

**Padtec Holding S.A.**

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

Interim financial statements for the quarter ended  
September 30, 2021, accompanied by the Review Report  
on the Quarterly Information

**Padtec Holding S.A.**

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

**Content**

	<b>Page</b>
Report on the Review of Quarterly Information (ITR)	2
Financial statements for the Quarter Ended September 30, 2021	5
Management's notes to the financial statements for the Quarter Ended September 30, 2021	12

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

(Free translation from the original issued in Portuguese. In the event of discrepancy, the Portuguese language version prevails. See Note 37 to the financial statements)

To the Shareholders and the Management of

**Padtec Holding S.A.**

Campinas - SP

### **Introduction**

We have reviewed the individual and consolidated interim financial information of Padtec Holding S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2021, which comprises the Balance Sheet as of September 30, 2021, and the respective statements of profit of loss and comprehensive income for the three- and nine-month period then ended and changes in equity and cash flows for the nine-month period then ended, including the accompanying notes.

The Company's Management is responsible for preparing the individual and consolidated interim financial statements in compliance with Technical Pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), as well as for its presentation in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Emphasis**

#### **Corporate restructuring**

Pursuant to note No. 1.1, in June 2020, the Company merged the shares issued by Padtec S.A., then its only asset and in which it held 34.16% of shareholding, with the consequent conversion of Padtec S.A. into its wholly owned subsidiary. Accordingly, this transaction shall be considered in comparability analyzes between the results of the quarters ended September 30, 2021, and 2020. Our opinion does not contain any reservations related to this matter.

### **Scope of the review**

We conducted our review in compliance with Brazilian and international standards for the review of interim financial information (NBC TR 2410 - Interim Financial Information Review Performed by the Entity's Auditor and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, mainly to persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. The scope of a review is significantly lower than an audit conducted in compliance with audit standards and, accordingly, has not allowed us to obtain assurance that we are aware of all significant matters that could be identified through an audit procedure. Therefore, we do not express an audit opinion.

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

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

### **Other matters**

#### **Corresponding amounts**

The corresponding figures for the balance sheet as of December 31, 2020, were previously audited by other independent auditors who issued a report dated February 10, 2021, with no modifications and including an emphasis paragraph related to the corporate restructuring. In addition, the corresponding amounts relating to the statements of profit or loss, comprehensive income, changes in equity and cash flows for the three- and nine-month period ended September 30, 2020, were previously audited by other independent auditors who issued a report dated November 10, 2020, with no modifications, and including emphasis paragraphs related to the corporate restructuring and the change in the Company's corporate name. The corresponding amounts relating to the statement of value added (SVA), for the nine-month period ended September 30, 2020, were submitted to the same review procedures by those independent auditors and, based on their review, those auditors issued a report reporting that they were not aware of any fact that would lead them to believe that the SVA was not prepared, in all its relevant aspects, in a manner consistent with the individual and consolidated interim financial information taken as a whole.

**Statement of value added**

The aforementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. Such statements were submitted to review procedures carried out together with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content comply with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any facts that would lead us to believe that these statements of value added were not prepared, in all material respects, in compliance with the criteria defined in this Standard and in a consistent manner in relation to the individual and consolidated interim financial information taken together.

São Paulo, November 10, 2021

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

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

**Padtec Holding S.A.**  
**Balance sheets as of September 30, 2021 and December 31, 2020**

(In thousands of Brazilian reais)

	Note	Parent Company		Consolidated	
		09/30/21	12/31/20	09/30/21	12/31/20
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	-	1	85,197	64,680
Trade accounts receivable	5	-	-	106,798	100,296
Inventories	6	-	-	83,335	61,989
Taxes recoverable	7	1,706	1,717	26,464	23,562
Financial transactions	17	-	-	33,799	37,139
Other credits	9	3,741	356	7,885	2,356
<b>Total current assets</b>		<b>5,447</b>	<b>2,074</b>	<b>343,478</b>	<b>290,022</b>
<b>Non-current assets</b>					
Trade accounts receivable	5	-	-	-	2,377
Taxes recoverable	7	-	-	-	324
Related parties	10	4,966	6,072	-	-
Financial investments as collateral	8	-	-	11,582	19,395
Financial transactions	17	-	-	12,663	11,460
Judicial Deposit	22.2	991	1,187	1,373	2,364
Other credits	9	-	925	2,080	2,905
Investments	11.1	151,796	122,227	-	-
Property, Plant & Equipment	12	-	-	20,228	18,540
Intangible assets	13	24	24	36,134	29,217
<b>Total noncurrent assets</b>		<b>157,777</b>	<b>130,435</b>	<b>84,060</b>	<b>86,582</b>
<b>Total assets</b>		<b>163,224</b>	<b>132,509</b>	<b>427,538</b>	<b>376,604</b>

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

**Padtec Holding S.A.**  
**Balance sheets as of September 30, 2021 and December 31, 2020**

(In thousands of Brazilian reais)

Liabilities	Note	Parent Company		Consolidated	
		09/30/21	12/31/20	09/30/21	12/31/20
<b>Current liabilities</b>					
Loans and financing	14	-	-	11,929	11,151
Debentures	15	-	-	10,510	7,765
Lease transactions	16	-	-	1,236	-
Trade accounts payable	18	1,327	-	64,150	55,832
Forfaiting	19	-	-	1,957	1,971
Related parties	10	-	2,188	1,451	3,681
Taxes and contributions payable	20	106	4	9,683	9,204
Taxes and contributions payable - installment payment	21	-	-	8,056	6,331
Labor charges	23	133	186	23,400	18,976
Miscellaneous provisions	22.1	-	-	2,354	2,745
Financial transactions	17	-	-	33,799	37,139
Advances from customers		-	-	8,318	-
Other payables		-	121	1,438	4,946
<b>Total current liabilities</b>		<b>1,566</b>	<b>2,499</b>	<b>178,281</b>	<b>159,741</b>
<b>Non-current liabilities</b>					
Provision for labor and tax risks	22.2	21,494	23,110	37,481	35,970
Loans and financing	14	-	-	42,309	32,281
Debentures	15	-	-	23,464	31,313
Lease transactions	16	-	-	2,594	-
Taxes and contributions payable - installment payment	21	-	-	700	2,203
Related parties	10	5,497	-	-	624
Financial transactions	17	-	-	12,663	11,460
Provision for unsecured liabilities	11.2	4,621	3,888	-	-
<b>Total non-current liabilities</b>		<b>31,612</b>	<b>26,998</b>	<b>119,211</b>	<b>113,851</b>
<b>Total liabilities</b>		<b>33,178</b>	<b>29,497</b>	<b>297,492</b>	<b>273,592</b>
<b>Equity</b>					
Capital	25.1	199,211	199,211	199,211	199,211
Capital reserve	25.2	(2,674)	(2,674)	(2,674)	(2,674)
Accrued losses		(66,126)	(83,331)	(66,126)	(83,331)
Goodwill on capital transaction		599	599	599	599
Other comprehensive income	25.3	(964)	(10,793)	(964)	(10,793)
<b>Total equity</b>		<b>130,046</b>	<b>103,012</b>	<b>130,046</b>	<b>103,012</b>
<b>Total liabilities and equity</b>		<b>163,224</b>	<b>132,509</b>	<b>427,538</b>	<b>376,604</b>

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

**Padtec Holding S.A.**  
**Statements of Profit or Loss as of September 30, 2021 and September 30, 2020**  
(In thousands of Brazilian reais)

	Note	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
		Parent Company		Consolidated		Parent Company		Consolidated	
		09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20
<b>Continued operations</b>									
Net operating revenue	27	-	-	90,471	63,353	-	-	246,119	87,161
Cost of goods sold and services provided	28	-	-	(57,654)	(40,302)	-	-	(158,003)	(54,418)
<b>Gross profit</b>		-	-	<b>32,817</b>	<b>23,051</b>	-	-	<b>88,116</b>	<b>32,743</b>
<b>Operating revenues (expenses)</b>									
Administrative expenses	29.1	(739)	(926)	(6,016)	(5,923)	(2,818)	(2,777)	(19,013)	(9,395)
Selling expenses	29.1	-	-	(7,517)	(5,525)	-	-	(22,387)	(7,052)
Research and development expenses	29.1	-	-	(9,160)	(7,433)	-	-	(22,605)	(9,021)
Equity income	11.5	5,578	9,935	-	-	29,086	12,275	-	(476)
Other operating revenues (expenses), net	29.2	(38)	(1,198)	(1,289)	4,202	1,163	(207)	555	3,393
<b>Profit before financial income (costs)</b>		<b>4,801</b>	<b>7,811</b>	<b>8,835</b>	<b>8,372</b>	<b>27,431</b>	<b>9,291</b>	<b>24,666</b>	<b>10,192</b>
<b>Financial income (costs)</b>									
Financial income	30.1	(96)	6	2,871	3,288	(88)	111	12,486	3,860
Financial costs	30.2	(45)	(16)	(7,501)	(4,431)	(59)	(51)	(16,620)	(5,021)
<b>Profit before income tax and social contribution</b>		<b>4,660</b>	<b>7,801</b>	<b>4,205</b>	<b>7,229</b>	<b>27,284</b>	<b>9,351</b>	<b>20,532</b>	<b>9,031</b>
Income tax and social contribution									
Current	31	-	-	331	572	-	-	(6,529)	320
<b>Profit for the period from continuing operations</b>		<b>4,660</b>	<b>7,801</b>	<b>4,536</b>	<b>7,801</b>	<b>27,284</b>	<b>9,351</b>	<b>14,003</b>	<b>9,351</b>
<b>Discontinued operations</b>									
Net Profit (loss) from discontinued operations	32	-	-	124	-	-	-	13,281	-
<b>Profit for the period from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,281</b>	<b>-</b>
<b>Net income for the period</b>		<b>4,660</b>	<b>7,801</b>	<b>4,660</b>	<b>7,801</b>	<b>27,284</b>	<b>9,351</b>	<b>27,284</b>	<b>9,351</b>
<b>Profit (loss) attributable to:</b>									
Controlling shareholders		4,660	7,801	4,660	7,801	27,284	9,351	27,284	9,351
<b>Net income for the period</b>		<b>4,660</b>	<b>7,801</b>	<b>4,660</b>	<b>7,801</b>	<b>27,284</b>	<b>9,351</b>	<b>27,284</b>	<b>9,351</b>
<b>Earnings per share</b>									
Basic and diluted earnings per share	26					0.3478	0.1192	0.3478	0.1192
<b>Earnings per share from continuing operations</b>									
Basic and diluted earnings per share from continuing operations	26					0.3478	0.1192	0.1785	0.1192
<b>Earnings per share from discontinued operations</b>									
Basic and diluted earnings per share from discontinued operations	26					-	-	0.1693	-

