11,261)
Depreciation / amortization	(1,197)	(742)
Provision/Reversion - Cut-Off	(1,392)	682
Provisions	(323)	(991)
Travel	(2,797)	(2,529)
Other costs	(2,960)	(2,737)
	<b>(50,675)</b>	<b>(52,092)</b>

### 29. Operating revenues (expenses)

#### 29.1. Administrative, selling and research and development expenses

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
Labor expenses and social charges	(476)	(622)	(15,348)	(15,127)
Third-party services	(330)	(413)	(1,109)	(1,396)
Selling and marketing expenses	-	-	(357)	(219)
General and administrative expenses	(105)	(76)	(2,296)	(1,945)
Depreciation / amortization	-	-	(4,936)	(2,917)
Travel	-	-	(643)	(516)
Lease of properties and equipment	-	-	(110)	(153)
Other	(7)	6	(1,305)	(1,082)
	<b>(918)</b>	<b>(1,105)</b>	<b>(26,104)</b>	<b>(23,355)</b>

Reported as follows:

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
Administrative expenses	(918)	(1,105)	(7,373)	(6,889)
Selling expenses	-	-	(9,007)	(8,028)
Research and development expenses	-	-	(9,724)	(8,438)
	<b>(918)</b>	<b>(1,105)</b>	<b>(26,104)</b>	<b>(23,355)</b>

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### 29.2. Other operating revenues/(expenses), net

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
Administrative indemnities	-	-	(17)	-
Inflow of civil indemnities	212	188	212	188
Labor indemnities	(481)	-	(746)	(40)
Loss of trade account receivables	-	(1)	(1,291)	(712)
Reversal of allowance for doubtful accounts	-	-	1,177	1,040
Provision for labor contingencies	(125)	1,381	31	988
Provision for tax contingencies	(41)	-	688	1,243
Provision for civil contingencies	-	-	(155)	(165)
Provision for administrative contingencies	-	-	114	(4)
Other	(14)	(15)	(829)	(65)
	<b>(449)</b>	<b>1,553</b>	<b>(816)</b>	<b>2,473</b>

### 30. Finance income (costs), net

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
<b>Finance Revenues</b>				
Income from financial investments	-	-	1,606	1,603
Income from financial transactions	-	-	1,195	513
Foreign exchange gains	-	-	2,854	3,662
Inflation adjustment on taxes and contributions	-	-	22	105
Other revenues	3	-	144	16
	<b>3</b>	<b>-</b>	<b>5,821</b>	<b>5,899</b>

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
<b>Financial Expenses</b>				
Interest on loans and financing	(73)	(7)	(2,456)	(3,296)
Costs on financial transactions	-	-	(540)	(158)
Foreign exchange losses	-	-	(2,607)	(4,854)
Banking expenses	(4)	(1)	(186)	(83)
IOF expenses	(21)	-	(161)	(325)
Other expenses	(24)	(77)	(763)	(1,442)
	<b>(122)</b>	<b>(85)</b>	<b>(6,713)</b>	<b>(10,158)</b>

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### 31. Income tax and social contribution

#### Current

The reconciliation of tax expenses calculated by applying the combined tax rate and the income tax and social contribution expense charged to profit or loss is as follows:

	Parent Company		Consolidated	
	03/31/23	03/31/22	03/31/23	03/31/22
<b>Profit (loss) before taxes</b>	<b>677</b>	<b>(4,477)</b>	<b>677</b>	<b>(4,476)</b>
Equity Income	(2,163)	4,840	-	-
Law No. 11.196/05	-	-	(288)	(1,766)
(+/-) Other additions and deletions	629	(1,321)	(3,258)	(7,107)
Provision/reversal for obsolescence of inventory	-	-	220	692
Provision/reversal of contingencies	(145)	(1,381)	(195)	(2,062)
Provision/reversal of revenues	-	-	1,086	(2,019)
Provision/reversal for doubtful accounts	-	-	(1,177)	(1,040)
Loss on account receivables	-	-	25	712
Provision/reversal - other	22	-	721	1,376
Financial credits	-	-	(3,058)	(5,006)
Other Additions and deletions	752	60	(880)	240
<b>Tax loss (IT basis)</b>	<b>(857)</b>	<b>(958)</b>	<b>(2,869)</b>	<b>(13,348)</b>
Income tax	-	-	-	(1)
Current income tax and CSLL	-	-	-	<b>(1)</b>

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### 32. Insurance (unaudited)

The Company and its subsidiaries adopt the policy of contracting insurance coverage for assets subject to risks for amounts considered sufficient to cover possible claims, considering the nature of its activity. The risk assumptions adopted by the Company, given their nature, are not part of the audit scope of the individual and consolidated interim financial statements and, consequently, were not examined by the independent auditors.

