

**Padtec Holding S.A.**

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

Interim financial statements for the quarter ended March 31, 2022, accompanied by the Review Report on the Quarterly Information

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

(Free translation from the original issued in Portuguese. In the event of discrepancy, the Portuguese language version prevails. See Note 38 to the financial statements)

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, 2022, which comprises the Balance Sheet as of March 31, 2022 and the respective statements of profit or loss, comprehensive income, changes in equity and cash flows for the quarter 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**

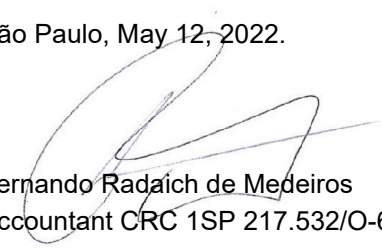
Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in compliance with Technical Pronouncement CPC 21(R1) and International Standard IAS 34, applicable to 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, 2022, 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 12, 2022.

A handwritten signature in blue ink, appearing to be "Fernando Radaich de Medeiros".

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, 2022 and December 31, 2021**  
(In thousands of Brazilian Reais)

Assets	Note	Parent Company		Consolidated	
		03/31/22	12/31/21	03/31/22	12/31/21
<b>Current</b>					
Cash and cash equivalents	4	-	-	68,099	87,468
Trade accounts receivable	5	-	-	78,529	95,121
Inventories	6	-	-	99,336	81,442
Taxes recoverable	7	1,706	1,706	25,127	25,226
Financial transactions	17	-	-	37,009	32,770
Other credits	9	158	202	7,181	4,873
<b>Total current assets</b>		<b>1,864</b>	<b>1,908</b>	<b>315,281</b>	<b>326,900</b>
<b>Noncurrent</b>					
Related parties	10	472	372	-	-
Restricted financial investments	8	-	-	8,526	11,737
Financial transactions	17	-	-	20,748	13,225
Judicial deposit	22.2	830	991	1,239	1,373
Other credits	9	-	-	40	69
Investments	11.1	146,369	152,561	-	-
Property, Plant & Equipment	12	-	-	39,024	38,702
Intangible assets	13	24	24	39,790	37,985
<b>Total non-current assets</b>		<b>147,695</b>	<b>153,948</b>	<b>109,367</b>	<b>103,091</b>
<b>Total assets</b>		<b>149,559</b>	<b>155,856</b>	<b>424,648</b>	<b>429,991</b>

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

**Padtec Holding S.A.**  
**Balance sheets as of March 31, 2022 and December 31, 2021**

(In thousands of Brazilian Reais)

Liabilities	Note	Parent Company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
<b>Current</b>					
Loans and financing	14	-	-	9,893	10,087
Debentures	15	-	-	10,556	10,546
Lease transactions	16	-	-	3,770	4,086
Trade accounts receivable	18	47	4	63,422	62,497
Forfeiting	19	-	-	1,022	1,110
Related parties	10	-	-	100	6
Taxes and contributions payable	20	52	48	3,093	9,107
Taxes and contributions payable - installment payment	21	-	-	5,786	7,129
Labor charges	23	236	199	27,424	24,660
Miscellaneous provisions	22.1	-	-	2,623	2,450
Financial transactions	17	-	-	37,009	32,770
Advances from customers and deferred revenue		-	-	4,397	6,865
Other accounts payable		-	-	491	766
<b>Total current liabilities</b>		<b>335</b>	<b>251</b>	<b>169,586</b>	<b>172,079</b>
<b>Noncurrent</b>					
Provision for labor, tax and civil risks	22.2	15,456	17,779	27,393	30,985
Loans and financing	14	-	-	39,631	42,206
Debentures	15	-	-	18,254	20,859
Trade accounts receivable	18	-	-	882	1,101
Lease transactions	16	-	-	21,388	20,023
Taxes and contributions payable - installment payment	21	-	-	3,178	1,176
Related parties	10	6,681	4,911	-	-
Financial transactions	17	-	-	20,748	13,225
Provision for unsecured liabilities	11.2	3,499	4,578	-	-
<b>Total noncurrent liabilities</b>		<b>25,636</b>	<b>27,268</b>	<b>131,474</b>	<b>129,575</b>
<b>Total liabilities</b>		<b>25,971</b>	<b>27,519</b>	<b>301,060</b>	<b>301,654</b>
<b>Equity</b>					
Capital	25.1	199,211	199,211	199,211	199,211
Retained losses		(75,011)	(70,534)	(75,011)	(70,534)
Goodwill on capital transaction		599	599	599	599
Other comprehensive income	25.3	(1,211)	(939)	(1,211)	(939)
<b>Total equity</b>		<b>123,588</b>	<b>128,337</b>	<b>123,588</b>	<b>128,337</b>
<b>Total liabilities and equity</b>		<b>149,559</b>	<b>155,856</b>	<b>424,648</b>	<b>429,991</b>

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

**Padtec Holding S.A.**  
**Statements of Profit or Loss as of March 31, 2022 and March 31, 2021**  
(In thousands of Brazilian Reais)

	Note	Period from January 1 to March 31		Period from January 1 to March 31	
		Parent Company		Consolidated	
		03/31/22	03/31/21	03/31/22	03/31/21
<b>Continued operations</b>					
<b>Net operating revenue</b>	27	-	-	<b>72,757</b>	<b>66,279</b>
Cost of goods sold and services provided	28	-	-	(52,092)	(42,938)
<b>Gross profit</b>		-	-	<b>20,665</b>	<b>23,341</b>
<b>Operating revenues (expenses)</b>					
Administrative expenses	29.1	(1,105)	(994)	(6,889)	(6,462)
Selling expenses	29.1	-	-	(8,028)	(7,769)
Research and development expenses	29.1	-	-	(8,438)	(5,591)
Equity income	11.5	(4,840)	13,352	-	-
Other operating revenues (expenses), net	29.2	1,553	(638)	2,473	888
<b>Profit (loss) before finance income (costs)</b>		<b>(4,392)</b>	<b>11,720</b>	<b>(217)</b>	<b>4,407</b>
<b>Financial income (costs)</b>					
Financial income	30.1	-	5	5,899	5,500
Financial costs	30.2	(85)	(4)	(10,158)	(5,332)
<b>Profit (loss) before income tax and social contribution</b>		<b>(4,477)</b>	<b>11,721</b>	<b>(4,476)</b>	<b>4,575</b>
Income tax and social contribution					
Current	31	-	-	(1)	(5,613)
<b>Profit (loss) for the period from continuing operations</b>		<b>(4,477)</b>	<b>11,721</b>	<b>(4,477)</b>	<b>(1,038)</b>
<b>Discontinued operations</b>					
Net Profit (loss) from discontinued operations	32	-	-	-	12,759
<b>Profit (loss) for the period from discontinued operations</b>		-	-	-	<b>12,759</b>
<b>Profit (loss) for the period</b>		<b>(4,477)</b>	<b>11,721</b>	<b>(4,477)</b>	<b>11,721</b>
<b>Profit (loss) attributable to:</b>					
Controlling shareholders		(4,477)	11,721	(4,477)	11,721
<b>Profit (loss) for the period</b>		<b>(4,477)</b>	<b>11,721</b>	<b>(4,477)</b>	<b>11,721</b>
<b>Earnings (losses) per share</b>					
Diluted earnings (losses) per share	26	(0.0571)	0.1494	(0.0571)	0.1494
<b>Earnings (losses) per share from continuing operations</b>					
Diluted and basic earnings (losses) per share from continuing operations	26	(0.0571)	0.1494	(0.0571)	(0.0132)
<b>Earnings (losses) per share from discontinued operations</b>					
Basic and diluted earnings (losses) per share from discontinued operation	26	-	-	-	0.1626

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

**Padtec Holding S.A.**  
**Statements of comprehensive income for the periods ended March 31, 2022 and March 31, 2021**  
(In thousands of Brazilian Reais)

	<b>Period from January 1 to March 31</b>	
	<b>Parent Company and Consolidated</b>	
	<b>03/31/22</b>	<b>03/31/21</b>
<b>Profit (loss) for the period</b>	<b>(4,477)</b>	<b>11,721</b>
Items that may be reclassified subsequently to the statement of income (loss)		
Other comprehensive income		
Translation adjustments of balance sheet of subsidiaries abroad	(272)	(202)
<b>Comprehensive income for the period</b>	<b>(4,749)</b>	<b>11,519</b>
Comprehensive income (loss) attributable to:		
Controlling shareholders	(4,749)	11,519
<b>Comprehensive income for the period</b>	<b>(4,749)</b>	<b>11,519</b>