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



**Padtec Holding S.A.**  
**Statements of comprehensive income for the years ended December 31, 2019 and 2018**

(In thousands of Brazilian reais)

	Period from July 1 to September 30		Period from January 1 to September 30	
	Parent Company and Consolidated		Parent Company and Consolidated	
	09/30/21	09/30/20	09/30/21	09/30/20
<b>Profit for the period</b>	4,660	7,801	27,284	9,351
Items that may be reclassified subsequently to the statement of income (loss)				
Other comprehensive income				
Translation adjustments of balance sheet of subsidiaries abroad	(31)	(124)	(250)	(283)
<b>Comprehensive income for the period</b>	<b>4,629</b>	<b>7,677</b>	<b>27,034</b>	<b>9,068</b>
Comprehensive income (loss) attributable to:				
Controlling shareholders	4,629	7,677	27,034	9,068
<b>Comprehensive income for the period</b>	<b>4,629</b>	<b>7,677</b>	<b>27,034</b>	<b>9,068</b>

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

**Padtec Holding S.A.**  
**Statements of changes in equity for the periods ended September 30, 2021 and September 30, 2020**  
(In thousands of Brazilian reais)

Parent Company and Consolidated

	Note	Capital	Capital reserve	Goodwill on capital transaction	Equity valuation adjustment	Accumulated translation adjustments	Retained earnings/losses	Total equity
<b>Balance as of December 31, 2019</b>		<b>131,846</b>	<b>(2,674)</b>	<b>-</b>	<b>(8,663)</b>	<b>(1,619)</b>	<b>(100,542)</b>	<b>18,348</b>
Loss for the period		-	-	-	-	-	9,351	9,351
Exchange variation adjustment of subsidiaries	24.4	-	-	-	-	(283)	-	(283)
Capital increase		67,365	-	-	-	-	-	67,365
Goodwill on capital transaction	24.3	-	-	599	-	-	-	599
<b>Balance as of September 30, 2020</b>		<b>199,211</b>	<b>(2,674)</b>	<b>599</b>	<b>(8,663)</b>	<b>(1,902)</b>	<b>(91,191)</b>	<b>95,380</b>
<b>Balance as of December 31, 2020</b>		<b>199,211</b>	<b>(2,674)</b>	<b>599</b>	<b>(8,663)</b>	<b>(2,130)</b>	<b>(83,331)</b>	<b>103,012</b>
Net income for the period		-	-	-	-	-	27,284	27,284
Equity valuation adjustment		-	-	-	8,663	-	(8,663)	-
Exchange variation adjustment of subsidiaries	24.4	-	-	-	-	1,166	(1,416)	(250)
<b>Balance as of September 30, 2021</b>		<b>199,211</b>	<b>(2,674)</b>	<b>599</b>	<b>-</b>	<b>(964)</b>	<b>(66,126)</b>	<b>130,046</b>

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

**Padtec Holding S.A.**  
**Cash flow statements for the periods ended September 30, 2021 and September 30, 2020**

(In thousands of Brazilian reais)

	Note	Parent Company		Consolidated	
		09/30/21	09/30/20	09/30/21	09/30/20
<b>Cash flows from operating activities</b>					
Profit for the period before taxes from continuing operations		27,284	9,351	20,532	9,031
Profit for the period before taxes from discontinued operations		-	-	13,281	-
<b>Profit for the period before taxes</b>		<b>27,284</b>	<b>9,351</b>	<b>33,813</b>	<b>9,031</b>
<b>Adjustments to reconcile net income (loss) for the period with cash provided by (used in) operating activities:</b>					
Depreciation and amortization		-	2	11,044	3,925
Interest and inflation adjustments on loans		-	-	2,335	1,702
Interest adjustment with issuance of debentures	15.1	-	-	91	-
Amortizaion of costs with issuance of debentures	15.1	-	-	138	-
Allowance for doubtful accounts		-	(3)	(911)	(7,739)
Creation (reversal) of miscellaneous provisions		-	-	(391)	70
Provision for labor, tax and civil risks		(1,616)	(433)	1,511	977
Provision for inventory obsolescence		-	-	3,345	1,061
Share of profit (loss) of investees		(29,086)	(12,275)	-	476
Write-off of PPE and intangible assets		-	1	418	105
<b>Decrease (increase) in operating assets:</b>					
Trade accounts receivable		-	3	(3,214)	(22,078)
Inventories		-	-	(24,691)	(3,390)
Asset held for sale		-	255	-	255
Taxes recoverable		11	(81)	(2,578)	(3,908)
Related party transactions		1,106	2,585	-	-
Judicial deposit		196	(190)	991	(901)
Other credits receivable		(2,460)	(417)	(4,704)	(1,091)
<b>Increase (decrease) in operating liabilities:</b>					
Lease transactions		-	-	3,830	-
Trade accounts payable		1,327	-	8,318	2,596
Labor charges		(53)	67	4,424	3,797
Taxes and contributions payable		102	(11)	701	273
Related party transactions		-	-	(2,854)	(1,903)
Income tax and social contribution - paid		-	-	(6,529)	320
Debt charges - paid	15.1	-	-	(2,023)	(1,460)
Advances from customers		-	-	8,318	-
Other payables		(121)	(92)	(3,508)	442
<b>Net cash used in (provided by) operating activities</b>		<b>(3,310)</b>	<b>(1,238)</b>	<b>27,874</b>	<b>(17,440)</b>
<b>Cash flows from investment activities</b>					
Capital increase in subsidiary (cash)		-	(336)	-	(336)
Financial investments as collateral		-	-	7,813	(5,285)
Acquisition of PPE and intangible assets		-	-	(20,067)	(4,903)
Related party loan agreement		3,309	1,566	-	-
<b>Net cash used in (provided by) investment activities</b>		<b>3,309</b>	<b>1,230</b>	<b>(12,254)</b>	<b>(10,524)</b>
<b>Cash flows from financing activities</b>					
Capital payment		-	8	-	8
Forfeiting		-	-	(14)	1,724
Raising of loans and financing	14.2	-	-	17,843	25,000
Payment of loans and financing - principal	14.1	-	-	(7,349)	(6,255)
Payment of debentures - principal	15.1	-	-	(5,333)	-
<b>Net cash used in (provided by) financing activities</b>		<b>-</b>	<b>8</b>	<b>5,147</b>	<b>20,477</b>
Exchange variation of cash in foreign currency		-	-	(250)	(283)
<b>Increase (reduction) in cash and cash equivalents</b>		<b>(1)</b>	<b>-</b>	<b>20,517</b>	<b>(7,770)</b>
<b>Initial cash and cash equivalents from consolidation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>54,576</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1</b>	<b>1</b>	<b>64,680</b>	<b>3,328</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>-</b>	<b>1</b>	<b>85,197</b>	<b>50,134</b>

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

**Padtec Holding S.A.**  
**Statements of value added for the periods ended September 30, 2021 and September 30, 2020**  
(In thousands of Brazilian reais)

	Parent Company		Consolidated	
	30/09/21	30/09/20	30/09/21	30/09/20
<b>1 - Revenues</b>	<b>3,320</b>	<b>3</b>	<b>344,352</b>	<b>123,105</b>
1.1. Sale of goods, products and products	-	-	326,114	115,366
1.2. Provision for doubtful accounts	-	3	911	7,739
1.3. Other revenues	3,320	-	17,327	-
<b>2 - Inputs purchased from third parties</b>	<b>(3,699)</b>	<b>(1,383)</b>	<b>(130,479)</b>	<b>(48,091)</b>
2.1. Cost of products, goods and services sold	-	-	(100,508)	(33,919)
2.2. Energy, third-party services and other operating expenses	(3,699)	(1,670)	(29,971)	(10,594)
2.3. Other	-	287	-	(3,578)
<b>3 - Retentions.</b>	<b>-</b>	<b>(2)</b>	<b>(11,044)</b>	<b>(3,925)</b>
3.1. Depreciation and amortization	-	(2)	(11,044)	(3,925)
<b>4 - Value added produced, net</b>	<b>(379)</b>	<b>(1,382)</b>	<b>202,829</b>	<b>71,089</b>
<b>5 - Value added received on transfer</b>	<b>28,998</b>	<b>12,386</b>	<b>12,486</b>	<b>3,384</b>
5.1. Share of profit (loss) of investees	29,086	12,275	-	(476)
5.2. Financial income	(88)	111	12,486	3,860
<b>6 - Total value added to distribute</b>	<b>28,619</b>	<b>11,004</b>	<b>215,315</b>	<b>74,473</b>
<b>7 - Distribution of value added</b>	<b>28,619</b>	<b>11,004</b>	<b>215,315</b>	<b>74,473</b>
<b>7.1. Personnel and charges</b>	<b>1,073</b>	<b>1,343</b>	<b>69,927</b>	<b>25,656</b>
Direct compensation	1,069	1,059	52,259	19,786
Benefits	9	256	14,324	4,520
Severance Fund	(5)	28	3,344	1,350
<b>7.2. Taxes, fees and contributions</b>	<b>203</b>	<b>212</b>	<b>98,367</b>	<b>32,998</b>
Federal	201	212	68,353	23,214
State	-	-	28,298	9,229
Municipal	2	-	1,716	555
<b>7.3. Third-party capital remuneration</b>	<b>59</b>	<b>98</b>	<b>19,737</b>	<b>6,468</b>
Financial costs	59	51	16,620	5,021
Rents	-	47	3,117	1,447
<b>7.4. Equity remuneration</b>	<b>27,284</b>	<b>9,351</b>	<b>27,284</b>	<b>9,351</b>
Retained earning in the period	27,284	9,351	27,284	9,351

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

## PADTEC HOLDING S.A.

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

### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

## 1. GENERAL INFORMATION

### 1.1. Operational context

Padtec Holding S.A. ("Company", B3: PDTC3), started its operations as an investment company in Internet projects in 2000, the year it went public on B3. Its focus was on investing in fast-growing technology companies in a variety of areas, such as SaaS (Software as a Service) in the security and construction industry, technology in the financial and payments sector, digital commerce, digital media, mobility, broadband and optics. For many years, the Company has positioned itself as a technology venture capital in Brazil, actively participating in all stages of development of its investees, consolidating itself as a reference in the sector and was synonymous of entrepreneurship with a high level of Corporate Governance.

