

Padtec Holding S.A.

Interim financial statements for the quarter
ended June 30, 2024, accompanied by the
Report on the Review of Quarterly Information

Padtec Holding S.A.

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Report on the Review of individual and consolidated Quarterly Information

To the:
Shareholders and Management of
PADTEC HOLDING S.A.
Campinas - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Padtec Holding S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2024, which comprises the Balance Sheet as of June 30, 2024 and the statements of profit of loss and of comprehensive income for the three- and six-month periods then ended and of changes in equity and of cash flows for the six-month period then ended, including the accompanying notes.

The Company's Management is responsible for preparing the individual and consolidated interim financial statements in accordance with Accounting 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 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 on the review of interim information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim information consists of making inquiries, mainly to the persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is significantly lower than an audit performed in compliance with audit standards and, accordingly, has not enabled 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.

Presentation of the individual and consolidated interim financial information

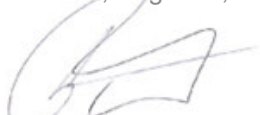
Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material respects, in compliance with Accounting Pronouncement CPC 21(R1) and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

Statements of value added

The aforementioned quarterly information includes the individual and consolidated statements of value added for the six-month period ended June 30, 2024, prepared under the responsibility of Company's management and presented as supplementary information for the purposes of IAS 34. Such statements were submitted to review procedures performed in conjunction with the review of the quarterly information, so as 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 Accounting Pronouncement CPC 09 - Statement of Value Added. Based on our review, we conclude that these statements of value added have been properly prepared, in all material respects, in accordance with the criteria set forth in this Accounting Pronouncement and are consistent with the overall individual and consolidated financial statements taken as a whole.

São Paulo, August 7, 2024.



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

RSM Brasil Auditores Independentes Ltda.
CRC 2SP-030.002/O-7


RSM

PADTEC HOLDING S.A.

BALANCE SHEETS

AS OF JUNE 30, 2024 AND DECEMBER 31, 2023

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

ASSETS	NOTE	Parent Company		Consolidated	
		06/30/24	12/31/23	06/30/24	12/31/23
CURRENT					
Cash and cash equivalents	4	5	-	159,973	50,456
Tradable securities	5	-	-	5,658	9,920
Trade accounts receivable	6	-	-	133,090	125,809
Inventories	8	-	-	127,762	102,196
Taxes recoverable	9	1,659	1,816	26,671	30,141
Financial transactions	17	-	-	41,911	39,008
Other credits	10	87	214	6,606	6,909
TOTAL CURRENT ASSETS		1,751	2,030	501,671	364,439
NON-CURRENT					
Trade accounts receivable	6	-	-	6,499	4,766
Restricted financial investments	7	-	-	31,333	1,754
Derivative Financial Instruments	34.1	-	-	345	-
Financial transactions	17	-	-	44,912	52,891
Judicial deposits	22.2	401	473	1,197	1,151
Other credits	10	-	-	255	23
		401	473	84,541	60,585
Investments	12.1	142,426	176,731	-	-
Property, Plant & Equipment, net	13	-	-	43,905	40,422
Intangible assets	14	24	24	56,915	51,060
		142,450	176,755	100,820	91,482
TOTAL NON-CURRENT ASSETS		142,851	177,228	185,361	152,067
TOTAL ASSETS		144,602	179,258	687,032	516,506

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

PADTEC HOLDING S.A.

BALANCE SHEETS

AS OF JUNE 30, 2024 AND DECEMBER 31, 2023

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

LIABILITIES	NOTE	Parent Company		Consolidated	
		06/30/24	12/31/23	06/30/24	12/31/23
CURRENT					
Loans and financing	15	-	-	42,551	13,374
Derivative financial instruments	34.1	-	-	-	1,671
Lease transactions	16	-	-	5,686	5,882
Trade accounts payable	19	47	47	55,671	57,395
Related parties	11	-	-	409	400
Taxes and contributions payable	20	50	47	2,758	4,643
Taxes and contributions payable - installment payment	21	-	432	727	1,055
Labor charges	23	174	384	20,494	27,274
Dividends payable	25.4	39	3,674	39	3,674
Miscellaneous provisions	22.1	98	100	2,449	2,411
Financial transactions	17	-	-	41,911	39,008
Advances from customers		-	-	2,102	1,447
Other accounts payable		-	-	1,076	1,208
TOTAL CURRENT LIABILITIES		408	4,684	175,873	159,442
NON-CURRENT					
Loans and financing	15	-	-	279,402	99,081
Trade accounts payable	19	-	-	508	508
Lease transactions	16	-	-	14,797	13,071
Taxes and contributions payable - installment payment	21	-	-	883	1,299
Related parties	11	3,850	14,597	-	-
Miscellaneous provisions	22.1	-	507	-	507
Provision for labor, tax and civil risks	22.2	6,704	6,872	15,735	16,058
Financial transactions	17	-	-	44,912	52,891
Transactions with senior FIDC quotas	18	-	-	21,366	21,109
Other accounts payable		451	-	451	-
TOTAL NON-CURRENT LIABILITIES		11,005	21,976	378,054	204,524
TOTAL LIABILITIES		11,413	26,660	553,927	363,966
NET EQUITY					
Capital	25.1	138,442	138,439	138,442	138,439
Capital reserve	25.2	2,450	2,419	2,450	2,419
Legal reserve	25.2	774	774	774	774
Investment reserve	25.2	11,023	11,023	10,965	10,965
Accumulated loss		(18,009)	-	(18,035)	-
Goodwill on capital transaction		599	599	599	599
Other comprehensive income	25.3	(2,090)	(656)	(2,090)	(656)
TOTAL EQUITY ASSIGNED		133,189	152,598	133,105	152,540
TOTAL LIABILITIES AND EQUITY		144,602	179,258	687,032	516,506

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

PADTEC HOLDING S.A.

STATEMENTS OF PROFIT OR LOSS FOR THE THREE- AND SIX- MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	Note	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to June 30		Period January 01 to June 30	
		Parent Company		Consolidated		Parent Company		Consolidated	
		06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Net operating revenue	27	-	-	68,501	96,903	-	-	126,882	176,067
Cost of goods sold and services provided	28	-	-	(46,912)	(62,011)	-	-	(90,421)	(112,686)
Gross profit		-	-	21,589	34,892	-	-	36,461	63,381
Operating revenues (expenses)									
Administrative expenses	29.1	(755)	(1,199)	(5,984)	(8,213)	(1,217)	(2,117)	(12,436)	(15,586)
Selling expenses	29.1	-	-	(8,155)	(8,924)	-	-	(16,579)	(17,931)
Research and development expenses	29.1	-	-	(7,751)	(9,339)	-	-	(16,217)	(19,063)
Equity income	12.4	(3,338)	1,707	-	-	(16,541)	3,870	-	-
Other operating revenues (expenses), net	29.2	577	1,389	893	(1,852)	(126)	940	(2,135)	(2,668)
Profit (loss) before financial income (costs)		(3,516)	1,897	592	6,564	(17,884)	2,693	(10,906)	8,133
Net financial result	30	18	(1,026)	(3,621)	(5,772)	(125)	(1,145)	(6,651)	(6,664)
Income (loss) before income tax and social contribution		(3,498)	871	(3,029)	792	(18,009)	1,548	(17,557)	1,469
Income tax and social contribution Current	31	-	-	(464)	15	-	-	(478)	15
Net income (loss) for the period		(3,498)	871	(3,493)	807	(18,009)	1,548	(18,035)	1,484
Income (loss) attributable to:									
Controlling shareholders		(3,498)	871	(3,493)	807	(18,009)	1,548	(18,035)	1,484
Net income (loss) for the period		(3,498)	871	(3,493)	807	(18,009)	1,548	(18,035)	1,484
Earnings (losses) per share									
Basic and diluted earnings (losses) per share	26					(0.2270)	0.0197	(0.2273)	0.0189

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

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PADTEC HOLDING S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE- AND SIX- MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to June 30		Period January 01 to June 30	
	Parent Company		Consolidated		Subsidiary		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Income (loss) for the period	(3,498)	871	(3,493)	807	(18,009)	1,548	(18,035)	1,484
Items that may be reclassified subsequently to the statement of income (loss)								
Translation adjustments of balance sheet of subsidiaries abroad	(417)	674	(417)	674	1,489	402	1,489	402
Cash flow hedge	(2,034)	(2,542)	(2,034)	(2,542)	(2,923)	(2,542)	(2,923)	(2,542)
Comprehensive income for the period	(5,949)	(997)	(5,944)	(1,061)	(19,443)	(592)	(19,469)	(656)
Comprehensive income attributable to:								
Controlling shareholders	(5,949)	(997)	(5,944)	(1,061)	(19,443)	(592)	(19,469)	(656)
Non-controlling shareholders	-	-	-	-	-	-	-	-
Comprehensive income for the period	(5,949)	(997)	(5,944)	(1,061)	(19,443)	(592)	(19,469)	(656)

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

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PADTEC HOLDING S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023 (Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

	Note	Parent Company and Consolidated						
		Capital	Legal reserve	Options granted	Goodwill on capital transaction	Other comprehensive income	Investment reserve	Retained earnings / accumulated losses
BALANCE AS OF DECEMBER 31, 2022		199,211	-	-	599	(3,351)	-	(60,780)
Net income for the period		-	-	-	-	-	-	1,484
Exchange variation adjustment of subsidiaries	25.3	-	-	-	-	402	-	402
Cash flow hedge		-	-	-	-	(2,542)	-	(2,542)
BALANCE AS OF JUNE 30, 2023		199,211	-	-	599	(5,491)	-	(59,296)
BALANCE AS OF DECEMBER 31, 2023		138,439	774	2,419	599	(656)	10,965	-
Net loss for the period		-	-	-	-	-	-	(18,035)
Stock Option Plan	-	-	-	31	-	-	-	31
Exchange variation adjustment of subsidiaries	25.3	-	-	-	-	1,489	-	1,489
Capital increase	25.1	3	-	-	-	-	-	3
Cash flow hedge	25.3	-	-	-	-	(2,923)	-	(2,923)
BALANCE AS OF JUNE 30, 2024		138,442	774	2,450	599	(2,090)	10,965	(18,035)

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

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PADTEC HOLDING S.A.