Below, we show the amounts insured by risk coverage:

	Covered risk	Current period		Insured amount
		From	Up to	03/31/2023
Equity Insurance	Basic coverage: fire, lightning and explosion Additional coverage: loss of profits, flooding, goods, electrical damage, landslide, equipment, machinery breakdown, registration and document recomposition, RC Commercial and Industrial establishments, theft and windstorm	04/28/22	04/28/23	211,606
Group Life Insurance (employees) - Principal	Death, accident, disability	06/30/22	06/30/23	932
Group Life Insurance (employees) - Supplement	Death, accident, disability	06/30/22	06/30/23	419
Group Life Insurance (interns)	Death, accident, disability	06/30/22	06/30/23	32
National Transportation	Road hazards	10/31/21	10/31/23	4,000
International Shipping (in US\$)	Broad coverage (Imports)	10/31/21	10/31/23	USD 2,000
International Shipping (in US\$)	Broad coverage (Export)	10/31/21	10/31/23	USD 2,000
Management civil liability- D&O	Executive Board	07/09/22	07/09/23	50,000
Comprehensive General Liability	General RC, Operations, Products	07/13/22	07/13/23	15,000

### 33. Risk management

The Company and its subsidiaries manage their financial instruments through operating strategies and internal controls to ensure liquidity, profitability and security. The Company and its subsidiaries do not make financial investments of a speculative nature and gains resulting from these transactions are consistent with the policies and strategies defined by Management. The management of risks and financial instruments used is performed by means of policies, strategy definitions and implementation of control systems, defined by Management. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and on the characteristics of contractual cash flows.

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### 34. Financial instruments

All financial instrument transactions are recognized in the financial statements of the Company and its subsidiaries, as shown in the table below:

	Fair Value Hierarchy	Consolidated			
		Book Value		Fair value	
		03/31/23	12/31/22	03/31/23	12/31/22
<b>Assets</b>					
<b>Amortized cost</b>					
Trade accounts receivable		123,373	148,266	123,373	148,266
				-	-
<b>Fair value through profit or loss</b>					
Cash and cash equivalents	Level 2	44,287	49,620	44,287	49,620
Restricted financial investments	Level 2	244	212	244	212
Tradable securities	Level 2	2,848	3,703	2,848	3,703
<b>Total</b>		<b>170,752</b>	<b>201,801</b>	<b>170,752</b>	<b>201,801</b>
<b>Liabilities</b>					
<b>Amortized cost</b>					
Loans and financing (current)		(8,850)	(23,595)	(8,850)	(23,595)
Loans and financing (non-current)		(68,306)	(68,769)	(68,306)	(68,769)
Debentures (current)		(10,517)	(10,517)	(10,517)	(10,517)
Debentures (current)		(7,835)	(10,440)	(7,835)	(10,440)
Lease transactions (current)		(6,183)	(6,044)	(6,183)	(6,044)
Lease transactions (non-current)		(17,362)	(18,909)	(17,362)	(18,909)
Trade accounts payable		(68,801)	(68,223)	(68,801)	(68,223)
Trade accounts payable (non-current)		(508)	(522)	(508)	(522)
Bonds with senior FIDC quotas (non-current)		(10,643)	(10,393)	(10,643)	(10,393)
<b>Total</b>		<b>(199,005)</b>	<b>(217,412)</b>	<b>(199,005)</b>	<b>(217,412)</b>

The classification of financial assets at amortized cost or at fair value through profit or loss is based on the business model and cash flow characteristics expected by the Company and its subsidiaries for each instrument.

#### Fair value against book values

The fair values of financial assets and liabilities, with the book values presented in the balance sheet, are as follows:

- Cash and cash equivalents and restricted financial investments – interest rates used to calculate yield on the Company's cash equivalents and restricted financial investments, at the end of the year, approximate their fair value for transactions of similar nature, term and risk.
- Loans, financing and debentures – are contracted under market conditions and, therefore, the carrying amounts approximate their market value for transactions of similar terms, source and risks.