In 2015, already under a disinvestment process and after the sale of most of its assets, it started a process to simplify its corporate structure. And in June 2020, the Company merged shares issued by Padtec S.A., then its only asset and in which it held 34.16% of shareholding, with the consequent conversion of Padtec S.A. into its wholly-owned subsidiary. Today, Padtec Holding is the sole shareholder of Padtec S.A., a privately held company.

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

	Equity interest (%)			
	09/30/21		12/31/20	
	Direct	Indirect	Direct	Indirect
Chenonceau Participações S.A. (a)	100.00%		100.00%	
Automatos Participações Ltda. (b)	100.00%		100.00%	
Padtec S.A. (c)	100.00%		100.00%	
Sucursal Argentina (d)		100.00%		100.00%
Padtec EUA (e)		100.00%		100.00%
Padtec Colombia (f)		100.00%		100.00%
Padtec Chile (g)		100.00%		100.00%

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

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

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### **MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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

- e) Padtec Estados Unidos da América is an operating company headquartered in the USA, in the state of Georgia, incorporated in 2014. Its main purpose is to perform sales activities, resell Group's products and provide implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.
- f) Padtec Colombia is an operating company headquartered in Colombia, incorporated in October 2014. Its main purpose is to perform commercial activities, reselling the Group's products and providing implementation, operation and maintenance services. Padtec S.A. holds 100% equity interest.
- g) Padtec Chile is an operating company headquartered in Chile, incorporated in June 2019, with 100% of its shares subscribed by Padtec Sucursal Argentina. Its main purpose is to perform sales activities, resell Group's products and provide implementation, operation and maintenance services.

#### **1.2. Covid - 19 Impacts**

Management has been constantly monitoring and evaluating the impact of Covid-19 on the operations and the equity and financial position of the Company and its subsidiaries, to implement appropriate measures to mitigate impacts on operations. Up to the date of authorization for the issuance of this interim accounting information, the following measures have been taken and the main matters that are under constant monitoring are listed below:

- Creation of the Crisis Committee, with the purpose of continuously analyzing the situation, ensuring the continuity of operations, protecting cash, improving liquidity and promoting the health and safety of all employees, officers and other Company's stakeholders.
- Implementation of remote work for the administrative, commercial and technology areas since March 2020 (a measure that also protects employees who perform operational activities requiring on-site presence at the Company's premises and/or customers' premises), which shall be maintained up to 2021 year-end.
- Monitoring and evaluation of delivery and payment deadlines of international raw material suppliers, and so far, there are no indications of significant risks of delay that may impact operations. However, even with all the efforts made with the main suppliers and the reinforcement of the local inventory structure for strategic inputs, adverse events related to the supply of certain inputs may occur. The Company continues to work intensively with its partners, seeking to minimize any possible impacts.
- Monitoring of customer default risk, and so far, there is no significant impact to be disclosed.
- Monitoring of market index variations that could affect loans, financing and debentures.

Considering all the analyzes performed on aspects related to the possible impacts of Covid-19 on its businesses and those of its subsidiaries up to the period ended September 30, 2021, the Company concluded that there were no material effects on equity and financial position as related to its individual and consolidated interim financial information. However, the financial and economic effect for the Company and its subsidiaries will depend on the outcome of the crisis and its macroeconomic impacts, especially about the retraction in economic activity. Management will continue to constantly monitor the effects of the crisis and the impacts on their operations and financial statements.

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

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### **MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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

## **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 Technical Pronouncement CPC 21 (R1) - "Interim Reporting" and are presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of the Quarterly Information - ITR.

The accounting policies adopted in preparing the individual and consolidated interim financial information are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2020, and, therefore, both should be read together.

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

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

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

The authorization for the issuance of this individual and consolidated interim financial information was given by Management on November 10, 2021.

### **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 information is presented in Brazilian reais, the functional currency used by the Company.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

Except for the changes disclosed below, the interim accounting information was prepared based on the same accounting policies described in Notes Nos. 3.1 to 3.19 disclosed in the financial statements for the year ended December 31, 2020, published on February 11, 2021. The effect of changes in accounting policies also is expected in the consolidated financial statements for the year ending December 31, 2021.

## PADTEC HOLDING S.A.

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

a) New and revised standards and interpretations already issued, effective for periods beginning on or after January 1, 2021:

- IAS 16 – Property, plant and equipment – Proceeds before Intended Use (Applicable for annual periods beginning on or after January 1, 2021). The changes prohibit deducting from the cost of any item of property, plant and equipment any proceeds arising from the sale of items produced before the asset is available for use, i.e., proceeds to bring the asset to the location and in the condition necessary for it to be able to operate as intended by the Management. Consequently, the entity recognizes such proceeds from the sale and corresponding costs in profit or loss. The changes further clarify the meaning of 'testing whether an asset is working properly'. The entity shall recognize the cumulative effect of the initial adoption of the changes as an adjustment to the opening balance of retained earnings (or other component of equity, as applicable) at the beginning of the first period presented. The Company assessed the standard and concluded that there is no material impact on adoption.
- Changes to IAS 37 – Onerous Contracts – Cost of Contract Performance (Applicable for annual periods beginning on or after January 1, 2022). The amendments specify that the 'cost of performance' of any contract comprises the 'costs directly related to the contract'. Costs directly related to the contract comprise the incremental costs of complying with such contract (for example, employees or materials) and the allocation of other costs directly related to the performance of contracts (for example, allocation of depreciation expenses to an item of PPE used in the compliance with the contract). The changes apply to contracts for which the entity has not yet fulfilled all of its obligations at the beginning of the annual period in which the entity first applies such changes. The entity shall recognize the cumulative effect of the initial adoption of the changes as an adjustment to the opening balance of retained earnings (or other component of equity, as applicable) on the date of the initial adoption. The Company assessed the standard and concluded that there is no material impact on adoption.

#### 4. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Cash Bank deposits	-	-	6,810	24,358
Highly liquid financial investments	-	1	78,387	40,322
	-	1	85,197	64,680

Immediately-liquid financial investments refer to investments in CDB (Bank Deposit Certificate), held in top-tier financial institutions, remunerated at rates from 97% to 106% of CDI (Interbank Deposit Certificate), and are subject to an insignificant risk of change in value.



## PADTEC HOLDING S.A.

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

#### 5. TRADE RECEIVABLES

##### Customers

	Parent Company		Consolidated	
	30/09/21	31/12/20	30/09/21	31/12/20
Accounts receivable				
Referred in local currency	-	880	79.489	79.585
Referred in foreign currency (a)	-	-	24.527	18.232
	-	880	104.016	97.817
(+) Provision Oi Project (b)	-	-	11.258	14.847
(+) Judicial Reorganization Oi (e)	-	-	1.828	3.347
(-) Estimated credit losses (c)	-	(880)	(8.478)	(10.270)
(-) Provision for recognition of revenue outside the accounting period (d)	-	-	(1.826)	(3.068)
	-	-	106.798	102.673
Current assets	-	-	106.798	100.296
Non-Current assets	-	-	-	2.377
	-	-	106.798	102.673

- a) Consolidated represented by US\$ 4,509 as of September 30, 2021 (US\$ 3,508 as of December 31, 2020).
- b) The subsidiary Padtec S.A. has a contract with the telecommunications operator Oi to supply equipment, materials and services for the implementation of new DWDM systems, as well as for the expansion of the network. The object of the contract is divided into two parts: (a) "common parts" associated with the installation of the equipment; and (b) portion associated with the use of the 10G, 100G, or 200G equivalent transponder. Common parts comprise common hardware, software, materials, and associated services. These items will be billed 100% after delivery of the product and/or after the issuance of the Agreement for Experimental Acceptance (TAF). Licenses used will be billed quarterly after auditing how many are properly in use. The balance receivable as of September 30, 2021, is R\$ 11,258 referring to 1,493 licenses. The subsidiary recognizes the license revenue when it satisfies a performance obligation when transferring the good or service (that is, an asset) promised to the client, as required by accounting practices adopted in Brazil and IFRS. These amounts are written off quarterly with the use of the installed capacity, through billing.
- c) The allowance for doubtful accounts is based on CPC 48 – Financial instruments assumptions, and considers the analysis of the level of historical losses and knowledge and monitoring of the individual situation of customers.
- d) Provision for reversal of revenue recognition outside the accrual period ("cut-off").

## PADTEC HOLDING S.A.

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

- e) Grupo Oi filed for judicial reorganization on June 20, 2016, based on the Judicial Reorganization and Bankruptcy Law (Law No. 11,101/2005). On March 14, 2018, subsidiary Padtec S.A. adhered to Clause 4.3.5.2 of Oi's Judicial Reorganization Plan, which states that: "the securities that are part of the judicial reorganization will be paid with a 10% discount in 4 annual installments, equal and successive, plus TR + 0.5% per year, with the first installment due on the last business day of the first year after the expiry of the term for choosing the credit payment option". So far, Padtec S.A. has received four installments related to this Plan.