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



**Padtec Holding S.A.**  
**Statements of changes in equity for the periods ended March 31, 2022 and March 31, 2021**  
(In thousands of Brazilian Reais)

**Parent Company and Consolidated**

	Note	Capital	Capital reserve	Goodwill on capital transaction	Equity valuation adjustment	Accumulated translation adjustments	Retained earnings/losses	Total equity
<b>Balance as of December 31, 2020</b>		<b>199,211</b>	<b>(2,674)</b>	<b>599</b>	<b>(8,663)</b>	<b>(2,130)</b>	<b>(83,331)</b>	<b>103,012</b>
Net income for the period		-	-	-	-	-	11,721	11,721
Equity valuation adjustment		-	-	-	8,663	-	(8,663)	-
Exchange variation adjustment of subsidiaries	24.4	-	-	-	-	1,214	(1,416)	<b>(202)</b>
<b>Balance as of March 31, 2021</b>		<b>199,211</b>	<b>(2,674)</b>	<b>599</b>	<b>-</b>	<b>(916)</b>	<b>(81,689)</b>	<b>114,531</b>
<b>Balance as of December 31, 2021</b>		<b>199,211</b>	<b>-</b>	<b>599</b>	<b>-</b>	<b>(939)</b>	<b>(70,534)</b>	<b>128,337</b>
Net loss for the period		-	-	-	-	-	(4,477)	<b>(4,477)</b>
Exchange variation adjustment of subsidiaries	24.4	-	-	-	-	(272)	-	<b>(272)</b>
<b>Balance as of March 31, 2022</b>		<b>199,211</b>	<b>-</b>	<b>599</b>	<b>-</b>	<b>(1,211)</b>	<b>(75,011)</b>	<b>123,588</b>

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

**Padtec Holding S.A.**  
**Statements of Cash flows as of March 31, 2022 and March 31, 2021**  
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
<b>Profit (loss) for the period before taxes</b>	<b>(4,477)</b>	<b>11,721</b>	<b>(4,476)</b>	<b>17,334</b>
<b>Adjustments to reconcile net income (loss) for the period with cash provided by (used in) operating activities:</b>				
Depreciation and amortization	-	-	3,750	3,143
Interest and inflation adjustments on loans	-	-	1,041	724
Interest and inflation adjustments on debentures	-	-	1,065	71
Amortizaion of costs with issuance of debentures	-	-	62	14
Allowance for doubtful accounts	-	-	(1,040)	209
Creation (reversal) of miscellaneous provisions	-	-	173	850
Provision for labor, tax and civil risks	(2,323)	542	(3,592)	4,356
Provision for inventory obsolescence	-	-	692	782
Equity income	4,840	(13,352)	-	-
Write-off of PPE and intangible assets	-	-	47	120
<b>Decrease (increase) in operating assets:</b>				
Trade accounts receivable	-	-	17,632	(3,436)
Inventories	-	-	(18,586)	(11,770)
Taxes recoverable	-	(5)	99	(6,126)
Related parties	(100)	2,188	-	-
Judicial deposit	161	(327)	134	(521)
Other credits	44	(586)	(2,279)	(1,010)
<b>Increase (decrease) in operating liabilities:</b>				
Lease transactions	-	-	(929)	(607)
Trade accounts receivable	43	392	706	285
Labor charges	37	(18)	2,764	(1,015)
Taxes and contributions payable	4	71	(5,355)	(1,124)
Related party transactions	-	-	94	(864)
Income tax and social contribution - paid	-	-	(1)	(5,613)
Charges on loans and financing - paid	-	-	(907)	(581)
Debenture charges - paid	-	-	(1,055)	-
Advances from customers and deferred revenue	-	-	(2,468)	-
Other payables	-	108	(275)	(1,133)
<b>Net cash used in (provided by) operating activities</b>	<b>(1,771)</b>	<b>734</b>	<b>(12,704)</b>	<b>(5,912)</b>
<b>Cash flows from investment activities</b>				
Financial investments as collateral	-	-	3,211	8,028
Acquisition of PPE and intangible assets	-	-	(3,946)	(6,365)
Related party loan agreement	1,771	(731)	-	-
<b>Net cash used in (provided by) investing activities</b>	<b>1,771</b>	<b>(731)</b>	<b>(735)</b>	<b>1,663</b>
<b>Cash flows from financing activities</b>				
Forfeiting	-	-	(88)	-
Payment of loans and financing - principal	-	-	(2,903)	(1,667)
Payment of debentures - principal	-	-	(2,667)	(681)
<b>Net cash used in (provided by) financing activities</b>	<b>-</b>	<b>-</b>	<b>(5,658)</b>	<b>(2,348)</b>
Exchange variation of cash in foreign currency	-	-	(272)	(202)
<b>Increase (reduction) in cash and cash equivalents</b>	<b>-</b>	<b>3</b>	<b>(19,369)</b>	<b>(6,799)</b>
<b>Initial cash and cash equivalents from conmsolidation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>	<b>1</b>	<b>87,468</b>	<b>64,680</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>-</b>	<b>4</b>	<b>68,099</b>	<b>57,881</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, 2022 and March 31, 2021**  
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
<b>1 - Revenues</b>	<b>1,381</b>	<b>(495)</b>	<b>96,138</b>	<b>99,923</b>
1.1. Sale of goods, products and products	-	-	93,748	86,133
1.2. Allowance for doubtful accounts	-	-	1,040	(209)
1.3. Other revenues	1,381	(495)	1,350	13,999
<b>2 - Inputs purchased from third parties</b>	<b>(301)</b>	<b>(716)</b>	<b>(40,985)</b>	<b>(31,995)</b>
2.1. Cost of products, goods and services sold	-	-	(30,302)	(26,170)
2.2. Energy, third-party services and other operating expenses	(301)	(716)	(10,683)	(5,825)
<b>3 - Retentions.</b>	<b>-</b>	<b>-</b>	<b>(3,750)</b>	<b>(3,143)</b>
3.1. Depreciation and amortization	-	-	(3,750)	(3,143)
<b>4 - Value added produced, net</b>	<b>1,080</b>	<b>(1,211)</b>	<b>51,403</b>	<b>64,785</b>
<b>5 - Value added received on transfer</b>	<b>(4,840)</b>	<b>13,357</b>	<b>5,899</b>	<b>5,500</b>
5.1. Equity income	(4,840)	13,352	-	-
5.2. Financial income	-	5	5,899	5,500
<b>6 - Total value added to distribute</b>	<b>(3,760)</b>	<b>12,146</b>	<b>57,302</b>	<b>70,285</b>
<b>7 - Distribution of value added</b>	<b>(3,760)</b>	<b>12,146</b>	<b>57,302</b>	<b>70,285</b>
<b>7.1. Personnel and charges</b>	<b>546</b>	<b>364</b>	<b>25,276</b>	<b>22,935</b>
Direct compensation	485	369	21,874	17,992
Benefits	61	-	2,059	3,909
Severance Fund (FGTS)	-	(5)	1,343	1,034
<b>7.2. Taxes, fees and contributions</b>	<b>86</b>	<b>57</b>	<b>25,369</b>	<b>29,121</b>
Federal	85	57	17,937	21,617
State	-	-	6,759	7,107
Municipal	1	-	673	397
<b>7.3. Third-party capital remuneration</b>	<b>85</b>	<b>4</b>	<b>11,134</b>	<b>6,508</b>
Financial costs	85	4	10,158	5,332
Rents	-	-	976	1,176
<b>7.4. Equity remuneration</b>	<b>(4,477)</b>	<b>11,721</b>	<b>(4,477)</b>	<b>11,721</b>
Net Income (loss) for the period	(4,477)	11,721	(4,477)	11,721

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

## PADTEC HOLDING S.A.

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022 (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. Its focus was on investing in fast-growing technology companies in a variety of areas, such as SaaS (Software as a Service) in the security and construction industry, technology in the financial and payments sector, digital commerce, digital media, mobility, broadband and optics. For many years, the Company has positioned itself as a technology venture capital in Brazil, actively participating in all stages of development of its investees, consolidating itself as a reference in the sector and was synonymous with entrepreneurship with a high level of Corporate Governance.

In 2015, already under a disinvestment process and after the sale of most of its assets, it started a process to simplify its corporate structure.