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### Valuation of financial instruments

The fair value of a security corresponds to its maturity value (redemption value) brought to present value by the discount factor (relating to the maturity date of the security) obtained from the market yield curve in Brazilian reais.

CPC 40 (R1) and IFRS 7 require the classification based on a three-level hierarchy to measure the financial instruments at fair value, based on observable and unobservable information related to the financial instrument valuation on the measurement date. CPC 40 (R1) and IFRS 7 also define observable information as market data obtained from independent sources and non-observable information reflecting market assumptions.

The three fair value hierarchy levels are:

- Level 1: Prices quoted in an active market for identical instruments.
- Level 2: Observable information other than prices quoted in an active market that are observable for the asset or liability, directly (as prices) or indirectly (price derivatives).
- Level 3: Valuation techniques under which inputs to measure the fair value are not available.

### 34.1. Financial risk factors

The economic and financial risks mainly reflect the behavior of macro variables and exchange and interest rates, as well as the characteristics of the financial instruments used by Padtec Group. The Group's activities are exposed to various financial risks, capital risk, interest rate risk, exchange rate, credit and liquidity risk. The Company's practice is to manage existing risks on a conservative basis. The main purposes of this practice are to preserve the value and liquidity of financial assets and ensure the inflow of funds for the good development of business.

The Company's exposure to each of these risks, the purposes, practices and processes for risk measurement and management and capital management are described below.

### 34.2. Capital risk

The Company manages its capital to ensure the continuity of their regular activities while seeking to maximize the return on their operations for all stakeholders or parties involved in their operations, by optimizing the use of debt and equity instruments.

The capital structure of the Company and its subsidiaries is made up by net indebtedness (loans, financing and debentures), less cash and cash equivalents and restricted financial investments and the Company's equity.

Padtec Group has net debt and its net cash (debt) ratio is:

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
Debt	-	-	106,151	123,714
Cash and cash equivalents, financial investments	1	60	44,531	49,832
Net Debt (net cash)	(1)	(60)	61,620	73,882
Equity	136,587	135,679	136,587	135,679
Debt (cash) ratio, net	0%	0%	45%	54%



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### 34.3. Credit risk

Credit risk is the risk of the Company incurring a financial loss if a customer or a counterparty to a financial instrument fails to fulfill its contractual obligations, mostly arising from receivables from recurring customers and financial investments. To mitigate this risk, the Company and its subsidiaries adopt the procedure of making a detailed analysis of their customers' equity and financial position and constantly monitoring their outstanding debt balances. Impairment losses are shown in Note 6 (Trade accounts receivable), according to the recoverability assessment performed by Management.

For financial investments, Padtec Group only carries out transactions with low-credit-risk institutions and setting a maximum limit of investment balances, as determined by Management. Management understands that there is no significant risk to which Padtec Group is exposed, considering the concentration levels and materiality of the amounts in relation to revenue.

### 34.4. Liquidity risk

It is the risk of Padtec Group may face difficulties for the settlement of its obligations related to financial liabilities settled in cash.

The approach to the liquidity risk is to ensure the payment of obligations, thus, the purpose of maintaining available cash to settle short-term obligations, doing its best to always have sufficient liquidity to meet maturing obligations, under normal and stress conditions, without causing unacceptable losses or risking damage to the reputation of the Company and its subsidiaries.

Padtec Group works to align fund availability and fund generation to settle its obligations on the agreed terms. Contractual maturity is based on the most recent date when the Company and its subsidiaries should settle the related obligations:

	Consolidated			
	Book Value	Up to 1 year	1-2 years	2-20 years
Restricted financial investments	244	-	244	-
Financial transactions	80,532	42,534	30,872	7,126
Lease transactions	(23,545)	(6,183)	(5,055)	(12,307)
Loans and financing	(77,156)	(8,850)	-	(68,306)
Debentures	(18,352)	(10,517)	-	(7,835)
Trade accounts payable	(69,309)	(68,801)	(508)	-
Financial transactions	(80,532)	(42,534)	(30,872)	(7,126)
<b>Total</b>	<b>(188,118)</b>	<b>(94,351)</b>	<b>(5,319)</b>	<b>(88,448)</b>

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### 34.5. Currency risk

This risk arises from the possibility of fluctuations in the exchange rates of foreign currencies used by the Company. Management analyzes and monitors its exposures in order to take decisions on contracting instruments to hedge the respective exposures in foreign currency.