The allowance for doubtful accounts is based on CPC 48 – Financial instruments assumptions, and considers the analysis of the level of historical losses and knowledge and monitoring of the individual situation of customers and is considered sufficient to cope with any losses on credit realization. Management constantly monitors all securities and the individual situation of its customers, as well as the quality of credit granted. When the result of these assessments implies risks of credit realization, negotiations are held to monitor the terms with these customers. Based on these assessments, the Company's Management understands that the amounts provisioned as of September 30, 2021, are sufficient to cover possible losses with default

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Falling due	-	-	85,990	62,241
01-30 days past due	-	-	1,517	7,072
31-60 days past due	-	-	473	5,629
61-90 days past due	-	-	1,920	2,361
91-120 days past due	-	-	752	1,102
121-150 days past due	-	-	40	1,094
151-180 days past due	-	-	228	384
181-360 days past due	-	-	2,506	6,023
Over 730 days past due	-	880	10,590	11,911
	-	<b>880</b>	<b>104,016</b>	<b>97,817</b>

**PADTEC HOLDING S.A.**

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**MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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

**6. INVENTORIES**

	<b>Consolidated</b>	
	<b>09/30/21</b>	<b>12/31/20</b>
Finished products	18,635	13,648
Products in progress	2,729	1,691
Raw materials	49,323	32,687
Resale materials	3,374	3,340
Import in progress	5,653	13,195
Inventories held on third parties (a)	16,665	7,127
Provision for obsolescence and slow turnover (b)	(13,044)	(9,699)
	<b>83,335</b>	<b>61,989</b>

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

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

	<b>Consolidated</b>			
	<b>12/31/20</b>	<b>09/30/21</b>		
	<b>Opening balance</b>	<b>Addition to provision</b>	<b>Reversal</b>	<b>Final balance</b>
Inventories	(8,604)	(5,091)	2,578	(11,117)
Inventories held on third parties	(1,095)	(1,133)	301	(1,927)
<b>Total</b>	<b>(9,699)</b>	<b>(6,224)</b>	<b>2,879</b>	<b>(13,044)</b>

## PADTEC HOLDING S.A.

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

#### 7. RECOVERABLE TAXES

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Tax on the circulation of goods and services - ICMS	-	-	632	1.162
Excise Tax - IPI	-	-	319	518
Financial credit (a)	-	-	6.324	4.385
Social Integration Program- PIS	-	4	121	385
Contribution to social security financing - COFINS	-	15	644	1.773
Social contribution on net income - CSLL (c)	-	-	1.762	1.600
Corporate Income Tax - IRPJ (b)	1.706	1.698	4.962	4.820
Service Tax - ISS (c)	-	-	959	-
Brazilian Social Security Institute (INSS)	-	-	680	683
Income tax withholding - IRRF	-	-	1.639	1.356
Withholding tax from public agencies	-	-	5.981	4.967
Other	-	-	2.441	2.237
	<b>1.706</b>	<b>1.717</b>	<b>26.464</b>	<b>23.886</b>
Current assets	1.706	1.717	26.464	23.562
Non-Current assets	-	-	-	324
	<b>1.706</b>	<b>1.717</b>	<b>26.464</b>	<b>23.886</b>

a) Financial Credit: In December 2019, the amendment to Law No. 8.248/1991 (Information Technology Law) by Law No. 13.969/2019 was published, effective from April 1, 2020, until December 2029. With the new law, the tax incentive becomes the receipt of financial credit proportional to the R&D investments made in advance. The financial credit is calculated quarterly and will be used to pay federal taxes controlled by the Brazilian Federal Revenue Service.

b) Negative balances arising from overpayments due to mandatory monthly advances.

#### 8. RESTRICTED FINANCIAL INVESTMENTS

As of September 30, 2021, the subsidiary Padtec S.A. has a total of R\$ 11,582 (R\$ 19,395 as of December 31, 2020) in restricted financial investments, as follows:

- FIDC transaction with Grupo Sifra in the amount of R\$ 5,305 (R\$ 5,171 as of December 31, 2020) in long-term senior quotas of FIC FIDC OSHER, in order to finance customers and anticipate (receivables) resources. The average yield rate is 110% of the CDI.
- Financial investment with Banco Bradesco in the amount of R\$ 5,326 (R\$ 5,229 as of December 31, 2020) in CDB modality, of which R\$ 3,350 for judicial performance bond (referring to the lawsuit related to ICMS inclusion in PIS and COFINS calculation base) and R\$ 1,976 given as collateral for the suretyship, which guarantees the debt with FINEP. The average yield rate is 99% of the CDI.
- Financial investments in Banco Alfa and Banco do Brasil in the amount of R\$ 951 in CDB (Bank Deposit Certificate) modality, given as collateral for the debt with FINEP. The average yield rate is 97% to 99% of the CDI.

## PADTEC HOLDING S.A.

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

#### 9. OTHER RECEIVABLES

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Avais Officer (a)	-	913	-	913
Credits of amounts receivable (b)	-	-	1.980	1.980
Rental guarantee deposit	-	-	179	175
Payroll advance	-	-	984	544
Other advances	3.592	-	5.772	690
Other credits receivable	149	368	1.050	959
	<b>3.741</b>	<b>1.281</b>	<b>9.965</b>	<b>5.261</b>
Current assets	3.741	356	7.885	2.356
Non-Current assets	-	925	2.080	2.905
	<b>3.741</b>	<b>1.281</b>	<b>9.965</b>	<b>5.261</b>

- (a) Amount receivable from the Mecominas Group, yielding 100% of the CDI maturing in October 2022.
- (b) Other advances recorded at the Parent Company refer to operating expenses related to a potential public offering with restricted efforts to place the Company's shares.

#### 10. RELATED PARTIES

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

- a) Fundação CPqD – Centro de Pesquisa e Desenvolvimento em Telecomunicações
- b) BNDES Participações S.A. – BNDESPAR (we do not have any transactions until the date of presentation of financial statements).

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

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

The main transactions and respective types are shown below:

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

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

- b) **Technological development services:** An agreement was made with Fundação CPqD to perform research & development activities. The amounts relating to technological services with CPqD Foundation result from the Company's and its subsidiaries investments in a center of excellence in optical communication for the development of innovative technologies for use in all the solutions Padtec S.A offers to the market, which are performed at market prices and under arm's-length conditions.
- c) **Sales of products:** Refers to the sale of finished products between Padtec S.A. and its subsidiaries, performed under conditions considered by the Company to be similar to those of the market at the time of the negotiation, in line with the internal policies pre-established by the Management.
- d) **Other assets and liabilities:** Transactions between Fundação CPqD and Padtec S.A., referring to expenses with infrastructure and administrative expenses according to the apportionment defined between contractual parties.
- e) **Lease:** The Company and its subsidiaries have a commitment arising from an operating lease agreement for the property where its administrative headquarters are located. The lease has a three-year term (expiring in 2022), 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 of R\$ 1,358 in property, plant and equipment, with a corresponding entry to the rental obligation in current liabilities.

	Parent Company			Consolidated		
	09/30/21		12/31/20	09/30/21		12/31/20
	Automatos	Chenonceau	Total	Total	Fundação CPqD	Total
<b>Assets</b>						
Loan (a)	4.966	-	4.966	6.072	-	-
	4.966	-	4.966	6.072	-	-
Non-Current assets	4.966	-	4.966	6.072	-	-
	4.966	-	4.966	6.072	-	-
<b>Liabilities</b>						
Technological development services (b)	-	-	-	-	-	948
Lease (e)	-	-	-	-	1.358	3.357
Other services (d)	-	-	-	-	93	-
Loan (a)	4.675	822	5.497	2.188	-	-
	4.675	822	5.497	2.188	1.451	4.305
Current liabilities	-	-	-	2.188	1.451	3.681
Non-current liabilities	4.675	822	5.497	-	-	624
	4.675	822	5.497	2.188	1.451	4.305

**PADTEC HOLDING S.A.**

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**MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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

	Consolidated					09/30/20
	09/30/21					
	Fundação CPqD	Padtec Argentina	Padtec Colômbia	Padtec EUA	Total	Total
<b>Revenues</b>						
Sales of products (c)	-	3,969	8,745	1,648	14,362	575
	-	3,969	8,745	1,648	14,362	575
<b>Expenses / Costs</b>						
Technological development services (b)	-	-	-	-	-	182
Other services (d)	11	-	-	-	11	3
	11	-	-	-	11	185

## PADTEC HOLDING S.A.

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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

#### **Key management personnel compensation**

Compensation paid to Executive Officers, members of Board of Directors and members of Supervisory Board, when in operation, is set by the Shareholders Meeting and is consistent with market standards. The maximum total amount approved for fiscal year 2021 was up to R\$ 8,698. The annual compensation of key management personnel includes the following expenses:

	<u>09/30/21</u>	<u>09/30/20</u>
<b>Short-term benefits</b>		
Salaries including bonuses	2,499	1,122
INSS	457	190
Private Pension Fund	120	38
	<u>3,076</u>	<u>1,350</u>

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

#### **11. INVESTMENTS AND PROVISION FOR UNSECURED LIABILITIES**

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

##### **11.1. Breakdown of investments**

	<u>Parent Company</u>	
	<u>09/30/21</u>	<u>12/31/20</u>
Investments in subsidiaries		
Chenonceau Participações S.A.	1.176	294
Padtec S.A.	150.620	121.933
	<u>151.796</u>	<u>122.227</u>



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### MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

#### 11.2. Provision for unsecured liabilities

	Parent Company	
	09/30/21	12/31/20
Investments in subsidiaries		
Automatos Participações Ltda.	(4,621)	(3,888)
	<b>(4,621)</b>	<b>(3,888)</b>