In June 2020, the Company merged shares issued by Padtec S.A., then its only asset and in which it held 34.16% of shareholding, with the consequent conversion of Padtec S.A. into its wholly-owned subsidiary. Today, Padtec Holding is the sole shareholder of Padtec S.A., a privately held company.

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

	% of interest			
	03/31/22		12/31/21	
	Direct	indirect	Direct	indirect
Chenonceau Participações S.A. (a)	100.00%		100.00%	
Automatos Participações Ltda. (b)	100.00%		100.00%	
Padtec S.A. (c)	100.00%		100.00%	
Sucursal Argentina (d)		100.00%		100.00%
Padtec EUA (e)		100.00%		100.00%
Padtec Colombia (f)		100.00%		100.00%
Padtec Chile (g)		100.00%		100.00%

- Chenonceau Participações S.A. is a non-operating company which corporate purpose is to hold interests in other companies. It currently does not hold any investments.
- Automatos Participações is a non-operating company which corporate purpose is to hold interests in other companies. It currently does not hold any investments.
- 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.
- Padtec Sucursal Argentina is an operating company, headquartered in Argentina, incorporated in 2007. Its main purpose is to perform sales activities, resell Group's products and provide implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.

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

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

### **MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022**

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

- e) 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's products and provide implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.
- f) 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.
- g) 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's products and provide implementation, operation and maintenance services.

## **2. CONCLUSION ON 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, 2021, 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 includes 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 12, 2022.

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

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

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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, 2021, published on March 15, 2022. The effect of changes in accounting policies also is expected in the consolidated financial statements for the year ended December 31, 2022.

### **4. CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>03/31/22</b>	<b>12/31/21</b>
Cash bank deposits	23,649	16,680
Highly-liquid financial investments	44,450	70,788
	<b>68,099</b>	<b>87,468</b>

Immediately-liquid financial investments refer to investments in CDB (Bank Deposit Certificate), held in top-tier financial institutions, remunerated at rates from 97% to 105% of CDI (Interbank Deposit Certificate), and are subject to a low risk of change in value.

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#### 5. TRADE ACCOUNTS RECEIVABLE

	Consolidated	
	03/31/22	12/31/21
Accounts receivable		
Referred in national currency	59,682	68,134
Referred in foreign currency (a)	21,759	30,265
	<b>81,441</b>	<b>98,399</b>
(+) Provision Oi Project (b)	7,648	5,388
(+) Court-Supervised Reorganization Oi (d)	-	1,828
(-) Allowance for doubtful accounts (e)	(8,737)	(9,777)
(-) Provision for recognition of revenue out of the accounting period (c)	(1,823)	(717)
	<b>78,529</b>	<b>95,121</b>

- a) Consolidated represented by US\$ 4,593 as of March 31, 2022 (US\$ 5,423 as of December 31, 2021).
- b) Subsidiary Padtec S.A. has a contract with the telecommunications operator Oi to supply equipment, materials and services for the implementation of new DWDM systems, as well as for the expansion of the network. The object of the contract is divided into two parts: (a) "common parts" associated with the installation of the equipment; and (b) portion associated with the use of the 10G, 100G, or 200G equivalent transponder. "Common parts" comprise common items of hardware, software, materials, and associated services. These items will be billed 100% after delivery of the product and/or after the issuance of the Agreement for Experimental Acceptance (TAE). Licenses used will be billed quarterly after auditing how many are properly in use. The balance receivable as of March 31, 2022 is R\$ 7,648 referring to 1,161 licenses. Padtec S.A. recognizes the license revenue when it satisfies a performance obligation when transferring the good or service (that is, an asset) promised to the client, as required by accounting practices adopted in Brazil and IFRS. These amounts are written off quarterly with the use of the installed capacity, through billing.
- c) Provision for reversal of revenue recognition outside the accrual period ("cut-off").
- d) 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 March 14, 2018, subsidiary Padtec S.A. adhered to Clause 4.3.5.2 of Oi's Court-Supervised Reorganization Plan, which states that: "the securities that are part of the judicial reorganization will be paid with a 10% discount in 5 annual installments, equal and successive, plus TR + 0.5% per year, with the first installment due on the last business day of the first year after the expiry of the term for choosing the credit payment option". In the first quarter, the Company received the last installment referring to this Plan.

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- e) The allowance for doubtful accounts is 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 and is considered sufficient to cope with any losses on credit realization. Management constantly monitors all bills and the individual situation of its customers, as well as the quality of credit granted. When the result of these assessments implies risks of credit realization, negotiations are held to monitor the terms with these customers. Based on these assessments, the Management understands that the amounts provisioned as of March 31, 2022 are sufficient to cover possible losses with default.

	<b>Consolidated</b>	
	<b>03/31/22</b>	<b>12/31/21</b>
On maturity date	61,789	81,558
01-30 days past due	2,440	523
31-60 days past due	1,643	68
61-90 days past due	2,011	1,887
91-120 days past due	1,051	1,380
121-150 days past due	565	246
151-180 days past due	495	471
181-360 days past due	2,326	472
Over 361 days past due	9,119	11,794
	<b>81,441</b>	<b>98,399</b>

Changes in the allowance for doubtful accounts are as follows:

	<b>Consolidated</b>			
	<b>12/31/2021</b>	<b>03/31/2022</b>		<b>Closing balance</b>
	<b>Opening balance</b>	<b>Addition</b>	<b>Reversal</b>	<b>balance</b>
(-) Allowance for doubtful accounts	(9,777)	(1,107)	2,147	(8,737)
<b>Total</b>	<b>(9,777)</b>	<b>(1,107)</b>	<b>2,147</b>	<b>(8,737)</b>



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#### 6. INVENTORIES

	Consolidated	
	03/31/22	12/31/21
Finished products	27,732	17,216
Products in progress	3,750	1,626
Raw materials	49,376	50,201
Resale materials	5,001	3,937
Import in progress	11,632	5,683
Inventories held on third parties (a)	15,871	16,113
Provision for obsolescence and slow turnover (b)	(14,026)	(13,334)
	<b>99,336</b>	<b>81,442</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			
	12/31/21	03/31/22		
	Opening balance	Addition	Reversal	Closing balance
Inventories	(11,275)	(679)	469	(11,485)
Inventories held on third parties	(2,059)	(572)	90	(2,541)
<b>Total</b>	<b>(13,334)</b>	<b>(1,251)</b>	<b>559</b>	<b>(14,026)</b>

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#### 7. RECOVERABLE TAXES

	Parent Company		Consolidated	
	03/31/22	12/31/21	03/31/22	12/31/21
Tax on the circulation of goods and services - ICMS	-	-	610	611
Industrialized product tax forwarding in transit - IPI	-	-	317	417
Social Integration Program- PIS	-	-	197	161
Contribution to Social Security Financing - COFINS	-	-	833	680
Social contribution on net income - CSLL (c)	-	-	1,642	1,572
Corporate Income Tax - IRPJ (b)	1,706	1,706	6,911	7,672
Service Tax - ISS	-	-	547	760
Brazilian Social Security Institute (INSS)	-	-	681	681
Income tax withholding - IRRF	-	-	1,537	1,140
Withholding tax from public agencies	-	-	3,858	3,380
Financial credit (a)	-	-	5,033	5,293
Other	-	-	2,961	2,859
	<b>1,706</b>	<b>1,706</b>	<b>25,127</b>	<b>25,226</b>

- a) Financial Credit: 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 becomes the receipt of financial credit proportional to the R&D investments made in advance. The financial credit is calculated quarterly and will be used to pay federal taxes controlled by the Brazilian Federal Revenue Service.
- b) Balances arising from overpayments due to mandatory monthly advances.

#### 8. RESTRICTED FINANCIAL INVESTMENTS

As of March 31, 2022, subsidiary Padtec S.A. has a total of R\$ 8,526 (R\$ 11,737 as of December 31, 2021) in restricted financial investments, as follows:

- a) FIDC transaction with Grupo Sifra in the amount of R\$ 5,530 (R\$ 5,408 as of December 31 2021) in long-term senior quotas of FIC FIDC OSHER, aimed to finance customers and anticipate resources (receivables). The average yield rate is 110% of the CDI.
- b) Financial investment with Banco Bradesco in the amount of R\$ 2,009 (R\$ 5,364 as of December 31, 2021) in CDB modality, given as collateral for the suretyship, which guarantees the debt with FINEP. The average yield rate is 99% of the CDI.
- c) Financial investments in Banco Alfa and Banco do Brasil in the amount of R\$ 987 (R\$ 965 as of December 31, 2021), CDB modality, given as collateral for the debt with FINEP. The average yield rate is 97% to 99% of the CDI.