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023

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

	Note	Parent Company		Consolidated	
		06/30/24	06/30/23	06/30/24	06/30/23
Cash flow from operating activities					
Income (loss) for the period before taxes		(18,009)	1,548	(17,557)	1,469
Adjustments to reconcile net income (loss) for the year with cash from (used in) operating activities:					
Depreciation and amortization		-	-	10,970	12,432
Interest and inflation adjustments on loans		-	-	11,898	1,829
Interest and inflation adjustments on debentures		-	-	-	1,221
Amortization of costs with issuance of debentures		-	-	-	474
Allowance for doubtful accounts		-	-	1,355	1,251
Set up (reversal) of miscellaneous provisions		(509)	(52)	(469)	(188)
Provision for labor, tax and civil risks		482	564	483	733
Provision for inventory obsolescence		-	-	192	(2,669)
Equity income		16,541	(3,870)	-	-
Write-off of PPE and intangible assets		-	-	1,047	136
Decrease (increase) in operating assets:					
Trade accounts receivable		-	-	(10,369)	17,136
Tradable securities		-	-	4,262	(8,132)
Inventories		-	-	(25,758)	(23,222)
Taxes recoverable		157	35	3,470	1,334
Derivative financial instruments		-	-	(345)	-
Judicial deposits		72	57	(46)	54
Other credits		127	105	71	(1,196)
Increase (decrease) in operating liabilities:					
Derivative financial instruments		-	-	(1,671)	4,105
Lease transactions		-	-	(3,975)	(3,361)
Trade accounts payable		-	167	(1,724)	6,302
Labor charges		(210)	29	(6,780)	4,472
Taxes and contributions payable		(429)	956	(2,629)	(10,129)
Related parties		(10,747)	1,324	9	43
Transactions with senior FIDC quotas		-	-	257	10,421
Advances from customers		-	-	655	5,791
Other accounts payable		451	-	319	389
Labor, tax and civil indemnities - paid		(650)	(922)	(806)	(1,555)
Income tax and social contribution - paid		-	-	(478)	15
Charges on loans and financing - paid	15.1	-	-	(4,483)	(2,639)
Debenture charges - paid	15.1	-	-	-	(1,319)
Net cash used in (from) operating activities		(12,724)	(59)	(42,102)	15,197
Cash flows from investing activities					
Purchase of PPE and intangible assets		-	-	(15,850)	(12,437)
Dividends received		16,330	-	-	-
Net cash used in investing activities		16,330	-	(15,850)	(12,437)

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

PADTEC HOLDING S.A.**STATEMENTS OF CASH FLOWS****FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023**

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

		Parent Company		Consolidated	
	Note	06/30/24	06/30/23	06/30/24	06/30/23
Cash flows from financing activities					
Restricted financial investments		-	-	(29,579)	(486)
Capital increase		3	-	3	-
Capital reserve		31	-	31	-
Cash flow hedge		-	-	(2,923)	(2,542)
Dividends payable		(3,635)	-	(3,635)	-
Raising of loans and financing	15.2	-	-	236,178	33,134
Payment of loans and financing - principal	15.1	-	-	(34,095)	(29,640)
Payment of debentures - principal		-	-	-	(21,333)
Net cash used in (from) financing activities		(3,601)	-	165,980	(20,867)
Exchange variation of cash in foreign currency		-	-	1,489	402
Increase (decrease) in cash and cash equivalents		5	(59)	109,517	(17,705)
Cash and cash equivalents at the beginning of the period		-	60	50,456	49,620
Cash and cash equivalents at the end of the period		5	1	159,973	31,915
Non-cash transactions					
Right-of-use of lease		-	-	5,505	-

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

PADTEC HOLDING S.A.**STATEMENTS OF VALUE ADDED**

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023

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

	Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23
1 - Revenues	343	345	154,456	216,909
1.1. Sale of goods, products and products	-	-	155,653	219,607
1.2. Allowance for doubtful accounts	-	-	(1,355)	(1,251)
1.3. Other revenues	343	345	158	(1,447)
2 - Inputs purchased from third parties	(1,010)	(561)	(64,433)	(87,295)
2.1. Cost of products, goods and services sold	-	-	(47,233)	(69,612)
2.2. Energy, third-party services and other operating expenses	(1,010)	(561)	(17,200)	(17,683)
3 - Retentions.	-	-	(10,970)	(12,432)
3.1. Depreciation and amortization	-	-	(10,970)	(12,432)
4 - Value added produced, net	(667)	(216)	79,053	117,182
5 - Value added received on transfer	(16,357)	3,784	10,966	9,014
5.1. Equity income	(16,541)	3,870	-	-
5.2. Financial income	184	(86)	10,966	9,014
6 - Total value added to distribute	(17,024)	3,568	90,019	126,196
7 - Distribution of value added	(17,024)	3,568	90,019	126,196
7.1. Personnel and charges	531	804	50,909	54,280
Direct compensation	693	755	39,974	38,214
Benefits	(162)	49	6,010	13,378
FGTS	-	-	4,925	2,688
7.2. Taxes, fees and contributions	145	157	38,199	53,343
Federal	142	153	27,277	37,255
State	-	-	9,550	14,546
Municipal	3	4	1,372	1,542
7.3. Third-party capital remuneration	309	1,059	18,946	17,089
Financial expenses	309	1,059	17,617	15,678
Rents	-	-	1,329	1,411
7.4. Equity remuneration	(18,009)	1,548	(18,035)	1,484
Net income (loss) for the period	(18,009)	1,548	(18,035)	1,484

The accompanying explanatory notes are an integral part of the individual and consolidated financial statements.

PADTEC HOLDING S.A.

MANAGEMENT'S EXPLANATORY NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(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 (%)			
	06/30/24		12/31/23	
	Direct	Indirect	Direct	Indirect
Padtec S.A. (a)	100.00%		100.00%	
Padtec Argentina (b)	-	100.00%	-	100.00%
Padtec North America (c)	-	100.00%	-	100.00%
Padtec Colombia (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%

- a) 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 and underwater multi-terabit long-distance networks.
- b) 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.
- c) Padtec North America 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.
- d) 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.
- e) 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.
- f) Padtec Peru is an operating company headquartered in Chile, incorporated in 2022, with 99% of its shares subscribed by Padtec S.A. and 1% by Padtec 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 EXPLANATORY NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

(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 and underwater multi-terabit long-distance networks. Padtec S.A. holds 100% equity interest.
- 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 (see Explanatory Note No. 18). BNDES Participações S.A. – BNDESPAR is a Company's shareholder with a relevant shareholding in Capital (see Explanatory Note No. 11).

2. Presentation of individual and consolidated 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 Accounting 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, 2023 and, therefore, both should be read together.

The presentation of the individual and consolidated Statement of Value Added 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 are consolidated since the acquisition date, which corresponds to the date on which the Company acquired control.

Management states that all relevant information pertinent to interim financial statements are being disclosed, and correspond to that used in the Company's management.

Management authorized the issuance of this individual and consolidated interim financial information on August 07, 2024.

PADTEC HOLDING S.A.

MANAGEMENT'S EXPLANATORY NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

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

2.2. Basis of measurement

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

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. Material accounting policies

The individual and consolidated interim financial statements were prepared based on the same accounting policies described in Notes 3.1 to 3.18 disclosed in the financial statements for the year ended December 31, 2023, published on March 07, 2024.

4. Cash and cash equivalents

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Demand bank deposits	5	-	13,379	7,252
Highly liquid financial investments	-	-	146,594	43,204
	5	-	159,973	50,456

Immediately liquid financial investments as of June 30, 2024 and December 31, 2023 refer to investments in CDB (Bank Deposit Certificate), repo transactions and fixed income, held in top-tier financial institutions, yielding rates from 78.8% to 103.5% 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	
	06/30/24	12/31/23
Fund Shares	5,404	9,679
Federal Bonds	254	241
	5,658	9,920

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 the investee Padtec S.A. (see Explanatory Note 18).