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

	Automatos Participações Ltda.		Chenonceau Participações S.A.		Padtec S.A.	
	09/30/21	12/31/20	09/30/21	12/31/20	09/30/21	12/31/20
Capital	15,966	15,966	18,696	18,696	230,003	230,003
Total assets	4,699	6,655	1,176	294	420,085	364,917
Total liabilities	9,320	10,543	-	-	269,465	242,984
Net equity (negative net worth)	(4,621)	(3,888)	1,176	294	150,620	121,933
Income (loss) for the period	(733)	6,679	883	(2)	28,937	19,450
Number of shares (in thousands)	15,966	15,966	18,696	18,696	230,003	230,003
Number of shares held (in thousands)	15,966	15,966	18,696	18,696	230,003	230,003
Shareholding percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	Padtec S.A Sucursal Argentina		Padtec EUA		Padtec Colômbia	
	09/30/21	12/31/20	09/30/21	12/31/20	09/30/21	12/31/20
Capital	2,160	2,160	18,742	18,213	949	949
Total assets	6,514	2,701	617	1,720	13,490	9,169
Total liabilities	4,065	931	1,989	1,492	14,439	7,771
Net equity (negative net worth)	2,449	1,770	(1,372)	228	(949)	1,398
Income (loss) for the period	984	930	(2,463)	(2,952)	(2,385)	(208)
Number of shares (in thousands)	2,160	2,160	18,742	18,213	1,456	1,456
Number of shares held (in thousands)	2,160	2,160	18,742	18,213	1,456	1,456
Shareholding percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

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

	Automatos Participações Ltda.		Chenonceau Participações S.A.		Padtec S.A.		Total	
	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20
<b>Initial balance of investments</b>	-	-	294	296	121,933	35,515	<b>122,227</b>	<b>35,811</b>
<b>Initial balance - loss of investment</b>	(3,888)	10,903	-	-	-	-	<b>(3,888)</b>	<b>10,903</b>
Capital increase	-	-	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-	-	-
Capital payment	-	-	-	-	-	67,357	-	<b>67,357</b>
Investments / contributions (redemptions)	-	336	-	-	-	-	-	<b>336</b>
Equity valuation adjustment	-	-	-	-	-	-	-	-
Goodwill on capital transaction	-	-	-	-	-	599	-	<b>599</b>
Share of profit (loss) of investees	(733)	723	882	(3)	28,937	11,555	<b>29,086</b>	<b>12,275</b>
Capital loss	-	-	-	-	-	-	-	-
Currency translation adjustments	-	-	-	-	(250)	(283)	<b>(250)</b>	<b>(283)</b>
Other	-	(2,118)	-	-	-	-	-	<b>(2,118)</b>
Balance of the provision for losses in subsidiaries	4,621	(9,844)	-	-	-	-	<b>4,621</b>	<b>(9,844)</b>
<b>Final balance of investments</b>	-	-	<b>1,176</b>	<b>293</b>	<b>150,620</b>	<b>114,743</b>	<b>151,796</b>	<b>115,036</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

### 12. NET PP&E

	Consolidated						
	Machinery and equipment	Computer equipment	Furniture and fixtures	Telephone devices	Third-party property improvement	Right to use lease (a)	Total
<b>Balance as of December 31, 2020</b>							
Cost	21,616	9,792	2,527	21	2,943	6,043	<b>42,942</b>
Accumulated depreciation	(15,572)	(4,636)	(1,263)	(19)	(226)	(2,686)	<b>(24,402)</b>
<b>Balance as of December 31, 2020</b>	<b>6,044</b>	<b>5,156</b>	<b>1,264</b>	<b>2</b>	<b>2,717</b>	<b>3,357</b>	<b>18,540</b>
Acquisitions	4,087	1,465	122	-	1,000	-	<b>6,674</b>
Write-offs and disposals (acquisition)	(36)	(28)	17	-	-	(2,885)	<b>(2,932)</b>
Write-offs and disposals (depreciation)	21	23	(5)	-	-	2,686	<b>2,725</b>
Depreciation	(1,146)	(1,199)	(190)	(1)	(444)	(1,799)	<b>(4,779)</b>
<b>Balance as of September 30, 2021</b>	<b>8,970</b>	<b>5,417</b>	<b>1,208</b>	<b>1</b>	<b>3,273</b>	<b>1,359</b>	<b>20,228</b>
Cost	25,667	11,229	2,666	21	3,943	3,158	<b>46,684</b>
Accumulated depreciation	(16,697)	(5,812)	(1,458)	(20)	(670)	(1,799)	<b>(26,456)</b>
<b>Balance as of September 30, 2021</b>	<b>8,970</b>	<b>5,417</b>	<b>1,208</b>	<b>1</b>	<b>3,273</b>	<b>1,359</b>	<b>20,228</b>

a) Refers to the property lease agreement for the Company's administrative headquarters (see note 10).

b) Acquisitions recorded in Machinery and Equipment group refer to leasing operations (see note No. 16).

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

The table below shows the average depreciation rates for PP&E for the year:

	In years	% per year
Machinery and equipment	02 to 10 years	10% per year to 50% per year
Computer equipment	01 to 5 years	20% per year to 100% per year
Furniture and fixtures	06 to 15 years	6.67% per year to 16.67% per year
Telephone device	04 to 10 years	10% per year to 25% per year
Other	05 years	20% per year

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 13. INTANGIBLE ASSETS, NET

	Parent Company	
	Brands and patents	Total
<b>Balance as of December 31, 2020</b>		
Cost	24	24
<b>Balance as of December 31, 2020</b>	<b>24</b>	<b>24</b>
Cost	24	24
Accumulated amortization	-	-
<b>Balance as of September 30, 2021</b>	<b>24</b>	<b>24</b>

  

	Consolidated					Total
	Software	Brands and patents	Technical Information License	Development projects completed	Development projects in progress	
<b>Balance as of December 31, 2020</b>						
Cost	10,211	27	5,144	20,169	14,068	49,619
Accumulated amortization	(6,097)	-	(4,256)	(10,049)	-	(20,402)
<b>Balance as of December 31, 2020</b>	<b>4,114</b>	<b>27</b>	<b>888</b>	<b>10,120</b>	<b>14,068</b>	<b>29,217</b>
Acquisitions	403	-	592	2,088	10,310	13,393
Transfer in development to completed	-	-	-	9,981	(9,981)	-
Write-offs and disposals (acquisition)	-	-	-	(5,289)	-	(5,289)
Write-offs and disposals (amortization)	(6)	-	(205)	5,289	-	5,078
Amortization	(843)	-	(1,094)	(4,328)	-	(6,265)
<b>Balance as of September 30, 2021</b>	<b>3,668</b>	<b>27</b>	<b>181</b>	<b>17,861</b>	<b>14,397</b>	<b>36,134</b>
Cost	10,614	27	5,736	26,949	14,397	57,723
Accumulated amortization	(6,946)	-	(5,555)	(9,088)	-	(21,589)
<b>Balance as of September 30, 2021</b>	<b>3,668</b>	<b>27</b>	<b>181</b>	<b>17,861</b>	<b>14,397</b>	<b>36,134</b>

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

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

Description	In years	% per year
Software	05 years	20% per year
Development of new products	05 to 10 years	10% per year to 20% per year

## 14. LOANS AND FINANCING

Type	Agreed Rate	Annual average effective rate	Due date	Guarantee	Consolidated	
					09/30/21	12/31/20
<i>Local currency</i>						
Working Capital - Safra	CDI + 5.53% p.a.	5.68%	from 10/22/20 to 09/23/24	-	8,587	10,020
Working Capital - Daycoval	5.9% to 10.08% p.a.	8.33%	from 07/29/20 to 09/30/24	Receivables	9,617	15,036
Working Capital - ABC Brasil	CDI + 4.38% p.a.	4.48%	from 12/23/20 to 05/23/24	Receivables	7,793	8,011
Finep	TR + 2.80% p.a.	2.84%	from 02/15/20 to 02/15/40	Bank-issued guarantee	28,241	10,365
					<b>54,238</b>	<b>43,432</b>
Current liabilities					11,929	11,151
Non-current liabilities					42,309	32,281
					<b>54,238</b>	<b>43,432</b>

Repayment schedule by year of maturity:

Updated table below.

	Consolidated											
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031-2040	Total
Loans and financing	2,968	11,007	8,398	7,738	2,023	2,023	2,023	2,023	2,023	2,023	11,988	54,238

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

### 14.1. Payments

During the third quarter of 2021, R\$ 9,372 was paid in the consolidated referring to interest and principal on loans obtained by the Company.

### 14.2. Raising of Loans and Financing

In July 2021, subsidiary Padtec S.A. raised a credit line from FINEP, intended for technological investments. The financing granted amounts to R\$ 19,654 and the funds are released according to the disbursement and proof of costs under the strategic innovation plan of Padtec S.A. So far, R\$ 7,588 have been capitalized. Interest will be paid in 217 consecutive monthly installments, with a 30-month grace period for principal payment.

Up to the third quarter of 2021, R\$ 10,255 of financing had been released with FINEP, arising from agreements signed in 2020. The credit line granted amounts to R\$ 23,964 and the funds are released according to the disbursement and proof of costs under the strategic plan.

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

	<u>Consolidated</u>
<b>Balances as of January 1, 2020</b>	<u>-</u>
Balance from consolidation	60,367
Interest expenses	3,080
Interest Payment	(3,052)
Loans Raised	49,364
Amortization	(66,327)
	<u><b>43,432</b></u>
<b>Balance as of December 31, 2020</b>	<u></u>
Interest expenses	2,335
Interest Payment	(2,023)
Loans Raised	17,843
Amortization	(7,349)
	<u></u>
<b>Net cash flow from financing activities in current quarter</b>	<u><b>10,806</b></u>
<b>Balance as of September 30, 2021</b>	<u><b>54,238</b></u>

## 15. DEBENTURES

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

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

The change in the issuance of Debentures is shown below:

Type	Consolidated			
	Balance as of 12/31/2020	Principal Amortization	Interest adjustment	Balance as of 09/30/2021
<i>Measured at amortized cost - post fixed</i>				
<b>Post fixed</b>				
CDI	40.000	(5.333)	-	34.758
<b>Total at cost</b>	<b>40.000</b>	<b>(5.333)</b>	<b>-</b>	<b>34.758</b>
<b>Funding expenses (*)</b>	<b>(922)</b>	<b>138</b>	<b>91</b>	<b>(784)</b>
<b>Total</b>	<b>39.078</b>	<b>(5.195)</b>	<b>91</b>	<b>33.974</b>
Current liabilities	7.765			10.510
Non-current liabilities	31.313			23.464
	<b>39.078</b>			<b>33.974</b>

Repayment schedule by year of maturity:

	Consolidated				
	2021	2022	2023	2024	TOTAL
Debentures	2,628	10,490	10,428	10,428	<b>33,974</b>

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

Debentures have a maturity term of 4 (four) years, counted from their issue date, therefore maturing on December 21, 2024. The net proceeds raised through this issue were used for reprofiling and lengthening the Company's debts, including the full payment of debts originally contracted with Banco do Brasil, as well as the full payment of debts originally contracted with Banco Itaú.