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#### 9. OTHER CREDITS

	Parent Company		Consolidated	
	03/31/22	12/31/21	03/31/22	12/31/21
Credits of amounts receivable (a)	-	-	2,312	2,265
Rental guarantee deposit	-	-	163	163
Payroll advance	-	1	592	609
Advances to suppliers	99	99	1,989	631
Advance for travel	-	-	198	190
Prepaid insurance premiums	59	102	1,061	356
Other credits receivable	-	-	906	728
	<b>158</b>	<b>202</b>	<b>7,221</b>	<b>4,942</b>
Current assets	158	202	7,181	4,873
Non-current assets	-	-	40	69
	<b>158</b>	<b>202</b>	<b>7,221</b>	<b>4,942</b>

(a) Amount receivable from the Mecominas Group, yielding 100% of the CDI maturing in October 2022.

#### 10. RELATED PARTIES

The Company has the following companies as controlling shareholders with a relevant interest (interest over five percent (5%) of the share capital):

- a) Fundação CPqD – Centro de Pesquisa e Desenvolvimento em Telecomunicações, and
- b) BNDES Participações S.A. – BNDESPAR (see Note 37).

Direct and indirect interests in operating subsidiaries are described in the Note No. 1.

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

The main transactions and respective types are shown below:

- a) **Loan:** Financial transactions performed between the Company and its subsidiaries. The balance of assets and liabilities on loans does not provide for interest charges, as these are transactions entered into with wholly-owned subsidiaries, with a maturity of more than one year.

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- b) **Technological development services:** An agreement was made with Fundação CPqD to perform research & development activities. The amounts relating to technological services with Fundação CPqD 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 Padtec S.A. offers to the market, performed at market prices and under arm's-length conditions.
- c) **Sales of products:** Refers to the sale 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.
- d) **Other assets and liabilities:** Transactions between Fundação CPQD and Padtec S.A., referring to expenses with infrastructure and administrative expenses according to the apportionment defined between contractual parties.

	Parent				Consolidated			
	03/31/22		12/31/21		03/31/22		12/31/21	
	Automatos	Chenonceau	Padtec S/A	Total	Total	Fundação CPqD	Total	Total
<b>Assets</b>								
Loan (a)	472	-	-	472	372	-	-	-
	<b>472</b>	<b>-</b>	<b>-</b>	<b>472</b>	<b>372</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-Current assets	472	-	-	472	372	-	-	-
	<b>472</b>	<b>-</b>	<b>-</b>	<b>472</b>	<b>372</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>								
Other services (d)	-	-	-	-	-	100	100	6
Loan (a)	-	835	5,846	6,681	4,911	-	-	-
	<b>-</b>	<b>835</b>	<b>5,846</b>	<b>6,681</b>	<b>4,911</b>	<b>100</b>	<b>100</b>	<b>6</b>
Current liabilities	-	-	-	-	-	100	100	6
Non-current liabilities	-	835	5,846	6,681	4,911	-	-	-
	<b>-</b>	<b>835</b>	<b>5,846</b>	<b>6,681</b>	<b>4,911</b>	<b>100</b>	<b>100</b>	<b>6</b>

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	Consolidated				
	03/31/22			03/31/21	
	Fundação CPqD	Padtec Argentina	Padtec Colômbia	Total	Total
<b>Revenues</b>					
Sales of products (c)	-	1,096	10,294	11,390	575
	-	1,096	10,294	11,390	575
<b>Expenses / Costs</b>					
Technological development services (b)	417	-	-	417	182
Other services (d)	99	-	-	99	3
	516	-	-	516	185

Key management personnel compensation

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 Committee is set by the Shareholders Meeting and is consistent with market standards. The maximum global amount (covering fixed and variable compensation) approved at the Shareholders' Meeting held on April 28, 2022 is R\$ 9,114. The annual compensation of key management personnel includes the following expenses:

	03/31/22	03/31/21
<b>Short-term benefits</b>		
Salaries including bonuses	2,707	1,106
Social security charges	77	90
Private Pension Fund	64	40
<b>Total Compensation</b>	<b>2,848</b>	<b>1,236</b>

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

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 or other seniority benefits. 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.

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#### 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

	Parent	
	03/31/22	12/31/21
Investments in subsidiaries:		
Chenonceau Participações S.A.	1,192	1,188
Padtec S.A.	145,177	151,373
	<u>146,369</u>	<u>152,561</u>

##### 11.2. Provision for unsecured liabilities

	Parent	
	03/31/2022	12/31/2021
Investments in subsidiaries:		
Automatos Participações Ltda.	<u>(3,499)</u>	<u>(4,578)</u>
	<b>(3,499)</b>	<b>(4,578)</b>

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

	Automatos Participações Ltda.		Chenonceau Participações S.A.		Padtec S.A.	
	03/31/22	12/31/21	03/31/22	12/31/21	03/31/22	12/31/21
Capital	15.966	15.966	18.696	18.696	230.003	230.003
Total assets	60	30	1.193	1.118	429.020	432.257
Total liabilities	3.559	4.608	1	-	283.843	280.884
Net equity (negative net worth)	(3,499)	(4,578)	1.192	1.188	145.177	151.373
Income (loss) for the period	1.080	(690)	4	894	(5,924)	29.664
Number of shares (in thousands)	15.966	15.966	18.696	18.696	230.003	230.003
Number of shares held (in thousands)	15.966	15.966	18.696	18.696	230.003	230.003
Shareholding percentage	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

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

	Padtec S.A. Sucursal Argentina		Padtec USA		Padtec Colômbia	
	03/31/22	12/31/21	03/31/22	12/31/21	03/31/22	12/31/21
Capital	2,160	2,160	22,561	19,556	949	949
Total assets	4,546	8,252	1,004	262	20,288	16,717
Total liabilities	3,231	5,588	418	2,111	22,281	19,029
Net equity (negative net worth)	1,315	2,664	586	(1,849)	(1,993)	(2,312)
Income (loss) for the period	(728)	1,212	(756)	(3,363)	158	(3,860)
Number of shares (in thousands)	2,160	2,160	22,561	19,556	1,456	1,456
Number of shares held (in thousands)	2,160	2,160	22,561	19,556	1,456	1,456
Shareholding percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	Automatos Participações Ltda.		Chenonceau Participações S.A.		Padtec S.A.		Total	
	12/31/22	03/31/21	12/31/22	03/31/21	12/31/22	03/31/21	12/31/22	03/31/21
Opening balance of investments	-		1.188	294	151.373	121.933	152.561	122.227
Opening balance - loss of investment	(4.578)	(3.888)	-	-	-	-	(4.578)	(3.888)
Share of profit (loss) of investees	1.080	(183)	4	589	(5.924)	12.946	(4.840)	13.352
Translation adjustment of balance sheet of subsidiaries abroad	-	-	-	-	(272)	(202)	(272)	(202)
Other	(1)	(1)	-	-	-	-	(1)	(1)
Balance of the provision for losses in subsidiaries	3.499	4.072	-	-	-	-	3.499	4.072
<b>Closing balance of investments</b>	<b>-</b>	<b>-</b>	<b>1.192</b>	<b>883</b>	<b>145.177</b>	<b>134.677</b>	<b>146.369</b>	<b>135.560</b>



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### 12. PROPERTY, PLANT & EQUIPMENT

	Consolidated						Total
	Machinery and equipment	Computer equipment	Furniture and fixtures	Telephone devices	Third-party property improvement	Right to use lease (a)	
<b>Balance as of December 31, 2021</b>							
Cost	21,913	11,814	2,671	21	4,025	26,539	66,983
Accumulated depreciation	(17,150)	(6,266)	(1,522)	(20)	(893)	(2,430)	(28,281)
	<b>4,763</b>	<b>5,548</b>	<b>1,149</b>	<b>1</b>	<b>3,132</b>	<b>24,109</b>	<b>38,702</b>
Acquisitions	24	94	17	-	54	1,978	2,167
Write-offs and disposals	(43)	4	(8)	-	-	-	(47)
Depreciation	(421)	(458)	(62)	-	(231)	(626)	(1,798)
	<b>4,323</b>	<b>5,188</b>	<b>1,096</b>	<b>1</b>	<b>2,955</b>	<b>25,461</b>	<b>39,024</b>
<b>Balance as of March 31, 2022</b>							
Cost	21,937	11,908	2,688	21	4,079	28,517	69,150
Accumulated depreciation	(17,614)	(6,720)	(1,592)	(20)	(1,124)	(3,056)	(30,126)
	<b>4,323</b>	<b>5,188</b>	<b>1,096</b>	<b>1</b>	<b>2,955</b>	<b>25,461</b>	<b>39,024</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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The table below shows the average depreciation rates for PP&E for the year:

