

Earnings Release

3Q21



Padtec Holding S.A.
November 10, 2021



Results Webcast

November 11, Thursday, 11:30 a.m. (Sao Paulo, Brazil)

Zoom platform

The webcast will be hosted in Portuguese. Access www.padtec.com to add the meeting to your calendar.

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Earnings Release 3Q21

Campinas, SP, November 10, 2021. Padtec Holding S.A. (B3: PDC3) ("Company" or "Padtec") presents its results for the third quarter of 2021 ("3Q21"), in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). For the purpose of a better comparison with the previous quarters, the Company presents in this report and on its website combined consolidated information, considering Padtec SA as its wholly-owned subsidiary since January 2018.

- **Highlights 3Q21**

Global supplier of high capacity optical transport systems

➤ Padtec S.A. celebrated its 20th anniversary in August: for two decades the Company has contributed to increasing connectivity between people and companies, actively participating in the economic and social development of the regions where it operates and in reducing social inequality.

Key provider of the mission-critical telecom ecosystem

➤ Gross revenues totaled R\$ 120.4 million in the quarter (42.1% above 3Q20), a new registry in the Company's recent history.

➤ Gross revenues of R\$ 326.1 million in 9M21, an increase of 55% compared to 9M20 and 2.6% above the value registered in year 2020.

Innovative solutions, diversified product portfolio, qualified team with high expertise in the technologies developed

➤ Gross profit of R\$ 32.8 million in 3Q21, gross margin of 36.3%. In 9M21, gross profit of R\$ 88.2 million and gross margin of 35.8%.

➤ Net profit of R\$ 4.7 million in the quarter and R\$ 27.3 million in 9M21.

➤ EBITDA of R\$ 13 million in 3Q21, with an EBITDA margin of 14.3%, and Adjusted EBITDA, excluding non-recurring effects, of R\$ 12.8 million, with an Adjusted EBITDA margin of 14.2%.

Proximity and partnership with customers in offering Premium Services for

➤ In 9M21, EBITDA reached R\$ 49 million (EBITDA margin of 19.9%) and Adjusted EBITDA reached R\$ 34 million (Adjusted EBITDA margin of 13.8%), above the figures obtained in 2020.

➤ R\$ 11.2 million allocated to P&D in 3Q21, equivalent to 12.4% of the Company's revenue in the quarter. In 9M21, the amount invested in P&D was R\$ 30.6 million, also equivalent to 12.4% of the Company's revenue in the period.

Leadership in the high capacity data connectivity market in Brazil

➤ Solid capital structure: total debt of R\$ 88.2 million at the end of September 2021 (25% short term and 75% long term), negative net debt of R\$ 8.6 million (cash and cash equivalents resources plus financial investments in guarantee exceed the Company's debt).

- Creation of the Legal Department/General Secretariat, aiming to reinforce Padtec's compliance, governance and ethics practices.
- Launch of Padtec Classroom: a series of short-term virtual technical courses aimed at fostering the technological development of customers, reinforcing Padtec's reference position among professionals in the telecommunications sector.
- Prêmio Melhores e Maiores 2021 (*Best and Biggest 2021 Award*), granted by Exame magazine: Padtec won third place in the Telecommunications category.
- The recent auction of frequencies, including additional spaces for 4G and 5G, will create new growth opportunities for our connectivity solutions and services.

R\$ thousand	Selected Financial Indicators - Combined*									
	1Q20	2Q20	3Q20	4Q20	1H20	2020	1Q21	2Q21	1H21	2021
Gross operating revenues	61.475	64.178	84.777	107.448	125.653	317.876	86.133	119.554	205.687	205.687
Gross profit	15.452	17.785	23.051	28.939	33.237	85.223	23.341	31.958	55.299	55.299
Net profit	(821)	1.454	7.801	7.860	633	16.293	11.721	10.903	22.624	22.624
Adjusted EBITDA	(1.250)	5.867	11.339	10.802	4.617	26.756	5.816	15.323	21.139	21.139
Adjusted EBITDA margin	-2,4%	11,5%	17,9%	13,2%	0,0%	10,8%	8,8%	17,1%	13,6%	13,6%
Gross debt	44.857	74.177	79.354	82.510	74.177	82.510	81.071	79.502	79.502	79.502
Net debt	(2.461)	(4.970)	9.929	(1.565)	(4.970)	(1.565)	11.823	3.981	3.981	3.981

* Combined information for the year 2020, considering Padtec S.A. as its wholly owned subsidiary since January 2020.

- **Padtec 20 years: the future we make together is just beginning**

More than having completed 20 years of history in August, Padtec celebrates the milestone of building the future in the present every day, accelerating socioeconomic and technological development in all countries and regions where it is present. The Company definitely supports the critical missions of ensuring the continuity of internet and data transmission services in various sectors of the Brazilian economy, and we are increasingly present in the Americas, Europe and Africa.

The social isolation imposed by the Covid-19 pandemic accelerated digitalization around the world and it was no different in Brazil. Connectivity has gained increasing relevance as a tool for socioeconomic integration, in addition to being essential in all sectors of the economy. Through its world-class optical transport systems, which enable increased connectivity and expansion in data transmission, Padtec contributes to transforming the lives of all people.

According to the data presented at the Telebrasil 2021 Panel, held in September, investments of US\$ 20 billion will be necessary for Brazil to reach levels of connectivity similar to those of OECD member countries. Here, the approximate density of broadband connections is 18 per hundred inhabitants, while the OECD average is over 30%. Calculations released by BNDES at this event show that for every R\$ 100 million invested in regional providers, between 300,000 and 400,000 broadband accesses are added to the Brazilian network. And for networks to be faster and more stable, it is mandatory that the connection uses optical fibers.