### Covenants

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

The Company monitors these indexes on a systematic and constant basis, in order to ensure that the conditions are met. In Management's understanding, all restrictive conditions and financial and non-financial clauses are duly complied with as of September 30, 2021.



## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

	<b>Consolidated</b>
<b>Balances as of January 1, 2020</b>	<b>-</b>
Issuance of debentures	40,000
Costs with issuance of debentures	(922)
<b>Balance as of December 31, 2020</b>	<b>39,078</b>
Interest adjustment with issuance of debentures	91
Amortizaion of costs with issuance of debentures	138
Payment of debentures - principal	(5,333)
<b>Net cash flow from financing activities in current quarter</b>	<b>(5,104)</b>
<b>Balance as of September 30, 2021</b>	<b>33,974</b>

### 16. Lease transactions

Subsidiary Padtec S.A. has a lease agreement with Daycoval Leasing – Banco Multiplo S/A, referring to the lease of equipment that is being used in the service provision operation. The lease lasts for 33 months with a 3-month grace period and a call option clause at the end of this term. Lease payment will be made in 33 equal installments beginning in December 2021. The effect of this accounting is the recording of R\$ 3,830 in property, plant and equipment in the group of Machinery and Equipment, with a corresponding entry to the rental obligation in current and no-current liabilities.

Subsidiary Padtec S.A. has other lease agreements as described in note 10.

### 17. FINANCIAL TRANSACTIONS

As of September 30, 2021, the Company has recorded financial transactions of Vendor and FIDC in the amount of R\$ 33,799 (R\$ 37,139 as of December 31, 2020) in current liabilities and R\$ 12,663 (R\$ 11,460 as of December 31, 2020) in non-current liabilities. The corresponding entry of this entry is recorded in current assets and non-current assets. Such transactions are described as follows:

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 17.1. Vendor Transactions

The Company entered into Vendor agreements (factoring) with Banco do Brasil, Banco Safra, Banco Industrial, Banco Paulista, Banco Alfa and Banco Daycoval, which consist of sales financing transactions based on the principle of credit assignment. By the end of the third quarter of 2021, these financial institutions granted credits to 23 customers of the Company upon Financing Promise Agreements in the overall limit amount of R\$ 92,465 maturing by September 2024. This amount is used to purchase the Company's products and services. As of September 30, 2021, there was no default and the amount recorded is R\$ 31,985 in the short term and R\$ 12,483 in the long term.

### 17.2. Transactions with the credit rights investment fund (FIDC)

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

As of September 30, 2021, 5 customers of the Company were granted credit in the total amount of R\$ 8,722, with maturity up to January 2023. As of September 30, 2021, there was no default and the amount recorded is R\$ 1,814 in the short term and R\$ 180 in the long term.

## 18. TRADE ACCOUNTS PAYABLE

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Domestic suppliers	1,327	-	18,437	12,801
International suppliers	-	-	45,713	43,031
	<b>1,327</b>	<b>-</b>	<b>64,150</b>	<b>55,832</b>

## 19. FORFAITING

The Company has an agreement with a Banco do Brasil to allow domestic suppliers to early collect their receivables. Under this transaction, suppliers assign receivables from sales of goods to financial institutions. The consolidated balance as of September 30, 2021 is R\$ 1,957 (R\$ 1,971 as of December 31, 2020), with a maximum term of 180 days. The Company has no financial expenses related to this transaction, as the cost is paid by the supplier.

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 20. TAXES AND CONTRIBUTIONS PAYABLE

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Tax on the circulation of goods and services - ICMS	-	-	4,098	3,320
Corporate Income Tax - IRPJ	-	-	-	558
Excise Tax - IPI	-	-	3,307	2,728
Social contribution on Net Income - CSLL	-	-	-	203
Social Integration Program- PIS	1	-	287	314
Contribution to social security financing - COFINS	3	4	1,328	1,341
Service Tax - ISS	8	-	277	189
Other	94	-	386	551
Current liabilities	<b>106</b>	<b>4</b>	<b>9,683</b>	<b>9,204</b>

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

	Consolidated	
	09/30/21	12/31/20
Installment payment of Tax on the Circulation of Goods and Services - ICMS (a)	8,481	5,043
Installment payment of tax on service - ISS (b)	275	3,257
Other	-	234
<b>Total liabilities</b>	<b>8,756</b>	<b>8,534</b>
Current liabilities	8,056	6,331
Non-current liabilities	700	2,203
	<b>8,756</b>	<b>8,534</b>

- a) 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\$ 16,445, with an outstanding balance as of September 30, 2021, in the amount of R\$ 8,481 with final maturity up to January 2023.
- b) The consolidated amount is represented by municipal tax debts of subsidiary Automatos Participações.

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 22. PROVISIONS

#### 22.1. Miscellaneous provisions

	Consolidated			
	31/12/21		30/09/21	
	Opening balance	Addition to provision	Reversals	Final balance
Provision for commission (a)	724	824	(820)	728
Repairs during warranty (b)	1,892	584	(1,605)	871
Other	129	677	(51)	755
<b>Total</b>	<b>2,745</b>	<b>2,085</b>	<b>(2,476)</b>	<b>2,354</b>

- a) Refers to the provision for payment of commissions on sales made to customers at the percentage of 0.4% to 4% or fixed amounts of monthly salaries, pursuant to the contractual clauses.  
b) Recognized to meet expenditures relating to products, including warranty and contractual obligations.

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

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

	Consolidated			
	31/12/21		30/09/21	
	Opening balance	Addition to provision	Reversals	Final balance
Labor (a)	20,335	542	(2,158)	18,619
Civil (b)	2,875	-	-	-
<b>Total provisions</b>	<b>23,110</b>	<b>542</b>	<b>(2,158)</b>	<b>21,494</b>
Judicial deposits (d)	(1,187)	(328)	524	(991)
<b>Total</b>	<b>21,923</b>	<b>214</b>	<b>(1,634)</b>	<b>20,503</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

Consolidated				
	31/12/21	30/09/21		
	Opening balance	Addition to provision	Reversals	Final balance
Labor (a)	22,734	1,166	(2,468)	21,432
Civil (b)	5,397	1,642	(1,349)	6,230
Tax (c)	7,014	3,120	(581)	9,553
Administrative 0	285	111	(130)	266
<b>Total provisions</b>	<b>35,970</b>	<b>6,039</b>	<b>(4,528)</b>	<b>37,481</b>
Judicial deposits (d)	(2,364)	(624)	1,615	(1,373)
<b>Total</b>	<b>33,606</b>	<b>5,415</b>	<b>(2,913)</b>	<b>36,108</b>

### (a) Labor

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

### (b) Civil

Civil Actions F. P. e A. Ltda.: Padtec Holding S.A. (formerly Ideiasnet S.A.) is a defendant in three civil lawsuits filed by the plaintiff, namely: 0014757-87.2014.8.16.0001 (precautionary action); 0021446-50.2014.8.16.0001 (main case); and 0009306-47.2015.8.16.0001 (accountability action). Such lawsuits address the validity of the guarantees given by the plaintiff (fiduciary sale of real estate instruments) in favor of Padtec Holding S.A. in connection with the sale of the former investee Softcorp and the amounts due to Padtec Holding versus the amount executed by it through the guarantees. These cases are closed to the public and proceed together, apart from the main case. The amount provisioned is R\$ 2,875.

### (c) Tax

The main proceedings are described as follows:

#### IPI

Subsidiary Padtec S.A. was assessed by the Federal Revenue Service of Brazil for the sale of incentivized product accessories unaccompanied by the final products, allegedly not complying with the requirement to enjoy the tax benefit provided for in the Information Technology Law then in force (reduction of IPI rate). The subsidiary was assessed for the periods 2011 and 2012. The total provisioned risk amounts to R\$ 2,363 and additionally made a provision of R\$ 926 for the periods 2016 to 2018.

#### ISSQN

Tax Assessment Notices issued by the Municipality of Belo Horizonte/MG, referring to (i) ISSQN payment at the rate of 5% related to alleged services rendered and fine for the issuance of a document other than that established by the municipal tax legislation, by the company PSG - Padtec Serviços Global de Telecomunicações Ltda (merged into subsidiary Padtec S.A.), by its branch located in the city of Belo Horizonte/MG from April 2015 to July 2016; and (ii) fine for issuing a document other than that established by the municipal tax legislation in the same period, with tax loss.. The provision made is R\$ 2,362.

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

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### **(d) Judicial Deposits**

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

In the consolidated, there are other lawsuits with a total amount at risk of R\$ 70,066 assessed by the legal advisors as having a possible risk of loss as of September 30, 2021 (R\$ 74,225 as of December 31, 2020), 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 includes R\$ 58,617 referring to tax risks, R\$ 6,355 to labor risks, R\$ 4,879 to civil risks and R\$ 215 to administrative risks. The main proceedings that fall under the description above are detailed below:

- Subsidiary Padtec S.A. has a tax foreclosure proceeding related to ICMS tax, which is in the appeal stage, in the amount of R\$ 6,258. The lower court decision was partially favorable to cancel the tax charged, maintaining, however, the requirement of fines.
- Subsidiary Padtec S.A. has a tax foreclosure process embodied in CDA No. 80 6 21 127486-04, demanding the payment of debts arising from Administrative Proceeding No. 10831 724290/2014-65, already concluded at the administrative level, referring to the Tax Assessment Notice issued for requirement of a Regulatory Fine and differences calculated under II, IPI, PIS and COFINS, as a result of the alleged error in the tax classification of imported products. The purpose of the foreclosure is only the regulatory fine of 1% on the customs value, totaling R\$ 1,820. The Subsidiary guaranteed the foreclosure with the submission of a performance bond, to discuss in court the charge that it considers undue .
- The subsidiary Padtec S.A. has a tax assessment notice issued by the Brazilian Federal Revenue Service referring to the payment of PIS and COFINS calculated on a non-cumulative basis, for the period from January 2009 to December 2010. The process is at the Tax Control and Monitoring Service of the Federal Revenue Service of Sorocaba/SP and is awaiting judgment of the challenge, in the amount of R\$ 5,864. This process was stayed by a lawsuit filed by the subsidiary in 2008. Due to STF decision in the leading case and of the final and unappealable decision of the aforementioned lawsuit linked to this proceeding, in favor of the plaintiff, such developments were informed in the records in May 2021 and we required the immediate cancellation of the tax assessment notice under analysis.
- 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 reduction of the Tax on Industrialized Products (IPI) in 2011 and 2012, in the amount of R\$ 38,941. In January 2008, Padtec S.A. received a subpoena, which dismissed the objection presented and maintained the assessment. In September 2019, the judgment of the Voluntary Appeals presented to CARF converted the proceeding into a diligence
- PerDComp Federal Taxes - These are 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. The records are at the National Process Management Center of the Federal Revenue Office in Ribeirão Preto/SP.