	<b>In years</b>	<b>% per year</b>
Machinery and equipment	02 to 10 years	10% per year to 50% per year
Computer equipment	01 to 5 years	20% per year to 100% per year
Furniture and fixtures	06 to 15 years	6.67% per year to 16.67% per year
Telephone device	04 to 10 years	10% per year to 25% per year
Right-of-use	06 years	16% per year
Other	05 years	20% per year

## PADTEC HOLDING S.A.

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### 13. INTANGIBLE ASSETS

	Parent	
	Brands and patents	Total
<b>Balance as of December 31, 2021</b>		
Cost	24	24
<b>Balance as of December 31, 2021</b>	<b>24</b>	<b>24</b>
Cost	24	24
<b>Balance as of March 31, 2022</b>	<b>24</b>	<b>24</b>

	Consolidated					Total
	Software	Brands and patents	Technical Information License	Development projects completed	Development projects in progress	
<b>Balance as of December 31, 2021</b>						
Cost	10,807	27	5,736	26,949	18,643	62,162
Accumulated amortization	(7,238)	-	(5,692)	(11,247)	-	(24,177)
<b>Balance as of December 31, 2021</b>	<b>3,569</b>	<b>27</b>	<b>44</b>	<b>15,702</b>	<b>18,643</b>	<b>37,985</b>
Acquisitions	31	-	1	-	3,725	3,757
Amortization	(280)	-	(45)	(1,627)	-	(1,952)
<b>Balance as of March 31, 2022</b>	<b>3,320</b>	<b>27</b>	<b>-</b>	<b>14,075</b>	<b>22,368</b>	<b>39,790</b>
Cost	10,838	27	5,737	26,949	22,368	65,919
Accumulated amortization	(7,518)	-	(5,737)	(12,874)	-	(26,129)
<b>Balance as of March 31, 2022</b>	<b>3,320</b>	<b>27</b>	<b>-</b>	<b>14,075</b>	<b>22,368</b>	<b>39,790</b>

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.

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The table below shows the average depreciation rates for intangible assets for the year:

Description	In years	% per year
Software	05 years	20% per year
Development of new products	05 years	20% per year

### 14. LOANS AND FINANCING

Modality	Agreed Rate	Annual average effective rate	Due date	Guarantee	Consolidated	
					03/31/22	03/31/21
<i>Local currency</i>						
Working Capital - Safra	CDI + 5.53% p.a.	17.77%	from 10/22/20 to 09/23/24	-	8,599	8,602
Working Capital - Daycoval	CDI + 5.9% and 10.08% p.a.	18.18%	from 07/29/20 to 09/30/24	Receivables	5,643	7,646
Working Capital - ABC Brasil	CDI + 4.38% p.a.	16.50%	from 12/23/20 to 05/23/24	Receivables	7,137	7,801
Finep	TR + 2.80% p.a.	2.88%	from 02/15/20 to 02/15/40	Bank-issued guarantee	28,145	28,244
					<b>49,524</b>	<b>52,293</b>
Current liabilities					9,893	10,087
Non-current liabilities					39,631	42,206
					<b>49,524</b>	<b>52,293</b>

Repayment schedule by year of maturity:

Updated table below.

	Consolidated											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032-2040	TOTAL
Loans and borrowings	7,543	8,007	8,009	3,860	2,023	2,023	2,023	2,023	2,023	2,023	9,965	49,524

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

#### 14.1. Payments

During the first quarter of 2022, R\$ 3,810 was paid in the consolidated referring to interest and principal on loans obtained by the Company.

#### 14.2. Raising of Loans and Financing

Over 2021, R\$ 20,539 of financing had been released with FINEP, arising from agreements signed by subsidiary Padtec S.A. in 2020. The credit line granted under such agreements amounts to R\$ 23,964 and the funds are released according to the disbursement and proof of costs under the strategic plan. Interest will be paid in 232 consecutive monthly installments, with a 36-month grace period for principal payment.

In 2021, subsidiary Padtec S.A. signed a financing line with FINEP, also intended for technological investments. The financing granted amounts to R\$ 19,653 and funds are released according to the disbursement and proof of costs under the strategic innovation plan of Padtec S.A. So far, R\$ 7,606 have been capitalized. Interest will be paid in 217 consecutive monthly installments, with a 30-month grace period for principal payment.

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Finally, in March 2022, subsidiary Padtec S.A. and FINEP entered into three financing agreements with funds from the Telecommunication Technological Development Fund (Funttel) of the Ministry of Communications, aiming at the development of solutions for 5G networks, in the total amount of R\$ 53.4 million to be disbursed by 2024. The Company did not record any transfers under these agreements in the first quarter of 2022.

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

	<u>Consolidated</u>
<b>Balances as of January 1, 2021</b>	<b><u>43,432</u></b>
Interest expenses	3,292
Interest Payment	(2,948)
Loans Raised	17,843
Amortization	(9,326)
<b>Balance as of December 31, 2021</b>	<b><u>52,293</u></b>
Interest expenses	1,041
Interest Payment	(907)
Amortization	(2,903)
<b>Net cash flow from financing activities in current quarter</b>	<b><u>(2,769)</u></b>
<b>Balance as of March 31, 2022</b>	<b><u>49,524</u></b>

### 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 ("Debentures").

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The change in the issuance of Debentures is shown below:

Modality	Consolidated				Balance as of 03/31/2022
	12/31/21	Principal Amortization	Charges	Charges paid	
<i>Measured at amortized cost - post fixed</i>					
Post fixed					-
CDI	32,127	(2,667)	1,065	(1,055)	29,470
<b>Total at cost</b>	<b>32,127</b>	<b>(2,667)</b>	<b>1,065</b>	<b>(1,055)</b>	<b>29,470</b>
Funding expenses (*)	(722)	62	-	-	(660)
<b>Total</b>	<b>31,405</b>	<b>(2,605)</b>	<b>1,065</b>	<b>(1,055)</b>	<b>28,810</b>
Current liabilities	10,546				10,556
Non-current liabilities	20,859				18,254
	<b>31,405</b>				<b>28,810</b>

Repayment schedule by year of maturity:

	Consolidated			
	2022	2023	2024	TOTAL
Debentures	7,951	10,666	10,193	<b>28,810</b>

(\*) Pursuant to CPC 48/IFRS 9, these refer to funding costs directly attributable to the issuance of the respective debts, measured at cost.

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, 2022.

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

	<b>Consolidated</b>
<b>Balances as of January 1, 2021</b>	<b>39,078</b>
Interest expenses	3,032
Interest Payment	(2,905)
Amortizaion of costs with issuance of debentures	200
Payment of debentures - principal	(8,000)
<b>Balance as of December 31, 2021</b>	<b>31,405</b>
Interest expenses	1,065
Interest Payment	(1,055)
Amortizaion of costs with issuance of debentures	62
Payment of debentures - principal	(2,667)
<b>Net cash flow from financing activities in current quarter</b>	<b>(2,595)</b>
<b>Balance as of March 31, 2022</b>	<b>28,810</b>

### 16. Lease transactions

On the initial date of measurement of the liability, the “provision for lease” 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 incremental rate on the loan (discount rate), plus other contractual obligations provided for in the lease agreements adjusted to present value.

The Company opted to define a single discount rate for leases with similar characteristics, considering as criteria for defining the discount rate the financial costs of loans and financing for the acquisition of similar assets.

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 6.30%, in accordance with the effective term of each lease agreement.

The amount of the adjustment to the present value will be appropriated on a monthly basis, as financial interest in the profit or loss for the year.

Subsidiary Padtec S.A. has a lease agreement with Daycoval Leasing – Banco Multiplo S/A, referring to the lease of equipment that is being used in the service provision operation. The lease lasts for 36 months with a 3-month grace period and a call option clause at the end of this term. Lease payment will be made in 33 equal installments beginning in December 2021. The effect of this accounting is the recording of R\$ 3,745 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.