PADTEC HOLDING S.A.

MANAGEMENT'S EXPLANATORY NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

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

6. Trade accounts receivable

	Consolidated	
	06/30/24	12/31/23
Accounts receivable:		
Referred in local currency	78,591	68,770
Referred in foreign currency (a)	38,262	44,023
FIDC FUNTEL - Padtec (b)	20,721	16,161
	137,574	128,954
(+) Court-Supervised Reorganization Oi (c)	2,822	2,493
(+) Services provided to be invoiced (d)	5,321	2,382
(-) Provision for recognition of revenue out of the accounting period (e)	(1,791)	(272)
(-) Provision for expected credit losses (f)	(4,337)	(2,982)
	139,589	130,575
Current	133,090	125,809
Non-current assets	6,499	4,766
	139,589	130,575

- a) In the consolidated statements, it is represented by US\$ 6,831 thousand as of June 30, 2024 (US\$ 9,093 thousand as of December 31, 2023).
- 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." Due to the risk associated with this receipt, the Company decided to set up a provision for loss, the amount of which is included in item f) of this Note 6.
- d) Refers to the recognition of revenue from services provided and not billed within the same accounting period.
- e) Provision for reversal of revenue recognition outside the accrual period ("cut-off").
- f) Provisions for expected credit losses are based on the assumptions of CPC 48 – Financial Instruments, and consider the analysis of the level of historical losses, the knowledge and monitoring of the individual situation of the Company's 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 June 30, 2024 are sufficient to cover possible losses with default.

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

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

	Consolidated	
	06/30/24	12/31/23
Falling due	112,137	109,331
01-30 days past due	6,310	8,529
31-60 days past due	2,979	3,550
61-90 days past due	664	2,267
91-120 days past due	2,853	622
121-150 days past due	975	472
151-180 days past due	4,686	312
181-360 days past due	5,043	3,080
Over 360 days past due	1,927	791
	137,574	128,954

Changes in allowance for expected credit losses are as follows:

	Consolidated				
	12/31/23	06/30/24			
	Opening balance	Addition to provision	Reversal	Effective losses	Closing balance
Estimated losses on doubtful accounts	(2,982)	(2,024)	483	186	(4,337)
Total	(2,982)	(2,024)	483	186	(4,337)

Effective losses refer to the write-off of losses recognized in the Company's profit or loss and the reversal of amounts refers to the renegotiation and receipt from customers that were provisioned as losses (Note 29.2).

7. Restricted financial investments

	Consolidated	
	06/30/24	12/31/23
ABC Brasil (a)	2,600	-
Banco Cresol	1,040	881
Ágora - Bradesco (b)	26,034	-
Other	1,659	873
	31,333	1,754

- Financial investment with Banco ABC, CDB (Bank Deposit Certificate) modality, given as collateral for the letter of guarantee, which in turn guarantees the debt with BNDES. The average yield rate is 102.5% of CDI.
- Financial investment with Banco Bradesco, Financial Bill modality, given as collateral for the letter of guarantee, which in turn guarantees the debt with BNDES. The average yield rate is 11.29% p.a..

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

8. Inventories

	Consolidated	
	06/30/24	12/31/23
Finished products	26,416	13,860
Products in progress	1,467	3,113
Raw materials	79,055	63,133
Resale materials	7,008	7,717
Import in progress	8,003	5,473
Inventories held on third parties (a)	15,157	18,052
	137,106	111,348
Provision for inventories		
(-) Provision for obsolescence and slow turnover (b)	(9,344)	(9,152)
	127,762	102,196

- a) Refers substantially to raw materials under manufacturing process and pieces of equipment held as guarantee by customers.
- b) 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.

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

	Consolidated			
	12/31/23	06/30/24		
	Opening balance	Addition to provision	Reversal	Closing balance
Inventories	(5,587)	(1,904)	1,756	(5,735)
Inventories held on third parties	(3,565)	(1,237)	1,193	(3,609)
	(9,152)	(3,141)	2,949	(9,344)

9. Taxes recoverable

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Tax on the circulation of goods and services - ICMS	-	-	1,678	3,295
Tax on Industrialized Products - IPI	-	-	670	388
Financial credit (a)	-	-	5,234	4,978
Social Integration Program- PIS	-	-	740	527
Contribution to social security financing - COFINS	-	-	3,328	2,383
Social contribution on net income - CSLL (b)	-	2	1,345	1,463
Corporate Income Tax - IRPJ (b)	1,653	1,808	5,891	7,587
Brazilian Social Security Institute (INSS)	-	-	2	2
Income tax withholding - IRRF	6	6	1,265	1,286
Withholding tax from public agencies	-	-	2,138	3,816
Other	-	-	4,380	4,416
	1,659	1,816	26,671	30,141

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MANAGEMENT'S EXPLANATORY NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

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

- 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. For the balance recorded with the Parent Company, the Company is awaiting a refund request submitted to the Brazilian Federal Revenue Service.

10. Other credits

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Rental guarantee deposit	-	-	141	149
Payroll advance	-	-	1,345	822
Advances to suppliers (a)	-	40	3,220	3,610
Prepaid insurance premiums	87	174	379	779
Software use licenses	-	-	1,050	111
Other accounts receivable	-	-	726	1,461
	<u>87</u>	<u>214</u>	<u>6,861</u>	<u>6,932</u>
Current	87	214	6,606	6,909
Non-current assets	-	-	255	23
	<u>87</u>	<u>214</u>	<u>6,861</u>	<u>6,932</u>

- (a) Advances made to service providers

11. Related parties

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

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

In addition, the Company's direct and indirect interests in its subsidiaries are described in Note no. 1.

Related parties were the shareholders with a relevant interest indicated above and the Company's direct and indirect subsidiaries.

The main related-party transactions and respective types include:

- 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 year, maturing in 24 months.
- b) **Sales of products:** Sales of finished products between the subsidiary Padtec S.A. and its subsidiaries abroad, 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.

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- c) **Other services:** Transactions between Fundação CPqD and Padtec S.A., referring to expenses with infrastructure, property rental and administrative expenses according to the apportionment set forth between contractual parties, as well as mechanical testing services on OPGW cables, according to the agreement signed in May 2024.

	Parent Company			Consolidated		
	06/30/2024		12/31/2023	06/30/2024		12/31/2023
	Padtec	Total	Total	Fundação CPqD	Total	Total
Liabilities						
Loan (a)	3,850	3,850	14,597	-	-	-
Other services (c)	-	-	-	409	409	400
	3,850	3,850	14,597	409	409	400
Current liabilities	-	-	-	409	409	400
Non-current liabilities	3,850	3,850	14,597	-	-	-
	3,850	3,850	14,597	409	409	400

	Consolidated						
	06/30/24						06/30/23
	Padtec Argentina	Padtec EUA	Padtec Chile	Padtec Colômbia	Padtec Peru	Padtec Redes	Total
Revenues							
Sales of products (b)	3,228	594	1,539	9,834	822	791	16,808
	3,228	594	1,539	9,834	822	791	17,203

	Consolidated		
	06/30/2024		06/30/2023
	Fundação CPqD	Total	Total
Expenses / Costs			
Other services (c)	14	14	-
	14	14	-

Key management personnel compensation

Key management staff of the Company and its subsidiaries 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 fiscal year 2024, approved at the Shareholders' Meeting held on April 26, 2024 is R\$ 8,912.

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

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:

	06/30/24	06/30/23
Short-term benefits		
Salaries including bonuses	1,755	2,200
INSS	336	396
Private Pension Fund	89	110
Other	61	70
Total Compensation	2,241	2,776

Subsidiary Padtec S.A sponsors two private pension plans for its Officers and 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. 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 29.1.

12. Investments

The summarized accounting information of the Company's subsidiaries, including the total amounts of assets, liabilities, negative net worth, revenues and profit or loss for the period, are presented below:

12.1.Breakdown of investments

	Parent Company	
	06/30/24	12/31/23
Investments in subsidiaries		
Padtec S.A.	142,426	176,731
	142,426	176,731

12.2.Summary of financial information of the subsidiary

	Padtec S.A.	
	06/30/24	12/31/23
Capital	162,174	162,174
Total assets	676,756	516,878
Total liabilities	534,330	340,147
Equity	142,426	176,731
Profit (loss) for the period / year	(16,541)	17,189
Number of shares (in thousands)	162,174	162,174
Number of shares held (in thousands)	162,174	162,174
Shareholding percentage	100.00%	100.00%

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

12.3. Summary of financial information of indirect subsidiaries

	Padtec S.A Sucursal Argentina		Padtec North America		Padtec Colômbia		Padtec Peru		Padtec Soluções Para Redes Ltda (a)	
	06/30/24	12/31/23	06/30/24	12/31/23	06/30/24	12/31/23	06/30/24	12/31/23	06/30/24	12/31/23
Capital	2,160	2,160	29,121	27,457	16,400	16,400	259	259	30	30
Total assets	13,617	12,241	718	497	40,659	36,070	3,573	2,466	1,347	501
Total liabilities	12,070	10,856	41	287	33,947	27,196	2,851	2,179	1,556	587
Equity	1,547	1,385	677	210	6,712	8,874	722	287	(209)	(86)
Profit (loss) for the period	117	(2,622)	(1,152)	(2,978)	(3,470)	(2,453)	370	34	(122)	(116)
Number of shares (in thousands)	2,160	2,160	29,121	27,457	16,400	16,400	10,000	10,000	100	100
Number of shares held (in thousands)	2,160	2,160	29,121	27,457	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.