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 23. LABOR CHARGES

	Parent Company		Consolidated	
	30/9/21	31/12/21	30/9/21	31/12/21
Salaries	89	44	3,259	2,542
Profit sharing	-	-	3,672	3,211
Social charges	44	62	6,252	5,792
Provision for Vacations / Christmas Bonus:	-	80	9,545	6,499
Private pension fund	-	-	522	844
Other	-	-	150	88
	<b>133</b>	<b>186</b>	<b>23,400</b>	<b>18,976</b>

### 24. PRIVATE PENSION PLAN

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

Under the defined benefit, the contribution and benefit amount 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 these plans, funding varies according to a contribution table based on salary ranges, from 1% to 8% of the employees' compensation.

As of September 30, 2021, there were no actuarial liabilities on behalf of Padtec S.A. arising from the supplementary pension plan.

Contributions made amounted to R\$ 2,002 on September 30, 2021, which were recorded as an expense in P&L for the period.

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 25. EQUITY

#### 25.1. Capital

As of September 30, 2021, the Company's subscribed and paid-in capital is R\$ 199,211, divided into 78,450 book-entry common shares, with no par value.

Shareholder	09/30/21		12/31/20	
	Number of shares	% Interest	Number of shares	Shareholding - %
Fundação CPqD – Centro de Pesquisa e Desenvolvimento em Telecomunicações	43,075,127	54.91%	43,075,127	54.91%
BNDES Participações S.A. – BNDESPAR	18,084,240	23.05%	18,084,240	23.05%
LMC Brazil, LLC	3,927,649	5.01%	3,927,649	5.01%
Others	13,362,763	17.03%	13,362,763	17.03%
<b>Total</b>	<b>78,449,779</b>	<b>100.00%</b>	<b>78,449,779</b>	<b>100.00%</b>

#### 25.2. Capital Reserve

##### Capital

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

#### 25.3. Other comprehensive income

##### Translation adjustments

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

### 26. EARNINGS PER SHARE

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

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



## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

The number of shares calculated, as described above, is compared with the number of shares issued, assuming the period of stock options. The following shows the basic and diluted earnings per share as of September 30, 2021, and 2020:

	Parent Company				Consolidated		
	Parent Company and Consolidated		Continuing operations		Continuing operations		Discontinued operations
	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21
<b>Basic numerator</b>							
Profit for the period	27,284	9,351	27,284	9,351	14,003	9,351	13,281
Number of Shares	78,450	78,450	78,450	78,450	78,450	78,450	78,450
<b>Basic and diluted earnings per share - in Brazilian reais</b>	<b>0,3478</b>	<b>0,1192</b>	<b>0,3478</b>	<b>0,1192</b>	<b>0,1785</b>	<b>0,1192</b>	<b>0,1693</b>
<b>Diluted numerator</b>							
Profit for the period	27,284	9,351	27,284	9,351	14,003	9,351	13,281
Number of Shares	78,450	78,450	78,450	78,450	78,450	78,450	78,450
<b>Diluted earnings per share - in Brazilian reais</b>	<b>0,3478</b>	<b>0,1192</b>	<b>0,3478</b>	<b>0,1192</b>	<b>0,1785</b>	<b>0,1192</b>	<b>0,1693</b>

## 27. NET OPERATING REVENUE

	Period from July 1 to September 30		Period from January 1 to September 30	
	Consolidated		Consolidated	
	09/30/21	09/30/20	09/30/21	09/30/20
<b>Gross operating revenue</b>	124.077	87.563	336.070	120.201
Products sold	92.234	73.954	259.224	97.942
Services rendered	31.843	13.609	76.846	22.259
Taxes on sales	(29.956)	(21.424)	(79.995)	(28.205)
Returns and cancellations	(3.650)	(2.786)	(9.956)	(4.835)
<b>Net operating revenue</b>	<b>90.471</b>	<b>63.353</b>	<b>246.119</b>	<b>87.161</b>

## 28. COST OF GOODS SOLD AND SERVICES PROVIDED

	Period from July 1 to September 30		Period from January 1 to September 30	
	Consolidated		Consolidated	
	09/30/21	09/30/20	09/30/21	09/30/20
Materials	(47,463)	(24,366)	(124,234)	(33,497)
Labor	(10,170)	(8,337)	(29,361)	(10,833)
Depreciation / amortization	(800)	(814)	(2,184)	(1,091)
Reversal of provisions	6,075	3,137	12,108	3,249
Travels	(2,370)	(1,777)	(6,791)	(2,327)
Other costs	(2,926)	(8,145)	(7,541)	(9,919)
	<b>(57,654)</b>	<b>(40,302)</b>	<b>(158,003)</b>	<b>(54,418)</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

### 29. OPERATING REVENUES (EXPENSES)

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

	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20
Labor expenses and social charges	(435)	(594)	(13,946)	(12,362)	(1,262)	(1,555)	(41,668)	(16,192)
Third-party services	(218)	(194)	(2,400)	(1,719)	(1,138)	(675)	(5,574)	(2,731)
Selling and marketing expenses	-	(67)	(340)	(156)	(177)	(185)	(819)	(282)
General and administrative expenses	(78)	(71)	(1,200)	(519)	(228)	(315)	(4,174)	(1,863)
Depreciation / amortization	-	-	(3,198)	(2,820)	-	-	(8,853)	(2,820)
Travels	-	-	(195)	(55)	-	-	(373)	(55)
Lease of properties and equipment	-	-	(183)	(83)	-	(47)	(407)	(176)
Other	(8)	-	(1,231)	(1,167)	(13)	-	(2,137)	(1,349)
	<b>(739)</b>	<b>(926)</b>	<b>(22,693)</b>	<b>(18,881)</b>	<b>(2,818)</b>	<b>(2,777)</b>	<b>(64,005)</b>	<b>(25,468)</b>

Reported as follows:

	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20
Administrative expenses	(739)	(926)	(6,016)	(5,923)	(2,818)	(2,777)	(19,013)	(9,395)
Selling expenses	-	-	(7,517)	(5,525)	-	-	(22,387)	(7,052)
Research and development expenses	-	-	(9,160)	(7,433)	-	-	(22,605)	(9,021)
	<b>(739)</b>	<b>(926)</b>	<b>(22,693)</b>	<b>(18,881)</b>	<b>(2,818)</b>	<b>(2,777)</b>	<b>(64,005)</b>	<b>(25,468)</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

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

	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20	09/30/21	09/30/20
Tax gain - PIS/Cofins credit - ICMS exclusion (a)	-	-	-	-	-	-	1.736	-
Tax gain - ISS credit granted	-	-	-	-	-	-	1.532	-
Loss / gain - asset held for sale	-	-	-	-	-	(345)	-	(345)
Loss of trade account receivables	-	-	(950)	(2.187)	5	-	(1.872)	(2.302)
Reversal of allowance for doubtful accounts	-	-	629	7.592	-	3	911	7.738
Reversal of provision for labor contingencies	695	(1.108)	(69)	(1.170)	1.271	(420)	255	(436)
Reversal of provision for tax contingencies	-	-	(21)	346	-	-	107	(1.789)
Provision for civil contingencies	181	-	140	(95)	1.047	961	(312)	1.886
Reversal of provision for administrative contingencies	-	-	(117)	(284)	-	-	(41)	(954)
Other (b)	(914)	-	(901)	-	(1.160)	(406)	(1.761)	(405)
	<b>(38)</b>	<b>(1.198)</b>	<b>(1.289)</b>	<b>4.202</b>	<b>1.163</b>	<b>(207)</b>	<b>555</b>	<b>3.393</b>

- a) ISSQN credit granted to Padtec, equivalent to R\$ 1,532 to be offset in 24 months on the ISS due in each future period.  
b) Other expenses refer to the write-off of accounts receivable equivalent to R\$ 913 with Officer Endorsements.