The net exposure in foreign currency is shown in the table below:

	Consolidated		Consolidated	
	03/31/23		12/31/22	
	R\$	US\$	R\$	US\$
<b>Assets</b>				
Trade accounts receivable	36,464	7,177	38,638	7,405
<b>Liabilities</b>				
Trade accounts payable	(41,466)	(8,162)	(43,729)	(8,381)
<b>Total</b>	<b>(5,002)</b>	<b>(985)</b>	<b>(5,091)</b>	<b>(976)</b>

### 34.6. Interest rate risk

Padtec Group's operations are indexed to fixed rates, Long-Term Interest Rate (TJLP) and CDI. Thus, Management understands that any fluctuation in interest rates would not have any significant impact on the Company's results.

The book value of financial instruments representing the maximum exposure to interest rate risk as of the date of the interim financial statements was:

	Parent Company		Consolidated	
	03/31/23	12/31/22	03/31/23	12/31/22
<b>Assets</b>				
Cash and cash equivalents	1	60	44,287	49,620
Restricted financial investments	-	-	244	212
Tradable securities	-	-	2,848	3,703
Financial transactions	-	-	80,532	77,237
<b>Liabilities</b>				
Loans and financing	-	-	(77,156)	(92,364)
Debentures	-	-	(18,352)	(20,957)
Financial transactions	-	-	(80,532)	(77,237)
<b>Net exposure</b>	<b>1</b>	<b>60</b>	<b>(48,129)</b>	<b>(59,786)</b>

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### 34.7. Sensitivity analysis

Padtec Group performed a sensitivity analysis of the main risks to which its financial instruments are exposed, basically represented by variation in exchange rates and interest rates.

When exposure to risk is considered to be active, the risk to be considered is a reduction in linked indexes due to a consequent negative impact on profit or loss. Likewise, when exposure to risk is considered passive, the risk is an increase in the linked indexes, also with a negative impact on profit or loss. Thus, Padtec Group is qualifying the risks through the net exposure of the variables (Dollar, CDI, IGP-M, IPCA, TJLP and Selic), as shown.

	Consolidated		
	Probable scenario	25% Increase	50% Increase
<b>Exchange rate</b>			
Trade accounts receivable	36,464	9,116	18,232
Trade Accounts Payable	(41,466)	(10,367)	(20,733)
<b>Impact on profit or loss</b>		<b>(1,251)</b>	<b>(2,501)</b>

	Consolidated		
	Probable scenario	25% Increase	50% Increase
<b>Interest rate</b>			
Cash and cash equivalents	44,287	11,072	22,144
Restricted financial investments	244	61	122
Tradable securities	2,848	712	1,424
Loans and financing	(77,156)	(19,289)	(38,578)
Debentures	(18,352)	(4,588)	(9,176)
<b>Impact on profit or loss</b>		<b>(12,032)</b>	<b>(24,064)</b>

### 35. Information by segment

The Company and its subsidiaries have only one operating segment defined in the operational context. They are organized, and their performance is assessed, as a single business unit for operational, commercial, managerial, and administrative purposes.

### 36. Subsequent events

In April, the Company completed the restructuring of its indebtedness, resulting in the raising of R\$ 32 million from BANCO VOTORANTIM in an export credit note, modality NCE + Swap Limiter, maturing in three years and with a grace period of twelve months, quarterly interest and nine quarterly installments. The transaction is guaranteed by the financial flow of receivables in a restricted account. These funds allowed the settlement of loans and financing that were outstanding with private institutions (Banco Daycoval, Banco ABC and Banco Safra) and the debentures issued by Padtec S.A. in 2020.

The restructuring allowed the Company to reduce its financial cost with these institutions from approximately CDI + 4.88% p.a. to CDI + 1.65% p.a., in addition to benefiting from the grace period of this new transaction.

Also in April, the Company made its second capital contribution in the amount of R\$ 2.5 million referring to its 20% stake in FIDC FUNTTEL PADTEC fund.