12.4. Changes in investments at the Parent Company

	Padtec S.A.	
	06/30/24	06/30/23
Opening balance of investments	176,731	156,847
Equity income	(16,541)	3,870
Cash flow hedge	(2,923)	(2,542)
Translation adjustment of balance sheet of subsidiaries abroad	1,489	402
Dividends received	(16,330)	-
Closing balance of investments	142,426	158,577

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13. Property, Plant & Equipment, net

	Consolidated					
	Machinery and equipment	Computer equipment	Furniture and fixtures	Third-party property improvement	PPE in progress (a)	Right-of-use of lease (b)
	Total					
Balance as of December 31, 2023						
Cost	24,263	15,596	2,689	4,030	7,437	31,875
Accumulated depreciation	(20,323)	(10,043)	(2,005)	(2,864)	-	(10,233)
Balance as of December 31, 2023	3,940	5,553	684	1,166	7,437	21,642
Acquisitions	789	3,030	83	1	-	5,505
Transfer from in progress to completed	7,437	-	-	-	(7,437)	-
Write-offs and disposals (acquisition)	(119)	(97)	-	220	-	(724)
Write-offs and disposals (depreciation)	-	(36)	(66)	(226)	-	29
Depreciation	(775)	(1,095)	(114)	(498)	-	(2,424)
Balance as of June 30, 2024	11,272	7,355	587	663	-	24,028
Cost	32,370	18,529	2,772	4,251	-	36,656
Accumulated depreciation	(21,098)	(11,174)	(2,185)	(3,588)	-	(12,628)
Balance as of June 30, 2024	11,272	7,355	587	663	-	24,028

- a) Refers to acquisitions of machinery and equipment to be used in the factory that will produce the Company's own pluggables and is part of the growth strategy in the Equipment/DWDM business unit.
- b) See Explanatory Note 16.

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

	Consolidated					
	Machinery and equipment	Computer equipment	Furniture and fixtures	Third-party property improvement	Right-of-use of lease (b)	Total
Balance as of December 31, 2022						
Cost	22,539	12,613	2,677	4,025	32,013	73,867
Accumulated depreciation	(18,825)	(8,038)	(1,763)	(1,870)	(5,800)	(36,296)
Balance as of December 31, 2022	3,714	4,575	914	2,155	26,213	37,571
Acquisitions	2,675	814	4	-	-	3,493
Write-offs and disposals (acquisition)	616	(10)	-	-	(676)	(70)
Write-offs and disposals (depreciation)	(76)	-	(6)	-	25	(57)
Depreciation	(748)	(895)	(120)	(497)	(2,201)	(4,461)
Balance as of June 30, 2023	6,181	4,484	792	1,658	23,361	36,476
Cost	25,830	13,417	2,681	4,025	31,337	77,290
Accumulated depreciation	(19,649)	(8,933)	(1,889)	(2,367)	(7,976)	(40,814)
Balance as of June 30, 2023	6,181	4,484	792	1,658	23,361	36,476

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14. Intangible assets

	Parent Company					
	Brands and patents	Total				
Cost	24	24				
Balance as of December 31, 2023	24	24				
Cost	24	24				
Balance as of June 30, 2024	24	24				
	Parent Company					
	Brands and patents	Total				
Cost	24	24				
Balance as of December 31, 2022	24	24				
Cost	24	24				
Balance as of June 30, 2023	24	24				
	Consolidated					
	Software	Brands and patents	Technical Information License	Development projects completed	Development projects in progress	Total
Balance as of December 31, 2023						
Cost	12,935	27	6,713	59,804	21,910	101,389
Accumulated amortization	(9,668)	-	(6,631)	(34,030)	-	(50,329)
Balance as of December 31, 2023	3,267	27	82	25,774	21,910	51,060
Acquisitions	129	-	323	-	11,495	11,947
Transfer in development to completed	(726)	-	726	6,962	(6,962)	-
Write-offs and disposals (acquisition)	-	-	-	-	-	-
Write-offs and disposals (amortization)	(28)	-	-	-	-	(28)
	Consolidated					

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	Software	Brands and patents	Technical Information License	Development projects completed	Development projects in progress	Total
Amortization	(597)	-	(569)	(4,898)	-	(6,064)
Balance as of June 30, 2024	2,045	27	562	27,838	26,443	56,915
Cost	12,338	27	7,762	66,766	26,443	113,336
Accumulated amortization	(10,293)	-	(7,200)	(38,928)	-	(56,421)
Balance as of June 30, 2024	2,045	27	562	27,838	26,443	56,915
Consolidated						
	Software	Brands and patents	Technical Information License	Development projects completed	Development projects in progress	Total
Balance as of December 31, 2022						
Cost	11,724	27	6,250	43,585	17,149	78,735
Accumulated amortization	(8,413)	-	(5,737)	(19,410)	-	(33,560)
Balance as of December 31, 2022	3,311	27	513	24,175	17,149	45,175
Acquisitions	-	-	373	-	8,571	8,944
Transfer in development to completed	-	-	-	10,607	(10,607)	-
Write-offs and disposals (acquisition)	(23)	-	-	-	-	(23)
Write-offs and disposals (amortization)	14	-	-	-	-	14
Amortization	(639)	-	(443)	(6,889)	-	(7,971)
Balance as of June 30, 2023	2,663	27	443	27,893	15,113	46,139
Cost	11,701	27	6,623	54,192	15,113	87,656
Accumulated amortization	(9,038)	-	(6,180)	(26,299)	-	(41,517)
Balance as of June 30, 2023	2,663	27	443	27,893	15,113	46,139

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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.

15. Loans and financing

Modality	Agreed rate per year	Annual average effective rate	Due date	Guarantee	Consolidated	
					06/30/24	12/31/23
<u>Local currency</u>						
Finep	TR+2.30% and 2.80%	3.01%	02/15/20 to 12/15/42	Bank-issued guarantee	95,501	81,284
Exim BNDES	IPCA+7.02%	7.14%	05/26/24 to 06/15/29	Bank-issued guarantee	150,375	-
					245,876	81,284
<u>Foreign currency</u>						
Banco Brasil - Forfait	8.30%	8.62%	03/28/24 to 01/24/27	Excrow account flow	9,709	-
Finimp - Banco Votorantim	Exchange rate variation + 4.50%	4.59%	01/09/24 to 10/28/24	Receivables	8,686	-
Finimp Banco Brasil	3.00%	3.04%	05/02/24 to 10/29/24	Receivables	21,469	
NCE - Votorantim	Exchange rate variation + 8.55%	8.55%	07/26/23 to 04/27/26	Excrow account flow	-	31,171
NCE - Votorantim	Exchange rate variation + 7.80%	7.80%	03/28/24 to 03/29/28	Excrow account flow	36,213	-
					76,077	31,171
					321,953	112,455
				Current liabilities	42,551	13,374
				Non-current liabilities	279,402	99,081
					321,953	112,455

Repayment schedule by year of maturity:

	Consolidated											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034-2042	TOTAL
Loans and financing	36,353	36,209	60,025	55,319	48,162	22,242	6,285	6,285	5,616	5,483	39,974	321,953

15.1. Payments

In March 2024, subsidiary Padtec S.A. settled the loan raised in 2023 from Banco Votorantim and conducted a new negotiation with this same financial institution to obtain another export credit note (NCE modality) in the amount of R\$ 32,000. The main purpose of this funding was to reduce the cost of debt, which decreased from CDI + 1.65% per year to CDI + 1.49% per year, in addition to extending the debt. This new negotiation enables the company to maintain its cash flow with higher liquidity availability.

In 1H24, R\$ 38,578 was paid in the consolidated, referring to interest and principal on loans raised by the Company.