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

### 30. FINANCIAL INCOME (COSTS)

#### 30.1. Financial income

	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20
Income from financial investments	-	7	1,118	406	7	112	2,647	687
Income from financial transactions	-	-	202	300	-	-	616	533
Foreign exchange gains	-	-	2,156	-	-	-	6,402	-
Inflation adjustment on taxes and contribution	1	-	(100)	-	2	-	2,877	-
Other revenues	(97)	(1)	(505)	2,582	(97)	(1)	(56)	2,640
	<b>(96)</b>	<b>6</b>	<b>2,871</b>	<b>3,288</b>	<b>(88)</b>	<b>111</b>	<b>12,486</b>	<b>3,860</b>

#### 30.2. Financial costs

	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20
Interest on loans and financing	(14)	-	(2,662)	(1,439)	(24)	-	(6,128)	(1,873)
Costs on financial transactions	-	-	-	(9)	-	-	(38)	(69)
Foreign exchange losses	-	-	(2,487)	-	-	-	(6,954)	-
Other expenses	(31)	(16)	(2,352)	(2,983)	(35)	(51)	(3,500)	(3,079)
	<b>(45)</b>	<b>(16)</b>	<b>(7,501)</b>	<b>(4,431)</b>	<b>(59)</b>	<b>(51)</b>	<b>(16,620)</b>	<b>(5,021)</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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

### 31. INCOME TAX AND SOCIAL CONTRIBUTION

#### Current

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

	Period from July 1 to September 30		Period from July 1 to September 30		Period from January 1 to September 30		Period from January 1 to September 30	
	Parent Company		Consolidated		Parent Company		Consolidated	
	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20	30/09/21	30/09/20
<b>Income before taxes</b>	<b>4.660</b>	<b>7.801</b>	<b>4.205</b>	<b>7.229</b>	<b>27.284</b>	<b>9.351</b>	<b>20.532</b>	<b>9.031</b>
Share of profit (loss) of investees	(5.579)	(9.935)	-	-	(29.087)	(12.275)	-	476
Law No. 11,196/05	-	-	(2.097)	(2.802)	-	-	(7.522)	(2.802)
(+/-) Other additions and deletions	(3.731)	1.106	(8.342)	(6.977)	(4.412)	(229)	7.607	(11.572)
Provision/reversal for obsolescence of inventory	-	-	1.280	1.018	-	-	3.345	1.018
Provision/reversal of contingencies	(3.731)	1.108	(4.819)	3.947	(4.475)	(287)	(4.424)	5.300
Provision/reversal of revenues	-	-	(1.334)	(7.720)	-	-	3.521	(7.720)
Provision/reversal for doubtful accounts	-	-	(630)	(7.736)	-	(3)	(912)	(7.739)
Provision/reversal - other	-	-	757	1.559	-	(344)	419	1.404
Financial credits	-	-	(5.977)	(4.010)	-	-	(15.619)	(4.010)
Discontinued operations	-	-	124	-	-	-	13.281	-
Other Additions and deletions	1	(2)	2.257	5.965	64	405	7.996	175
<b>Tax profit (loss) (IR basis)</b>	<b>(4.649)</b>	<b>(1.028)</b>	<b>(6.234)</b>	<b>(2.550)</b>	<b>(6.214)</b>	<b>(3.153)</b>	<b>20.617</b>	<b>(4.867)</b>
Income tax	-	-	234	392	-	-	(4.832)	218
Social contribution	-	-	97	180	-	-	(1.697)	102
<b>Current income tax and CSLL</b>	<b>-</b>	<b>-</b>	<b>331</b>	<b>572</b>	<b>-</b>	<b>-</b>	<b>(6.529)</b>	<b>320</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 32. DISCONTINUED OPERATIONS

On January 18, 2019, Padtec S.A. entered into an agreement for the sale of its submarine division with IPG Photonics, for a total amount of R\$ 75,000.

On March 15, 2019, the deal was concluded and Padtec S.A. received the amount of R\$ 56,250 referring to 75% of the business sale and the remaining 25% was to be received in two installments, the first, of 10%, after fulfillment of contractual obligations in 2019 and the second, of 15%, after 2 years from the signing of the agreement, after overcoming the risks of failures that were to be covered by Padtec S.A.

The net income from discontinued operations in 2021 amounted to R\$ 13,281; in the first half of the year the remaining 15% of R\$ 11,968 was recorded (referring to Padtec S/A, inflation adjusted according to contractual clause) and the Company also received R\$ 1,313 from the sale of the remaining interest in Batanga, an investee company of former Ideiasnet.

### 33. INSURANCE (UNAUDITED)

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

Below, we show the amounts insured by risk coverage:

Covered risk	Current period		Insured amount
	From	To	09/30/21
Basic coverage: fire, lightning and explosion			
Additional coverage: loss of profits, flooding, goods, electrical damage, landslide, equipment, machinery breakdown, registration and document recomposition, RC Commercial and Industrial establishments, theft and windstorm	04/28/21	04/28/22	<b>228,652</b>
Death, accident, disability	07/01/20	06/30/22	<b>932</b>
Death, accident, disability	07/01/20	06/30/22	<b>419</b>
Death, accident, disability	07/01/20	06/30/22	<b>32</b>
Road hazards	10/31/20	10/31/21	<b>4,000</b>
Broad coverage (Imports)	10/31/20	10/31/21	<b>USD 2,000</b>
Broad coverage (Export)	10/31/20	10/31/21	<b>USD 2,000</b>
Executive Office	07/09/21	07/09/22	<b>50,000</b>
General RC, Operations, Products	07/13/21	07/13/22	<b>15,000</b>

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### 34. RISK MANAGEMENT

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

### 35. FINANCIAL INSTRUMENTS

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

		<b>Consolidated</b>	
		<b>Book Value</b>	
	<b>Fair Value Hierarchy</b>	<b>09/30/21</b>	<b>12/31/20</b>
<b>Assets</b>			
	<b><i>Amortized cost</i></b>		
	Trade receivables	106,798	102,673
	<b><i>Fair value through profit or loss</i></b>		
	Cash and cash equivalents	85,197	64,680
	Restricted financial investments	11,582	19,395
<b>Total</b>		<b>203,577</b>	<b>186,748</b>
<b>Liabilities</b>			
	<b><i>Amortized cost</i></b>		
	Loans and financing (current)	(11,929)	(11,151)
	Loans and financing (non-current)	(42,309)	(32,281)
	Debentures (current)	(10,510)	(7,765)
	Debentures (current)	(23,464)	(31,313)
	Lease transactions (current)	(1,236)	-
	Lease transactions (non-current)	(2,594)	-
	Trade Accounts Payable	(64,150)	(55,832)
	Forfeiting	(1,957)	(1,971)
<b>Total</b>		<b>(158,149)</b>	<b>(140,313)</b>

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

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

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

### **Fair value against book values**

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

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

### **Valuation of financial instruments**

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

CPC 4 (R1) and IFRS 7 require the classification based on a three-level hierarchy to measure the financial instruments at fair value, based on observable and unobservable information related to the financial instrument valuation on the measurement date. CPC 40 (R1) and IFRS 7 also define observable information as market data obtained from independent sources and non-observable information reflecting market assumptions.

The three fair value hierarchy levels are:

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

#### **35.1. Financial risk factors**

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

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

#### **35.2. Capital risk**

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

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



## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/21</b>	<b>12/31/20</b>	<b>09/30/21</b>	<b>12/31/20</b>
Debt	-	-	88,212	82,510
Cash and cash equivalents, financial investments	-	1	96,779	84,075
Net Debt (net cash)	-	(1)	(8,567)	(1,565)
Equity	130,046	103,012	130,046	103,012
Debt (cash) ratio, net	0%	0%	-7%	-2%

### 35.3. Credit risk

Credit risk is the risk of the Company incurring a financial loss if a customer or a counterparty to a financial instrument fails to fulfill its contractual obligations, mostly arising from receivables from recurring customers and financial investments. To mitigate this risk, the Company and its subsidiaries adopt the procedure of making a detailed analysis of their customers' equity and financial position and constantly monitoring their outstanding debt balances. Impairment losses are shown in Note 5 (trade accounts receivable), according to the recoverability assessment performed by Management

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

### 35.4. Liquidity risk

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

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

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

	Consolidated			
	Book Value	Up to 1 year	1-2 years	2-20 years
Restricted financial investments	11,582	11,582	-	-
Financial transactions	46,462	33,799	12,663	-
Lease transactions	(3,830)	(1,236)	(2,594)	-
Loans and financing	(54,238)	(11,929)	(9,850)	(32,459)
Debentures	(33,974)	(10,510)	(10,428)	(13,036)
Trade Accounts Payable	(64,150)	(64,150)	-	-
Forfeiting	(1,957)	(1,957)	-	-
Financial transactions	(46,462)	(33,799)	(12,663)	-
<b>Total</b>	<b>(146,567)</b>	<b>(78,200)</b>	<b>(22,872)</b>	<b>(45,495)</b>

### 35.5. Currency risk

It results from the possibility of fluctuations in the exchange rates of foreign currencies used by Padtec. 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	
	09/30/21		12/31/20	
	R\$	US\$	R\$	US\$
<b>Assets</b>				
Trade receivables	24,527	4,509	18,232	3,508
<b>Liabilities</b>				
Trade Accounts Payable	(45,713)	(8,404)	(43,031)	(8,280)
<b>Total</b>	<b>(21,186)</b>	<b>(3,895)</b>	<b>(24,799)</b>	<b>(4,772)</b>

### 35.6. Interest rate risk

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

## PADTEC HOLDING S.A.

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
<b>Assets</b>				
Cash and cash equivalents	-	1	85,197	64,680
Restricted financial investments	-	-	11,582	19,395
Financial transactions (current)	-	-	33,799	37,139
Financial transactions (non-current)	-	-	12,663	11,460
<b>Liabilities</b>				
Loans and financing	-	-	(54,238)	(43,432)
Debentures	-	-	(33,974)	(39,078)
Forfeiting	-	-	(1,957)	(1,971)
Financial transactions (Current)	-	-	(33,799)	(37,139)
Financial transactions (Non-current)	-	-	(12,663)	(11,460)
	-	1	6,610	(406)

### 35.7. Sensitivity analysis

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

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

Foreign exchange rate	Consolidated		
	Probable scenario	25% Increase	50% Increase
Trade receivables	24.527	6.132	12.264
Trade Accounts Payable	(45.713)	(11.428)	(22.857)
<b>Impact on profit or loss</b>		<b>(5.296)</b>	<b>(10.593)</b>

Interest rate	Consolidated		
	Probable scenario	25% Increase	50% Increase
Cash and cash equivalents	85.197	21.299	42.599
Restricted financial investments	11.582	2.896	5.791
Loans and financing	(54.238)	(13.560)	(27.119)
Debentures	(33.974)	(8.494)	(16.987)
Forfeiting	(1.957)	(489)	(979)
<b>Impact on profit or loss</b>		<b>1.652</b>	<b>3.305</b>

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

MANAGEMENT'S NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021  
(Amounts In thousands of Brazilian reais - R\$, unless otherwise indicated)

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

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

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

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