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LIABILITIES	Consolidated	
	03/31/22	12/31/21
Provision for leasing	25,158	24,109
	<b>25,158</b>	<b>24,109</b>
Current liabilities	3,770	4,086
Non-current liabilities	21,388	20,023
	<b>25,158</b>	<b>24,109</b>

#### Change in provision for leasing

Provision for leasing	Consolidated				03/31/22
	12/31/21	Adjustment Contracts and interest	Payment	Interest Financial	
Machinery and equipment	3,819	209	(429)	(82)	3,517
Building lease - related parties	20,290	2,165	(706)	(107)	21,641
	<b>24,109</b>	<b>2,374</b>	<b>(1,135)</b>	<b>(189)</b>	<b>25,158</b>
Current liabilities	4,086				3,770
Non-current liabilities	20,023				21,388
	<b>24,109</b>				<b>25,158</b>

#### 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 Fundação CPqD. 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).

## 17. FINANCIAL TRANSACTIONS

As of March 31, 2022, the Company has recorded financial transactions of Vendor, Fortait and FIDC in the amount of R\$ 37,009 (R\$ 32,770 as of December 31, 2021) in current liabilities and R\$ 20,748 (R\$ 13,225 as of December 31, 2021) in non-current liabilities. The corresponding entries for such entries are recorded in current assets and non-current assets. Such transactions are described as follows:

### 17.1. Vendor Transactions

The Company entered into Vendor agreements (factoring) with Banco do Brasil, Banco Safra, Banco Industrial, Banco Paulista, Banco Alfa and Banco Daycoval, which consist of sales financing transactions based on the principle of credit assignment. By the end of the first quarter of 2022, these financial institutions granted to 24 customers of the Company credits upon Financing Promise Agreements in the global limit amount of R\$ 80,345, maturing by March 2025. This amount is used to purchase the Company's products and services. As of March 31, 2022 there was no default and the amount recorded is R\$ 30,875 in the short term and R\$ 17,189 in the long term.



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### 17.2. Discount without recourse (Forfait)

The Company entered into forfait agreements with Banco do Brasil, which consist of financing transactions for international sales, based on the principle of discounting receivables, guaranteeing terms and better conditions for customers. By the end of the first quarter of 2022, credits were granted to 3 of the Company's customers, in the global limit of R\$ 9,173, with maturity by December 2023. This amount is used for the acquisition of Company's products. As of March 31, 2022 there was no default and the amount recorded is R\$ 5,377 in the short term and R\$ 3,559 in the long term.

### 17.3. Credit rights investment fund transactions (FIDC)

The Credit Rights Investment Fund was established in October 2019, by Padtec S.A. together with other shareholders, and proceeds will be used for the acquisition of the Company's implementation products and services. Padtec S.A. holds a 25% interest and the other shareholders hold a 75% interest. The FIDC is managed by the Sifra Group, for the purpose of financing clients and anticipating funds (receivables). The credit limit will be R\$ 20 million. The assignment rate for Padtec's receivables is 1.65% p.m., with a term limited to the investment amount described below. This investment will be recorded with a chattel mortgage in favor of the Sifra Group, to exclusively guarantee Padtec operations as assignor.

As of March 31, 2022, 5 customers of the Company were granted credit in the total amount of R\$ 8,722, with maturity up to January 2023. As of March 31, 2022 there was no default and the amount recorded is R\$ 757 in the short term.

## 18. TRADE ACCOUNTS PAYABLE

	Parent Company		Consolidated	
	03/31/22	12/31/21	03/31/22	12/31/21
Domestic suppliers	47	4	21,111	18,112
International suppliers	-	-	43,193	45,486
	<b>47</b>	<b>4</b>	<b>64,304</b>	<b>63,598</b>
Current liabilities	47	4	63,422	62,497
Non-current liabilities	-	-	882	1,101
	<b>47</b>	<b>4</b>	<b>64,304</b>	<b>63,598</b>

## 19. FORFAITING

The Company has an agreement with a Banco do Brasil to allow domestic suppliers to early collect their receivables. Under this transaction, suppliers assign receivables from sales of goods to financial institutions. The consolidated balance as of March 31, 2022 is R\$ 1,022 (R\$ 1,110 as of December 31, 2021), with a maximum term of 180 days. The Company has no financial expenses related to this transaction, as the cost is paid by the supplier.

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### 20. TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	03/31/22	12/31/21	03/31/22	12/31/21
Tax on the circulation of goods and services - ICMS	-	-	1,609	4,371
Corporate Income Tax - IRPJ	-	-	-	196
Excise Tax - IPI	-	-	938	1,680
Social Integration Program- PIS	1	-	28	299
Contribution to social security financing - COFINS	5	-	130	1,404
Service Tax - ISS	32	36	297	527
Other	14	12	91	630
<b>Current liabilities</b>	<b>52</b>	<b>48</b>	<b>3,093</b>	<b>9,107</b>

### 21. TAXES AND CONTRIBUTIONS PAYABLE - INSTALLMENT PAYMENT

	Consolidated	
	03/31/22	12/31/21
Installment payment of tax on the circulation of goods and services - ICMS (a)	8,745	8,047
Special program for tax regularization - PERT	-	9
Installment payment of tax on service - ISS	219	249
<b>Total liabilities</b>	<b>8,964</b>	<b>8,305</b>
Current liabilities	5,786	7,129
Non-current liabilities	3,178	1,176
	<b>8,964</b>	<b>8,305</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\$ 21,435, with an outstanding balance as of March 31, 2022 in the amount of R\$ 8,745 with final maturity until January 2027.

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### 22. PROVISIONS

#### 22.1. Miscellaneous provisions

	12/31/21	03/31/22		
	Opening balance	Addition to provision	Reversals	Closing balance
Provision for commission (a)	766	408	(408)	766
Repairs during warranty (b)	952	173	-	1,125
Other	732	-	-	732
<b>Total</b>	<b>2,450</b>	<b>581</b>	<b>(408)</b>	<b>2,623</b>

a) Refers to the provision for payment of commissions on sales made to customers at the percentage of 0.4% to 4% or fixed amounts of monthly salaries, pursuant to the contractual clauses.

b) Recognized to meet expenditures relating to products, including warranty and contractual obligations.

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

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

	Parent Company			
	12/31/21	03/31/22		
	Opening balance	Addition to provision	Reversals	Closing balance
Labor (a)	17,779	2,752	(5,075)	15,456
<b>Total provisions</b>	<b>17,779</b>	<b>2,752</b>	<b>(5,075)</b>	<b>15,456</b>
Judicial deposits (c)	(991)	-	161	(830)
<b>Total</b>	<b>16,788</b>	<b>2,752</b>	<b>(4,914)</b>	<b>14,626</b>

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	Consolidated			
	12/31/21	03/31/22		
	Opening balance	Addition to provision	Reversals	Closing balance
Labor (a)	20,348	2,751	(5,177)	17,922
Civil	3,486	165	-	3,651
Tax (b)	6,897	-	(1,320)	5,577
Administrative	254	-	(11)	243
<b>Total provisions</b>	<b>30,985</b>	<b>2,916</b>	<b>(6,508)</b>	<b>27,393</b>
Judicial deposits (c)	(1,373)	(69)	203	(1,239)
<b>Total</b>	<b>29,612</b>	<b>2,847</b>	<b>(6,305)</b>	<b>26,154</b>

### (a) Labor

Lawsuits filed by former employees of subsidiaries Padtec S.A. and Automatos Participações, as well as former subsidiaries Officer, Pini, Latin and Ventures (Softcorp) and ETML - already divested, claiming labor rights.

### (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. The total provisioned risk amounts to R\$ 2,437 and an additional a provision was set in the amount of R\$ 321 for the periods 2017 to 2018.

### (c) Judicial Deposits

The amounts refer to judicial deposits held in the name of the Parent Company and investees Padtec S.A. and Automatos Participações Ltda., mainly in labor lawsuits.

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

In the consolidated, there are other lawsuits with a total amount at risk of R\$ 78,849 assessed by the legal advisors as having a possible risk of loss as of March 31, 2022 (R\$ 75,805 as of December 31, 2021), 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\$ 62,172 referring to tax risks, R\$ 7,100 labor, R\$ 9,355 civil and R\$ 222 administrative. The main proceedings that fall under the description above are detailed below:

- Subsidiary Padtec S.A. has a tax foreclosure proceeding related to ICMS tax, which is in the appeal stage, in the amount of R\$ 6,290. The lower court decision was partially favorable to cancel the tax charged, maintaining, however, the requirement of fines.