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15.2. Raising of Loans and Financing

Subsidiary Padtec S.A. raised new loans in 1H24, as described below:

Bank	Modality	Nominal Rate p.a.	Rate	Issue	Installments	Final maturity	Amount Raised
FINIMP BV	FINIMP	4.50%	0.38%	01/09/2024	1	10/28/2024	5,935
FINIMP BV	FINIMP	4.50%	0.38%	01/22/2024	1	10/28/2024	2,332
VOTORANTIM	NCE	CDI+1.49%	0.97%	03/28/2024	8	03/28/2028	32,000
BANCO BRASIL	FORFAIT	8.30%	0.69%	03/28/2024	12	01/24/2027	10,331
FINEP 25	SAC POS	URTR + 2.30%	0.20%	04/26/2024	241	03/15/2042	15,000
FINIMP BB	FINIMP	3.00%	0.25%	05/02/2024	1	10/29/2024	20,579
EXIM BNDES	EXIM	IPCA+7.02%	0.58%	06/24/2024	60	06/15/2029	150,000
							236,177

- Finimp Banco Votorantim: In January 2024, the Company raised R\$ 8,268, in import financing (Finimp), with a single maturity in October 2024 and a straight-line rate of 4.50% per year plus exchange variation.
- Banco Votorantim: In March 2024, R\$ 32,000 was raised, in an export credit note, NCE modality, with a term of four years and semi-annual payment of interest and principal, in addition to a grace period of 12 months from the signing of this agreement. The transaction is guaranteed by the financial flow of receivables in a restricted account. For this loan, a SWAP was issued for the exchange rate variation and interest, subject to remuneration at the CDI rate + 1.49% p.a.
- Banco do Brasil Forfait: In March 2024, the Company raised R\$ 10,331 as Forfait, with a term of 36 months and a rate of 8.30% per year, with quarterly payments of interest and principal.
- Finimp Banco Brasil: In May 2024, R\$ 20,579 (US\$ 3,946) was raised in import financing (Finimp), yielding a rate of 3% per year and with a single maturity date in October 2024. As this financing is in foreign currency, any fluctuations in the exchange rate affect the transaction.
- Exin BNDES: In June 2024, the Company raised R\$ 150,000 with National Bank for Economic and Social Development - BNDES in Exim modality, with a term of 60 months, rate of IPCA+7.02% per year, with a 12-month grace period for payment of the principal and interest paid quarterly. The proceeds are mainly intended for the production and export of equipment of the Company's portfolio. BNDES is the sole shareholder of BNDES Participações S.A. – BNDESPAR, a shareholder of the Company with a relevant interest in the share capital (see Explanatory Note 11).

In addition, subsidiary Padtec S.A. has eight financing facilities approved with FINEP for technological investments in the amount of R\$ 118,456. The funds are released according to the disbursement and proof of costs under the strategic innovation plan of Padtec S.A. As of April 2024, the Company received R\$ 15,000, and R\$ 94,545 has been capitalized so far.

The following table presents each of these financing facilities:

Modality/Contract	Effective Term	Rate	Credit Released	Loans raised					
				2020	2021	2022	2023	2024	Total
FINEP - 02.22.0026.00	02/07/2020 to 02/15/2032	TR+2.8%	7,793	3,896	3,897	-	-	-	7,793
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	-	7,568	-	13,455
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	30,000
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	8,145	-	17,790
			118,456	10,365	17,844	34,489	16,847	15,000	94,545

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15.3.Restrictive Conditions

The loan and financing obtained from Banco BNDES (Exin BNDES) requires that the amount of the requested release must correspond to eighty percent (80%) of the amount of the export commitment assumed.

The Company monitors this ratio to ensure that the conditions are met. Management understands that all restrictive conditions and financial and non-financial clauses are properly met as of June 30, 2024.

15.4.Reconciliation of liabilities resulting from financing activities

	Consolidated
Balance as of December 31, 2022	92,364
Interest expenses	1,829
Interest Payment	(2,639)
Loans raised	33,134
Amortization	(29,640)
Balance as of June 30, 2023	95,048
Balance as of December 31, 2023	112,455
Interest expenses	11,898
Interest Payment	(4,483)
Loans raised	236,178
Amortization	(34,095)
Balance as of June 30, 2024	321,953

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 Multiplo 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 November 2026. The effect of this accounting is the recording of R\$ 8,134 in property, plant and equipment in the group of right-of-use, with a corresponding entry to the rental obligation in current and non-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.

In April 2024, the Company entered into a leasing agreement with HP Financial Services Arredamento Mercantil S/A covering the leasing of servers. This lease will be in force for 60 months with a call option clause at the end of the agreement. Lease payments will be made in 60 equal installments with final maturity in April 2029. The effect of this accounting is the recording of R\$ 5,534 in property, plant and equipment in the group of right-of-use, matched against the rental obligation in current and non-current liabilities.

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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. 11).

	Consolidated	
	06/30/24	12/31/23
Provision for leasing	20,483	18,953
	20,483	18,953
Current liabilities	5,686	5,882
Noncurrent liabilities	14,797	13,071
	20,483	18,953

Below is the change in leases:

	Consolidated				06/30/24
	12/31/23	New agreements	Payment	Financial Interest	
Machinery and equipment	3,539	5,534	(2,074)	287	7,286
Building lease - related parties	15,414	-	(2,357)	140	13,197
	18,953	5,534	(4,431)	427	20,483
Current liabilities	5,882				5,686
Noncurrent liabilities	13,071				14,797
	18,953				20,483

17. Financial transactions

As of June 30, 2024, the Company has recorded financial transactions of Vendor and Forfait in the amount of R\$ 41,911 (R\$ 39,008 as of December 31, 2023) in current liabilities and R\$ 44,912 (R\$ 52,891 as of December 31, 2023) in non-current liabilities. Such entries are matched against current assets and non-current assets and the transactions are described below:

	Consolidated	
	06/30/24	12/31/23
Vendor	56,450	62,561
Forfait	30,373	29,338
	86,823	91,899
Current	41,911	39,008
Non-current assets	44,912	52,891
	86,823	91,899

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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, Banco Daycoval and Banco Cresol, which consist of sales financing transactions based on the principle of credit assignment. As of June 30, 2024 these financial institutions granted credits to 32 customers of the Company, upon Financing Promise Agreements, in the amount of R\$ 90,783 maturing by December 2032. This amount is used to purchase the Company's products and services. As of June 30, 2024 there was no default and the amount recorded is R\$ 21,644 in the short term and R\$ 34,806 in the long term.

17.2. Discount without recourse (Forfait)

THE Company entered into Forfait agreements with Banco do Brasil, Banco ABC, and Banco Fibra, which consist of financing transactions for international sales, based on the principle of discounting receivables, providing terms and better conditions for customers. As of June 30, 2024, credits were granted to 6 of the Company's customers, in the amount of R\$ 54,824 with maturity by February 2027. This amount is used for the acquisition of Company's products. So far, there was no default and the amount recorded is R\$ 20,267 in the short term and R\$ 10,106 in the long term.

18. Transactions with senior FIDC Funttel Padtec quota

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 11) and exclusively PADTEC S.A. as a subordinate shareholder in the proportion 80% / 20% respectively. FIDC FUNTTEL PADTEC operation began in April 2022.

In April 2023, the Company made its second capital contribution in the amount of R\$ 2.5 million referring to its stake in this fund, reaching a total amount of R\$ 5 million so far.

FIDC's equity structure as of June 30, 2024 and December 31, 2023 is shown below:

	Quantity of contractual quotas	Total amount of shares	Subscribed		06/30/2024
			Padtec Interest	Third-Party interest	
FIDC FUNTTEL PADTEC					
Senior	80,000	1,054	-	21,366	21,366
Subordinated	20,000	1	5,000	-	5,000
Total	100,000		5,000	21,366	26,366

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	Quantity of contractual quotas	Total amount of shares	Subscribed		12/31/23
			Padtec Interest	Third-Party interest	
FIDC FUNTTEL PADTEC					
Senior	80,000	1,054	-	21,109	21,109
Subordinated	20,000	1,000	5,000	-	5,000
Total	100,000		5,000	21,109	26,109

The financial statements as of June 30, 2024 and December 31, 2023 are presented below:

FIDC FUNTTEL PADTEC	06/30/24	12/31/23
Current Assets		
Tradable securities	5,658	9,920
Trade accounts receivable	20,721	16,161
Other credits	11	64
Total assets	26,390	26,145
Liabilities		
Other accounts payable	24	36
	24	36
Net equity		
Capital	25,000	25,000
Retained earnings	2,034	2,313
Amortization of shares - LE	(668)	(1,204)
Total net equity	26,366	26,109
Total Liabilities and Net Equity	26,390	26,145
Profit (loss)	06/30/24	12/31/23
Financial Income	1,081	2,231
Financial Expenses	(157)	(311)
Net income for the period	924	1,920

19. Trade accounts payable

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Domestic suppliers	34	34	13,442	16,380
International suppliers	13	13	42,737	41,523
	47	47	56,179	57,903
Current liabilities	47	47	55,671	57,395
Noncurrent liabilities	-	-	508	508
	47	47	56,179	57,903

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20. Taxes and contributions payable

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Tax on the circulation of goods and services - ICMS	-	-	258	106
Corporate Income Tax - IRPJ	-	-	2	-
Tax on Industrialized Products - IPI	-	-	1,622	2,084
Social Integration Program- PIS	-	-	29	141
Contribution to social security financing - COFINS	10	6	137	658
Service Tax - ISS	31	31	235	321
Other	9	10	475	1,333
	50	47	2,758	4,643

21. Taxes and contributions payable - installment payment

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Installment payment of tax on the circulation of goods and services - ICMS (a)	-	-	1,610	1,922
Service tax paid in installments - ISS	-	432	-	432
	-	432	1,610	2,354
Current liabilities	-	432	727	1,055
Non-current liabilities	-	-	883	1,299
	-	432	1,610	2,354

- 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\$ 3,117 with an outstanding balance as of June 30, 2024 in the amount of R\$ 1,610 with final maturity by January 2027.

22. Provisions

22.1. Miscellaneous provisions

	Parent Company			
	12/31/23	06/30/24		
	Opening balance	Addition to provision	Reversals	Closing balance
Other	607	18	(527)	98
	607	18	(527)	98
Current Liabilities	100			98
Non-current liabilities	507			-
	607			98

	Parent Company			
	12/31/22	06/30/23		
	Opening balance	Addition to provision	Reversals	Closing balance
Other	713	-	(106)	607
	713	-	(106)	607

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	Consolidated			
	12/31/23	06/30/24		
	Opening balance	Addition to provision	Reversals	Closing balance
Provision for commission (a)	929	589	(580)	938
Repairs during warranty (b)	1,382	82	(51)	1,413
Other	607	18	(527)	98
	2,918	689	(1,158)	2,449
Current Liabilities	2,411			2,449
Non-current liabilities	507			-
	2,918			2,449

	Consolidated			
	12/31/22	06/30/23		
	Opening balance	Addition to provision	Reversals	Closing balance
Provision for commission (a)	855	586	(780)	661
Repairs during warranty (b)	1,121	108	(50)	1,179
Other	713	-	(52)	661
	2,689	694	(882)	2,501

- 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.

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				
	12/31/23	06/30/24			
	Opening balance	Additions	Reversals	Payments	Closing balance
Labor (a)	6,872	1,261	(779)	(650)	6,704
	6,872	1,261	(779)	(650)	6,704
Judicial deposits (c)	(473)	-	72	-	(401)
	6,399	1,261	(707)	(650)	6,303
	Parent Company				
	12/31/22	06/30/23			
	Opening balance	Additions	Reversals	Payments	Closing balance
Labor (a)	8,914	1,327	(161)	(776)	9,304
Tax	748	41	(643)	(146)	-
	9,662	1,368	(804)	(922)	9,304
Judicial deposits (c)	(567)	(26)	83	-	(510)
	9,095	1,342	(721)	(922)	8,794

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	Consolidated				
	12/31/23	06/30/24			
	Opening balance	Additions	Reversals	Payments	Closing balance
Labor (a)	8,715	1,607	(1,732)	(806)	7,784
Civil (b)	4,445	405	-	-	4,850
Tax (c)	2,814	74	-	-	2,888
Administrative	84	167	(38)	-	213
	16,058	2,253	(1,770)	(806)	15,735
Judicial deposits (d)	(1,151)	(156)	110	-	(1,197)
	14,907	2,097	(1,660)	(806)	14,538
	Consolidated				
	12/31/22	06/30/23			
	Opening balance	Additions	Reversals	Payments	Closing balance
Labor (a)	10,942	1,680	(133)	(1,328)	11,161
Civil (b)	3,977	555	-	-	4,532
Tax (b)	4,130	151	(1,424)	(146)	2,711
Administrative	259	-	(96)	(81)	82
	19,308	2,386	(1,653)	(1,555)	18,486
Judicial deposits (d)	(1,167)	(115)	169	-	(1,113)
	18,141	2,271	(1,484)	(1,555)	17,373

(a) Labor

Lawsuits filed by former employees of Automatos Participações Ltda., succeeded by the Company as a result of the merger completed in November 2022, as well as former investees (Officer, Pini, ETML and Latin eVentures- Softcorp) and subsidiary Padtec S.A., claiming labor rights.

(b) Civil

These are ordinary collection actions against subsidiary Padtec S.A. In the case of the plaintiff VKN Representações Comerciais Ltda., the claim relates to the alleged breach of an alleged commercial representation agreement. The lawsuit started in 2014 has been concluded for decision in the 1st instance, with a provisioned risk of R\$ 2,355 as of June 30, 2024.

The second lawsuit was filed by the then customer Klisa Telecom, which demands payment of a fine for alleged breach of agreement by the subsidiary, combined with compensation for pain and suffering and damages allegedly suffered. The process has been ongoing since 2017, with unfavorable decisions for Padtec S.A. in the first and second instances, with an estimated amount of R\$ 2,494, on June 30, 2024, fully provisioned. It is currently pending analysis by the higher courts.

(c) Tax

The main proceeding subject to provisioning refers to the Tax on Industrialized Products (IPI) of subsidiary Padtec S.A. under a Tax Assessment Notice issued 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 2011 and 2012 and the risk provisioned is R\$ 2,888. The process remains ongoing with CARF.

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(d) Judicial deposits

The amounts refer to judicial deposits held in the name of subsidiary Padtec S.A. and the Company in labor proceedings.

- **Contingencies with estimated losses classified as possible.**

In the consolidated statements, there are other lawsuits with a total amount at risk of R\$ 104,003 evaluated by the legal advisors as having a possible risk of loss as of June 30, 2024 (R\$ 106,222 as of December 31, 2023), 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\$ 86,122 related to tax risks, R\$ 13,876 related to labor risks, R\$ 3,792 civil risks and R\$ 213 administrative risks. The main proceedings that fall under the classification of possible risk of loss are detailed below:

- The Company is a party to a civil proceeding filed by Banco Santander, requiring the piercing of the corporate veil of former investee Editora Pini, seeking to affect the then shareholders of this former investee. The object of the charge is a bank credit note issued by Editora Pini in default. The adjusted amount is R\$ 2,467. The lawsuit is underway at the lower court.
- Subsidiary Padtec S.A. has a tax foreclosure proceeding related to ICMS tax, which is in the appeal stage, in the amount of R\$ 6,782. The lower court decision was partially favorable to cancel the tax charged, maintaining, however, the requirement of fines. The subsidiary filed and appeal, which is pending trial.
- Subsidiary Padtec S.A. is a party in 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\$ 2,411. The subsidiary guaranteed the foreclosure with the submission of a performance bond, to discuss in court the charge that it considers undue. A ruling upheld the request to declare the unenforceability of the fine provided for in the case and thus cancel the CDA. Padtec S.A. filed a motion for clarification, but an appeal was filed by the Revenue Service.
- 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 proceeding 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\$ 6,935. This case 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\$ 47,646. In January 2018, Padtec S.A. was served with a summons dismissing its appeal and upholding 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. The reports and statements of the subsidiary's technical assistants were submitted; and are awaiting assessment by CARF.
- 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\$ 15,863 as of June 30, 2024. The records are at the National Process Management Center of the Federal Revenue Office in Ribeirão Preto/SP.

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- 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.. In the judgment of the appeal, it was decided to cancel the qualified fine and exclude the liability of the partners and, by majority, maintain the assessment referring to the ancillary obligation and principal obligation. The lawsuits amount to R\$ 5,662, with a "possible risk of loss". In June 2024, the Company received notice of the Judgment and filed the Special Appeal.

23. Labor charges

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Wages	72	75	3,008	3,569
Profit sharing	-	-	78	3,040
Social charges	42	57	6,538	7,525
Provision for vacation pay/Christmas bonus	-	-	9,410	7,858
Private pension fund	-	-	554	1,121
Share-based compensation - Phantom Shares (a)	60	252	832	3,998
Other	-	-	74	163
	174	384	20,494	27,274

- (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 (First Program). 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.

As of the first quarter of 2024, the company started using the Black-Scholes methodology for pricing these Phantom Shares, which had an impact on the provision for this compensation. The following definitions were used as assumptions for the Black-Scholes calculation:

- Weighted average share price as of June 30, 2024: R\$ 1.98
- The strike price of the options is R\$ 7.02 (as established in the Plan and the First Program).
- Expected volatility: 35% p.a. Expected volatility was calculated using the standard deviation of the average daily returns of a group of companies listed on B3.
- The option term is 10 years from the granting date (as established in the Plan and the First Program).
- Risk-free interest rate was estimated at 10.65% p.a.

24. Private pension plan

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

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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 compensation of officers and employees.

As of June 30, 2024, there were no actuarial liabilities on behalf of Padtec S.A. arising from the supplementary pension plan.

Contributions made amounted to R\$ 1,512 as of June 30, 2024 (R\$ 1,511 as of June 30, 2023), which were recorded as "labor expenses and social charges" in P&L for the year and included in the table of Explanatory Note 29.1.

25. Equity

25.1. Capital

As of June 30, 2024, the Company's subscribed and paid-in capital is R\$ 138,442, divided into 79,469,626 book-entry common shares, with no par value.

Shareholder	06/30/24		12/31/23	
	Number of Shares	% Stake	Number of Shares	% Stake
Fundação CPqD – Centro de Pesquisa e Desenvolvimento em Telecomunicações	43,075,127	54.20%	43,075,127	54.38%
BNDES Participações S.A. – BNDESPAR	18,084,240	22.76%	18,084,240	22.83%
Other	18,310,259	23.04%	18,055,297	22.79%
Total	79,469,626	100.00%	79,214,664	100.00%

In April 2024, 254,962 new shares of Padtec Holding S.A. were issued under the terms of the VIII Stock Option Plan approved by the Company's Extraordinary and Annual Shareholders' Meeting held on April 28, 2023. As a result, the Company's share capital was increased in the amount of R\$ 3, which now comprises 79,469,626 book-entry common shares, with no par value. There are no more options pending exercise relating to this VIII Plan.