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- Subsidiary Padtec S.A. has 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\$ 1,938. The Subsidiary guaranteed the foreclosure with the submission of a performance bond, to discuss in court the charge that it considers undue.
- Subsidiary Padtec S.A. has a tax assessment notice issued 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\$ 6,015. 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\$ 40,172. In January 2018, Padtec S.A. received a subpoena, which dismissed the challenge presented and maintained the assessment. In September 2019, the judgment of the Voluntary Appeals presented to CARF converted the proceeding into a diligence, which was started in 2021
- 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\$ 12,119 as of December 31, 2021. The records are at the National Process Management Center of the Federal Revenue Office in Ribeirão Preto/SP.
- Civil Actions F.P.e A.Ltda.: Padtec Holding S.A. (formerly Ideiasnet S.A.) is a defendant in three civil lawsuits filed by the plaintiff, namely: 0014757-87.2014.8.16.0001 (precautionary action); 0021446-50.2014.8.16.0001 (main case); and 0009306-47.2015.8.16.0001 (accountability action). Such lawsuits address the validity of the guarantees given by the plaintiff (fiduciary sale of real estate instruments) in favor of Padtec Holding S.A. in connection with the sale of the former investee Softcorp and the amounts due to Padtec Holding versus the amount executed by it through the guarantees. The lawsuits are conducted under a closed proceeding, together, separate from the main proceeding, with risk classified as "possible loss" by the lawyers, therefore, the amount involved (R\$ 6,600) is not provisioned. The lower court ruling was fully favorable to the Company.
- 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 the city of Belo Horizonte/MG 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. Such proceedings amount to R\$ 4,909, with a risk of "possible loss" according to the lawyers who sponsor the cases, so no provision is made.

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### 23. LABOR CHARGES

	Parent Company		Consolidated	
	03/31/22	12/31/21	03/31/22	12/31/21
Wages	103	99	2,315	3,322
Profit sharing	-	-	8,423	7,102
Social charges	52	80	7,084	6,199
Provision for vacation	-	-	8,075	6,751
Private pension fund	-	-	543	958
Share-based compensation - Phantom Shares	81	20	839	210
Other	-	-	145	118
	<b>236</b>	<b>199</b>	<b>27,424</b>	<b>24,660</b>

- a) The Company has a Long-Term Incentive and Retention Plan approved in October 2021, referring to 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, based on shares issued by the Company 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

The subsidiary Padtec S.A. sponsors two pension plans for 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 amount is 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 these plans, funding varies according to a contribution table based on salary ranges, from 1% to 8% of the employees' compensation.

As of March 31, 2022, there were no actuarial liabilities on behalf of Padtec S.A. arising from the supplementary pension plan.

Contributions made amounted to R\$ 718 on March 31, 2022, which were recorded as an expense in P&L for the period.

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### 25. EQUITY

#### 25.1. Capital

As of March 31, 2022, 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	03/31/22		12/31/21	
	Number of Shares	Shareholding - %	Number of Shares	Interest - %
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>Total</b>	<b>78,449,779</b>	<b>100.00%</b>	<b>78,449,779</b>	<b>100.00%</b>

#### 25.2. Capital Reserve

##### Capital

Corresponding to gains or losses on the change of interest in subsidiaries without loss of control.

#### 25.3. 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.

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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, 2022 and 2021:

	Parent				Consolidated	
	Parent Company and Consolidated		Continued operations		Continued operations	
	03/31/22	03/31/21	03/31/22	03/31/21	03/31/22	03/31/21
<b>Basic numerator</b>						
Profit (loss) for the period	(4,477)	11,721	(4,477)	11,721	(4,477)	(1,038)
Number of Shares	78,450	78,450	78,450	78,450	78,450	78,450
<b>Basic and diluted earnings (losses) per share - in Brazilian reais</b>	<b>(0.0571)</b>	<b>0.1494</b>	<b>(0.0571)</b>	<b>0.1494</b>	<b>(0.0571)</b>	<b>(0.0132)</b>
<b>Diluted numerator</b>						
Profit (loss) for the period	(4,477)	11,721	(4,477)	11,721	(4,477)	(1,038)
Number of Shares	78,450	78,450	78,450	78,450	78,450	78,450
<b>Diluted earnings (losses) per share - in Brazilian reais</b>	<b>(0.0571)</b>	<b>0.1494</b>	<b>(0.0571)</b>	<b>0.1494</b>	<b>(0.0571)</b>	<b>(0.0132)</b>

## 27. NET OPERATING REVENUE

	Consolidated	
	03/31/22	03/31/21
	95,211	88,527
Products sold	67,214	70,740
Services rendered	27,997	17,787
Taxes on sales	(20,991)	(19,854)
Returns and cancellations	(1,463)	(2,394)
	<b>72,757</b>	<b>66,279</b>



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

	Consolidated	
	03/31/22	03/31/21
Materials	(39,521)	(32,864)
Labor	(11,261)	(8,886)
Depreciation / amortization	(742)	(599)
Reversal of provisions (a)	4,698	3,510
Travel	(2,529)	(1,891)
Other costs	(2,737)	(2,208)
	<u>(52,092)</u>	<u>(42,938)</u>

(a) Balance Referring to Cut-Off reversals and inventory obsolescence occurred in the year.

### 29. OPERATING REVENUES (EXPENSES)

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

	Parent		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
Labor expenses and social charges	(622)	(419)	(15,127)	(13,722)
Third-party services	(413)	(320)	(1,396)	(1,432)
Selling and marketing expenses	-	(174)	(219)	(372)
General and administrative expenses	(76)	(81)	(1,945)	(1,545)
Depreciation / amortization	-	-	(2,917)	(2,544)
Travel	-	-	(516)	(87)
Lease of properties and equipment	-	-	(153)	(125)
Other	6	-	(1,082)	5
Other provisions	-	-	-	-
	<u>(1,105)</u>	<u>(994)</u>	<u>(23,355)</u>	<u>(19,822)</u>

Reported as follows:

	Parent Company		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
Administrative expenses	(1,105)	(994)	(6,889)	(6,462)
Selling expenses	-	-	(8,028)	(7,769)
Research and development expenses	-	-	(8,438)	(5,591)
	<u>(1,105)</u>	<u>(994)</u>	<u>(23,355)</u>	<u>(19,822)</u>

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

	Parent Company		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
Gain on write-off of suppliers	-	42	-	(335)
Tax gain - PIS / Cofins credit - ICMS exclusion	-	-	-	1,736
Tax gain - ISS credit granted (a)	-	-	-	1,532
Reversal of civil indemnities	188	-	188	202
Labor indemnities	-	(143)	(40)	(344)
Loss / gain - asset held for sale	-	5	-	-
Loss of trade account receivables	(1)	-	(712)	(237)
Reversal of allowance for doubtful accounts	-	-	1,040	(209)
Reversal of provision for labor contingencies	1,381	(542)	988	(232)
Reversal of provision for tax contingencies	-	-	1,243	121
Provision for civil contingencies	-	-	(165)	(1,346)
Provision for administrative contingencies	-	-	(4)	-
Other	(15)	-	(65)	-
	<b>1,553</b>	<b>(638)</b>	<b>2,473</b>	<b>888</b>

## 30. FINANCIAL INCOME (COSTS)

### 30.1. Financial income

	Parent Company		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
Income from financial investments	-	5	1,603	583
Income from financial transactions	-	-	513	109
Foreign exchange gains	-	-	3,662	1,635
Inflation adjustment on taxes and contributions	-	-	105	2,858
Other revenues	-	-	16	315
	<b>-</b>	<b>5</b>	<b>5,899</b>	<b>5,500</b>

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### 30.2. Financial costs

	Parent Company		Consolidated	
	03/31/22	03/31/21	03/31/22	03/31/21
Interest on loans and financing	(7)	(1)	(3,296)	(1,441)
Costs on financial transactions	-	-	(158)	(38)
Foreign exchange losses	-	-	(4,854)	(3,350)
Pis and cofins on financial income	-	-	(108)	(33)
Other expenses	(78)	(3)	(1,742)	(470)
	<b>(85)</b>	<b>(4)</b>	<b>(10,158)</b>	<b>(5,332)</b>