25.2. Capital reserves and equity valuation adjustment

Capital reserve

Capital reserve balances arise from stock options granted to the Company's CEO and Investor Relations Officer, as described below:

VIII Stock Option Plan

In April 2023, the Extraordinary and Annual Shareholders' Meeting approved the VIII Stock Option Plan in favor of the chief executive officer and investor relations officer, with the aim of creating an additional incentive for the leading executive of the Company and its subsidiaries, giving him the opportunity to become a shareholder of Padtec Holding through the exercise of the Options, consequently achieving a closer alignment of this executive with the interests of the Company's shareholders. The Options granted correspond to 1,019,847 shares, approximately 1.3% of the total shares that make up the share capital of Padtec Holding S.A. on the approval date of the Plan. The strike price of the Options for subscription and payment of shares by the grantee was one cent of Brazilian real (R\$ 0.01).

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The Company recognized the stock options granted in its equity in 2023, with a corresponding entry in the profit or loss for the year, recording the accumulated amount of R\$ 2,450. As determined by Accounting Pronouncement CPC 10 (R1) - Share-Based Payment, the value of the options was determined on the grant date.

Legal reserve

On December 31, 2023, as established in Law no. 6.404/76 ("Brazilian Corporate Law"), the Company allocated 5% of the net income determined for the year and recorded the amount of R\$ 774 under the heading "Legal reserve".

Investment reserve

On December 31, 2023, after the allocation of the legal reserve and dividends (Explanatory Note 25.4), the Company allocated the remaining balance of its net income, in the amount of R\$ 11,023, to the creation of a statutory investment reserve, with the purpose of financing the development, growth and expansion of the Company's and its subsidiaries' businesses.

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.

Cash flow hedge

The variability of future cash flows attributable to changes in the US\$/R\$ exchange rate arising from payments of principal and interest on financial liabilities (loans) agreed by the Company are recognized under this item. The amounts recognized in other comprehensive income during the effectiveness of the hedge relationship are reclassified to financial income as a reclassification adjustment in the same period, or periods, in which the expected future transactions affected P&L. As of June 30, 2024, the amount of R\$ 2,923 was recorded in other comprehensive income, referring to Mark to Market in the Cash Flow Hedge account, as per Explanatory Note 34.1.

25.4. Dividends

The Company's Bylaws set forth the allocation of 25% of net income, adjusted pursuant to Article 202 of Law 6.404/76, to be paid as mandatory minimum dividends, when profits are determined for the year. In December 2023, the Company set up the amount of R\$ 3,674 as mandatory minimum dividend, and the payment to shareholders was approved at the Company's Extraordinary and Annual Shareholders' Meeting held in April 2024. The proceeds were paid in June 2024 to shareholders holding common shares issued by the Company on the date of the announcement, i.e., April 26, 202, leaving a remaining balance of R\$ 39 thousand Brazilian reais.

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.

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 holds stock options with dilutive potential 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 basic and diluted earnings per share as of June 30, 2024 and 2023 are shown below:

	Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23
Income (loss) for the period	(18,009)	1,548	(18,035)	1,484
Weighted average number of common shares outstanding	79,328,136	78,449,779	79,328,136	78,449,779
Basic and diluted earnings (losses) per share - in Brazilian reais	(0.2270)	0.0197	(0.2273)	0.0189

27. Net operating revenue

	Period April 01 to June 30		Period January 01 to June 30	
	Consolidated		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23
Gross operating revenue	83,679	122,935	159,848	228,766
Products sold	64,751	102,275	127,911	188,987
Services rendered	18,928	20,660	31,937	39,779
Taxes on sales	(13,615)	(22,046)	(28,771)	(43,540)
Returns and cancellations	(1,563)	(3,986)	(4,195)	(9,159)
Net operating revenue	68,501	96,903	126,882	176,067

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

28. Cost of goods sold and services provided

	Period April 01 to June 30		Period January 01 to June 30	
	Consolidated		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23
Materials	(29,006)	(44,966)	(51,981)	(74,731)
Labor	(11,838)	(13,520)	(25,158)	(25,761)
Depreciation / amortization	(1,209)	(1,154)	(2,389)	(2,351)
Cut-Off Provision	251	(50)	810	(1,442)
Provisions/reversals (a)	554	2,856	(86)	2,533
Travel	(2,427)	(3,156)	(5,260)	(5,953)
Other costs	(3,237)	(2,021)	(6,357)	(4,981)
	(46,912)	(62,011)	(90,421)	(112,686)

a) Refers to obsolescence provisions and reversals, warranty and others.

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

29. Operating revenues (expenses)

29.1. Administrative, selling and research and development expenses

	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to June 30		Period January 01 to June 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Labor expenses and social charges	(387)	(462)	(12,546)	(14,561)	(623)	(938)	(26,670)	(29,909)
Third-party services	(142)	(323)	(823)	(1,404)	(264)	(653)	(1,771)	(2,513)
Selling and marketing expenses	-	-	(151)	(362)	-	-	(262)	(719)
General and administrative expenses	(188)	(405)	(2,095)	(3,125)	(283)	(509)	(4,323)	(5,421)
Depreciation / amortization	-	-	(4,482)	(5,145)	-	-	(8,581)	(10,081)
Travel	-	-	(566)	(699)	-	-	(1,301)	(1,342)
Lease of properties and equipment	-	-	(121)	(134)	-	-	(253)	(244)
Other	(38)	(9)	(1,106)	(1,046)	(47)	(17)	(2,071)	(2,351)
	(755)	(1,199)	(21,890)	(26,476)	(1,217)	(2,117)	(45,232)	(52,580)

	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to June 30		Period January 01 to June 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Administrative expenses	(755)	(1,199)	(5,984)	(8,213)	(1,217)	(2,117)	(12,436)	(15,586)
Selling expenses	-	-	(8,155)	(8,924)	-	-	(16,579)	(17,931)
Research and development expenses	-	-	(7,751)	(9,339)	-	-	(16,217)	(19,063)
	(755)	(1,199)	(21,890)	(26,476)	(1,217)	(2,117)	(45,232)	(52,580)

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29.2. Other operating revenues (expenses), net

	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to March 31		Period January 01 to June 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Administrative indemnities	-	-	(138)	(64)	-	-	(189)	(81)
Amount received as civil compensation (a)	162	1,305	162	1,305	401	1,517	401	1,517
Labor indemnities	(347)	(295)	(372)	(582)	(870)	(776)	(1,000)	(1,328)
Tax offsetting	-	(146)	-	(146)	-	(146)	-	(146)
Loss of trade account receivables	-	-	-	(99)	-	-	(448)	(1,390)
Allowance for doubtful accounts	-	-	(247)	(2,428)	-	-	(1,355)	(1,251)
Provision (reversal) for labor contingencies	513	(265)	843	(250)	168	(390)	930	(219)
Provision (reversal) for tax contingencies	-	789	(44)	788	-	748	(74)	1,476
Provision for civil contingencies	-	-	(32)	(400)	-	-	(405)	(555)
Provision (reversal) for administrative contingencies	-	-	18	63	-	-	(129)	177
Other	249	1	703	(39)	175	(13)	134	(868)
	577	1,389	893	(1,852)	(126)	940	(2,135)	(2,668)

a) Amount received as compensation for civil proceedings in which the then Ideiasnet S.A. (currently Padtec Holding S.A.) was a party.

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30. Net financial result

	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to June 30		Period January 01 to June 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Financial income								
Income from financial investments	-	-	1,058	1,107	-	-	2,135	2,713
Income from financial transactions	-	-	203	209	-	-	694	1,404
Foreign exchange gains	-	-	5,912	1,648	-	-	7,679	4,502
Inflation adjustment on taxes and contributions	230	-	247	10	230	-	247	32
Pis and cofins on financial income	(27)	(143)	(75)	(351)	(50)	(143)	(160)	(351)
Other revenues	4	54	163	570	4	57	371	714
	207	(89)	7,508	3,193	184	(86)	10,966	9,014
Financial expenses								
Interest on loans and financing	(114)	(73)	(1,962)	(2,165)	(190)	(146)	(3,164)	(4,621)
Interest on derivative transaction	-	-	(932)	(836)	-	-	(3,135)	(836)
Costs on financial transactions	-	-	195	(348)	-	-	195	(888)
Foreign exchange losses	-	-	(6,881)	(3,464)	-	-	(8,834)	(6,071)
Banking expenses	-	(1)	(477)	(141)	(1)	(5)	(508)	(327)
IOF expenses	(95)	(20)	(135)	(186)	(118)	(41)	(168)	(347)
Other expenses	20	(843)	(937)	(1,825)	-	(867)	(2,003)	(2,588)
	(189)	(937)	(11,129)	(8,965)	(309)	(1,059)	(17,617)	(15,678)
Net financial result	18	(1,026)	(3,621)	(5,772)	(125)	(1,145)	(6,651)	(6,664)

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31. Current income tax and social contribution