### 31. CURRENT 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	
	03/31/22	03/31/21	03/31/22	03/31/21
<b>Profit (loss) before taxes</b>	<b>(4,477)</b>	<b>11,721</b>	<b>(4,476)</b>	<b>4,575</b>
Share of profit (loss) of investees	4,840	(13,352)	-	-
Law No. 11,196/05	-	-	(1,766)	(2,768)
(+/-) Other additions and deletions	(1,321)	602	(7,107)	12,411
Provision/reversal for obsolescence of inventory	-	-	690	782
Provision/reversal of contingencies	(1,381)	-	(2,062)	1,566
Provision/reversal of revenues	-	-	(2,019)	7,835
Provision/reversal for doubtful accounts	-	542	(1,040)	209
Loss on account receivables	-	-	712	-
Provision/reversal - other	-	-	1,376	(1,790)
Investment loss	-	-	-	(4,115)
Financial credits	-	-	(5,006)	(8,378)
Discontinued operations	-	-	-	12,759
Other Additions and deletions	60	60	242	3,543
<b>Tax profit (loss) (IR basis)</b>	<b>(958)</b>	<b>(1,029)</b>	<b>(13,348)</b>	<b>22,596</b>
Income tax	-	-	(1)	(4,155)
Social contribution	-	-	-	(1,458)
<b>Current income tax and CSLL</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(5,613)</b>

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### 32. DISCONTINUED OPERATIONS

On January 18, 2019, Padtec S.A. entered into the agreement for the sale of its submarine division with IPG Photonics, for a total amount of R\$ 75,000, with payments to be made in three annual installments, after the fulfillment of contractual obligations and overcoming the risks of failures that should be covered by the subsidiary.

On March 31, 2021, the remaining 15%, in the amount of R\$ 11,968 (referring to Padtec S/A, inflation adjusted pursuant to the contractual clause) was recorded. Also on March 31, 2021, the Company received R\$ 791 related to the sale of the remaining equity interest in Batanga, an investee of former Ideiasnet.

### 33. 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	03/31/22
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	04/28/21	04/28/22	228,652
Death, accident, disability	07/01/20	06/30/22	932
Death, accident, disability	07/01/20	06/30/22	419
Death, accident, disability	07/01/20	06/30/22	32
Road hazards	10/31/21	10/31/22	4,000
Broad coverage (Imports)	10/31/21	10/31/22	USD 2,000
Broad coverage (Export)	10/31/21	10/31/22	USD 2,000
Executive Board	07/09/21	07/09/22	50,000
General RC, Operations, Products	07/13/21	07/13/22	15,000

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### 34. 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 does not make speculative investments. The proceeds derived from these transactions are consistent with the policies and strategies defined by Management. Risk management and management of financial instruments are performed through 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.

### 35. 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	
		03/31/22	12/31/21
<b>Assets</b>			
<i>Amortized cost</i>			
Trade accounts receivable		78,529	95,121
<i>Fair value through profit or loss</i>			
Cash and cash equivalents	Level 2	68,099	87,468
Restricted financial investments	Level 2	8,526	11,737
<b>Total</b>		<b>155,154</b>	<b>194,326</b>
<b>Liabilities</b>			
<i>Amortized cost</i>			
Loans and financing (current)		(9,893)	(10,087)
Loans and financing (non-current)		(39,631)	(42,206)
Debentures (current)		(10,556)	(10,546)
Debentures (current)		(18,254)	(20,859)
Lease transactions (current)		(3,770)	(4,086)
Lease transactions (non-current)		(21,388)	(20,023)
Trade accounts receivable		(63,422)	(62,497)
Trade accounts payable (non-current)		(882)	(1,101)
Forfeiting		(1,022)	(1,110)
<b>Total</b>		<b>(168,818)</b>	<b>(172,515)</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.

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### **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.

### **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 4 (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.

#### **35.1. 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:

#### **35.2. 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, restricted cash and financial investments and the Company's equity.

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

	Parent Company		Consolidated	
	03/31/22	12/31/21	03/31/22	12/31/21
Debt	-	-	78,334	83,698
Cash and cash equivalents, financial investments	-	-	76,625	99,205
Net Debt (net cash)	-	-	1,709	(15,507)
Equity	123,588	128,337	123,588	128,337
Debt (cash) ratio, net	0%	0%	1%	-12%

### 35.3. 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 5 (Trade accounts receivable), according to the recoverability assessment performed by Management.

For short-term investments, the Group only has 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.

### 35.4. 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.

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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	2-19 years
Restricted financial investments	8,526	-	8,526	-
Financial transactions	57,757	37,009	20,748	-
Lease transactions	(25,158)	(3,770)	(21,388)	-
Loans and financing	(49,524)	(9,893)	(11,157)	(28,474)
Debentures	(28,810)	(10,556)	(10,667)	(7,587)
Trade Accounts Payable	(64,304)	(63,422)	(882)	-
Forfaiting	(1,022)	(1,022)	-	-
Financial transactions	(57,757)	(37,009)	(20,748)	-
<b>Total</b>	<b>(160,292)</b>	<b>(88,663)</b>	<b>(35,568)</b>	<b>(36,061)</b>

### 35.5. 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	
	03/31/22		12/31/21	
	R\$	US\$	R\$	US\$
<b>Assets</b>				
Trade accounts receivable	21,759	4,593	30,265	5,423
<b>Liabilities</b>				
Trade Accounts Payable	(43,193)	(9,117)	(45,486)	(8,151)
<b>Total</b>	<b>(21,434)</b>	<b>(4,524)</b>	<b>(15,221)</b>	<b>(2,728)</b>

### 35.6. 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 Group's results.



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

	<u>Consolidated</u>	
	<u>03/31/22</u>	<u>12/31/21</u>
<b>Assets</b>		
Cash and cash equivalents	68,099	87,468
Restricted financial investments	8,526	11,737
Financial transactions	57,757	45,995
<b>Liabilities</b>		
Loans and financing	(49,524)	(52,293)
Debentures	(28,810)	(31,405)
Forfaiting	(1,022)	(1,110)
Financial transactions	(57,757)	(45,995)
<b>Net exposure</b>	<u>(2,731)</u>	<u>14,397</u>

### 35.7. 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, the Group is qualifying the risks through the net exposure of the variables (Dollar, CDI, IGP-M, IPCA, TJLP and Selic), as shown.

Exchange rate	<u>Consolidated</u>		
	<u>Probable scenario</u>	<u>25% Increase</u>	<u>50% Increase</u>
Trade accounts receivable	21,759	5,440	10,880
Trade Accounts Payable	(43,193)	(10,798)	(21,597)
<b>Impact on profit or loss</b>		<u>(5,358)</u>	<u>(10,717)</u>

Interest rate	<u>Consolidated</u>		
	<u>Probable scenario</u>	<u>25% Increase</u>	<u>50% Increase</u>
Cash and cash equivalents	68,099	17,025	34,050
Restricted financial investments	8,526	2,132	4,263
Loans and financing	(49,524)	(12,381)	(24,762)
Debentures	(28,810)	(7,203)	(14,405)
Forfaiting	(1,022)	(256)	(511)
<b>Impact on profit or loss</b>		<u>(683)</u>	<u>(1,365)</u>

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### **36. INFORMATION BY SEGMENT**

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

### **37. SUBSEQUENT EVENTS**

In December 2021, the Company announced to the market that its subsidiary Padtec S.A. concluded the structuring of an investment fund in credit rights together with BNDES Participações S.A. – BNDESPAR (“BNDESPAR”) aimed at, through the granting of credit to Padtec's customers, stimulating the process of technological innovation, encouraging the training of human resources, fostering the generation of jobs and promoting the access of small and medium-sized companies to capital resources, so as to increase the competitiveness of the Brazilian telecommunications industry. The paid-in capital of FIDC FUNTTEL PADTEC Fundo de Investimento em Direitos Creditórios (“FIDC BNDESPAR”) 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) and will be administered by Captalys Distribuidora de Títulos e Valores Mobiliários Ltda. and managed by Captalys Gestão Ltda.

BNDESPAR will use funds raised from the Fund for the Technological Development of Telecommunications (“FUNTTEL”) to pay the senior quotas. The proceeds allocated in FIDC BNDESPAR will be used to grant funding, with a total effective cost of TR+7.0% p.a. and a minimum financing term of 24 months. Padtec S.A. will be the sole assignor of FIDC, which will rely on the fiduciary sale of customer equipment as a guarantee of this instrument. FIDC BNDESPAR has been available for use by customers since the beginning of April 2022.”

### **38. EXPLANATION ADDED TO THE TRANSLATION FOR THE ENGLISH VERSION**

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.