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:

	Period April 01 to June 30		Period April 01 to June 30		Period January 01 to June 30		Period January 01 to June 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23	06/30/24	06/30/23
Profit (loss) before taxes	(3,498)	871	(3,029)	792	(18,009)	1,548	(17,557)	1,469
Equity Income	3,338	(1,707)	-	-	16,541	(3,870)	-	-
(+/-) Other additions and deletions	(1,068)	(509)	(7,252)	(3,053)	(809)	(311)	(8,023)	(6,113)
Provision/reversal for obsolescence of inventory	-	-	(539)	(2,889)	-	-	192	(2,669)
Provision/reversal of contingencies	(204)	(524)	(477)	(143)	141	(359)	(14)	(40)
Provision/reversal of revenues	-	-	314	58	-	-	567	(679)
Provision/reversal for doubtful accounts	-	-	(43)	2,428	-	-	1,355	1,251
Loss on accounts receivable	-	-	-	160	-	-	-	346
Provision/reversal - other	10	16	(1,620)	(1,074)	(149)	49	(2,959)	811
Financial credits	-	-	(3,573)	(5,956)	-	-	(8,050)	(11,250)
Other additions and deletions	(874)	(1)	(1,314)	4,363	(801)	(1)	886	6,117
Tax loss (IR basis)	(1,228)	(1,345)	(10,281)	(2,261)	(2,277)	(2,633)	(25,580)	(4,644)
Income tax	-	-	(464)	15	-	-	(478)	15
Current income tax and CSLL	-	-	(464)	15	-	-	(478)	15

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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, are the amounts insured by risk coverage:

	Covered risk	Current period		Insured amount
		From	To	06/30/24
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	05/28/24	05/28/25	320,044
Group Life Insurance (employees) - Principal	Death, accident, disability	07/01/24	06/30/26	1,129
Group Life Insurance (employees) - Supplement	Death, accident, disability - This is a supplementary life insurance policy, taken out by around 5 employees. The premium is divided and discounted from the payroll.	07/01/24	06/30/26	508
Group Life Insurance (interns)	Death, accident, disability	07/01/24	06/30/26	40
Domestic Shipping	Road hazards	10/31/23	10/31/24	6,000
International Shipping (in US\$)	Broad coverage (Imports)	10/31/23	10/31/24	USD 2,000
International Shipping (in US\$)	Broad coverage (Export)	10/31/23	10/31/24	USD 2,000
Management civil liability- D&O	Executive Board	07/09/24	07/09/25	50,000
Comprehensive General Liability	General RC, Operations, Products	07/13/23	07/13/25	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 set forth by Management.

The management of risks and financial instruments used is performed by means of policies, strategy definitions and implementation of control systems, set forth 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.

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:

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		Consolidated			
	Fair Value Hierarchy	Book Value		Fair value	
		06/30/24	12/31/23	06/30/24	12/31/23
Assets					
<i>Amortized cost</i>					
		139,589	130,575	139,589	130,575
<i>Fair value through profit or loss</i>					
	Level 2	159,973	50,456	159,973	50,456
	Level 2	31,333	1,754	31,333	1,754
	Level 2	5,658	9,920	5,658	9,920
Total		336,553	192,705	336,553	192,705
Liabilities					
<i>Amortized cost</i>					
		(42,551)	(13,374)	(42,551)	(13,374)
		(279,402)	(99,081)	(279,402)	(99,081)
		(5,686)	(5,882)	(5,686)	(5,882)
		(14,797)	(13,071)	(14,797)	(13,071)
		(55,671)	(57,395)	(55,671)	(57,395)
		(508)	(508)	(508)	(508)
		(21,366)	(21,109)	(21,366)	(21,109)
Total		(419,981)	(210,420)	(419,981)	(210,420)

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 and financing – 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 (R\$).

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.

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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 instruments designated for cash flow hedge

As a procedure for managing its market risks, the Company manages its exposures in foreign currency by contracting derivative financial instruments pegged to US dollar, considering the payment forecast.

In March 2024, the Company designated derivative instruments for hedge accounting of cash flows to protect against the variability of future cash flows attributable to changes in the US\$/R\$ exchange rate arising from the payment of principal and interest on the liability financial instrument (loan) contracted by the Company (see Note 14).

Hedge accounting structure consists of the risk management strategy that seeks to converge its funding cost to the Interbank Deposit Certificate (CDI), as follows:

Modality	Terms	Asset indexer	Liability indexer	Net
SWAP	Mar/24 to Mar/28	VC* + 7.80% p.a.	CDI + 1.49% p.a.	USD 6,426

*exchange rate variation.

As of June 30, 2024, the Company has the derivative financial instrument, as follows:

Bank	Agreement	Consolidated					
		Fair value - Long Position		Fair value - Short Position		Gain/loss	
		06/30/24	12/31/23	06/30/24	12/31/23	06/30/24	12/31/23
Votorantim							
Curve - Swap	SWAP	36,213	31,171	32,945	32,725	3,268	(1,554)
Mark to Market	SWAP	34,248	31,717	33,902	33,388	345	(1,671)

The measurement of SWAP mark-to-market was made considering the effect of changes in the liability and asset indexes, based on market information available at the time of this measurement.

The change in the derivative financial instrument is shown below:

	Cash Flow Hedge
Interest on the transaction	(1,554)
Gain recognized in Other Comprehensive Income	(117)
Balance as of December 31, 2023	(1,671)
Interest on the transaction	2,487
Payment of funds for settlement with derivatives on operating activity	2,335
Gain recognized in Other Comprehensive Income	(2,806)
Balance as of June 30, 2024	345
Assets	3,268
Liabilities	2,923
Derivative financial instrument	345

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The Company monitors fluctuations in floating interest rates linked to certain debts and uses, when necessary, derivative instruments to manage these risks. The positions of derivative financial instruments used to hedge interest rate risk are shown below:

Interest rate risk: Interest derivatives outstanding as of June 30, 2024				
Bank	Agreement.	Due date	Book Value	Fair value
Votorantim	Interest Swap	Mar/24 to Mar/28	345	345

34.2. 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. Padtec 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.

34.3. 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 and financing), less cash and cash equivalents and restricted financial investments and the Company's equity.

	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Debt	-	-	343,319	133,564
Cash and cash equivalents, financial investments	5	-	191,306	52,210
Net Debt (net cash)	(5)	-	152,013	81,354
Equity	133,189	152,598	133,105	152,540
Debt (cash) ratio, net	0%	0%	114%	53%

34.4. 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, 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.

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34.5. 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 seeks 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	2-19 years
Restricted financial investments	31,333	-	31,333	-
Financial transactions	86,823	41,911	25,990	18,922
Lease transactions	(20,483)	(5,686)	(5,055)	(9,742)
Loans and financing	(321,953)	(42,551)	(60,024)	(219,379)
Trade accounts payable	(56,179)	(55,671)	(508)	-
Financial transactions	(86,823)	(41,911)	(25,990)	(18,922)
Total	(367,282)	(103,908)	(34,254)	(229,121)

34.6. 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	
	06/30/24		12/31/23	
	R\$	US\$	R\$	US\$
Assets				
Trade accounts receivable	38,262	6,883	44,023	9,093
Liabilities				
Loans and financing	(76,077)	(13,686)	-	-
Trade accounts payable	(42,737)	(7,688)	(41,523)	(8,577)
Total	(80,552)	(14,491)	2,500	516

34.7. 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:

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	Parent Company		Consolidated	
	06/30/24	12/31/23	06/30/24	12/31/23
Assets				
Cash and cash equivalents	5	-	159,973	50,456
Restricted financial investments	-	-	31,333	1,754
Tradable securities	-	-	5,658	9,920
Financial transactions	-	-	86,823	91,899
Liabilities				
Loans and financing	-	-	(321,953)	(112,455)
Derivative financial instruments	-	-	(2,923)	(1,671)
Financial transactions	-	-	(86,823)	(91,899)
Net exposure	5	-	(127,912)	(51,996)

34.8. 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
Exchange rate			
Trade accounts receivable	38,262	9,566	19,131
Trade accounts payable	(42,737)	(10,684)	(21,369)
Loans and financing	(76,077)	(19,019)	(38,038)
Impact on profit or loss		(20,137)	(40,276)
	Consolidated		
	Probable scenario	25% Increase	50% Increase
Interest rate			
Cash and cash equivalents	159,973	39,993	79,987
Restricted financial investments	31,333	7,833	15,667
Tradable securities	5,658	1,415	2,829
Loans and financing	(321,953)	(80,488)	(160,977)
Impact on profit or loss		(31,247)	(62,494)

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.

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36. Subsequent Events

The Company's Long-Term Incentive and Retention Plan II ("Plan II"), which consists of the granting of Phantom Shares, with yield based on the market price of the Company's shares traded on B3 S.A. - Brasil, Bolsa, Balcão, was approved at the Extraordinary and Annual Shareholders' Meeting held on April 26, 2024. 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 Long-Term Incentive and Retention Plan II. The Phantom Shares relating to Plan II were granted to the Beneficiaries on July 1, 2024.