The months that followed the beginning of the Covid-19 pandemic in 1Q20 resulted in great demand, by all types of Padtec customers, for the implementation of new and better communication networks that would result in an increase in data transport, greater connectivity and lower latency. This growth in demand is reflected in the earnings presented by the Company over the past quarters.

The Company continues to present solid earnings: in 3Q21, gross revenues totaled R\$ 120.4 million, an increase of 42.1% compared to the same period of the previous year, and Adjusted EBITDA was R\$ 12.8 million (with Adjusted EBITDA margin of 14.2%) compared to R\$ 11.3 million in 3Q20. In the first nine months of 2021 ("9M21"), gross revenues reached R\$ 326.1 million, higher than those earned in the entire year of 2020, R\$ 317.9 million. Adjusted EBITDA in 9M21, R\$ 34.0 million (Adjusted EBITDA margin of 13.8%), also surpassed the adjusted cash generation obtained in 2020, which was R\$ 26.8 million.

In order to better serve customers and contribute to the development of the telecommunications ecosystem, the Company in recent months has implemented several initiatives to get even closer to these important stakeholders. Padtec Talks, a series of virtual events held regularly, address technical issues related to the solutions offered by the Company and trends in the telecommunications market. The Estudio EAD, inaugurated in April, allows for distance training, with theoretical and practical classes, taught live, using the equipment available at Padtec's training laboratory in Campinas, São Paulo state. To listen to customers about their experiences, the Satisfaction Committee was created. And more recently, the Company launched the Padtec Classroom, a series of short-term, virtual technical courses conducted by the Padtec Training Center team.

In August, the investee Padtec S.A. underwent an external supervision audit of its Quality Management System (QMS), which kept the recommendation to maintain its ISO 9001 certification until 2Q2022. The ISO 9001 is valid for three years and annual external audits are carried out at the Company to ensure the integrity of this management system. In the coming weeks, internal audits of the QMS and the Environmental Management Systems (EMS) will be carried out, which, in addition to being requirements for the ISO 9001 and ISO 14001 standards (certification that the Company expects to obtain in the coming months), help to monitor levels adherence of management systems to the requirements of these standards.

Every day, Padtec improves its commitment to ESG issues, by offering solutions that allow the conduction of essential services and digital inclusion, with production practices committed to the environment, the preservation of resources, the safety of its employees and customers and that add value to all the Company's stakeholders.

- The Company's performance in 3Q21

Operating Revenue

In 3Q21, gross operating revenue totaled R\$ 120.4 million, a new record in the Company's recent history, 42.1% higher than in 3Q20 and in line with 2Q21. In 9M21, gross operating revenue reached R\$ 326.1 million, 55.0% higher than the same period in 2020 and 2.6% higher than that recorded for the whole year 2020, when it was R\$ 317.9 million.

Sales of optical transport systems (DWDM equipment) accounted for R\$ 109.0 million, or 91% of total revenues this quarter, 49.9% above the amount earned in 3Q20 and 2.5% higher than 2Q21. In 9M21, these revenues totaled R\$ 288.0 million, 64.9% higher than in 9M20, R\$ 174.6 million, and surpassing by 6.8% the amount registered in the entire year of 2020, R\$ 269.8 million.

Revenues from Premium Services, which correspond to high-tech services that assist in the operation and development of our customers' data networks, totaled R\$ 11.4 million in 3Q21, compared to R\$ 12.1 million in 3Q20 and R\$ 13.3 million in 2Q21. In 9M21, the total was R\$ 38.1 million, an increase of 6.4% compared to the R\$ 35.8 million recorded in 9M20.

R\$ thousand	GROSS REVENUES											9M2021 x	3Q2021 x	3Q2021 x
	1Q2020	2Q2020	3Q2020	4Q2020	9M2020	2020	1Q2021	2Q2021	3Q2021	9M2021	2021	9M2020	3Q2020	2Q2021
DWDM	49.873	52.040	72.695	95.156	174.608	269.764	72.705	106.303	108.991	287.999	287.999	64,9%	49,9%	2,5%
Premium Service	11.602	12.136	12.082	12.292	35.820	48.112	13.428	13.250	11.438	38.116	38.116	6,4%	-5,3%	-13,7%
Total Revenues	61.475	64.176	84.777	107.448	210.428	317.876	86.133	119.553	120.427	326.113	326.113	55,0%	42,1%	0,7%

In addition to the high technological capacity to develop solutions that meet the demands for extremely high connectivity in the telecommunications sector, technical support services and professional training are also important competitive advantages offered by Padtec.

Gross Profit

Gross profit in 3Q21 was R\$ 32.8 million, with a gross margin of 36.3%. The Company has been presenting a gross margin above 35% since 2Q20, which demonstrates its good profitability over the past quarters.

In 9M21, gross profit totaled R\$ 88.2 million, with a gross margin of 35.8%. Compared to the same period in 2020, when gross profit was R\$ 56.3 million, there was an increase of 56.5%.

Operating Expenses/Revenues

In 3Q21, administrative expenses totaled R\$ 6.0 million, 8.0% lower than in 2Q21 and in line with expenses recorded in 3Q20. In 9M21, R\$ 19 million were allocated, 7.5% higher than in 9M20, R\$ 17.7 million.

Selling expenses totaled R\$ 7.5 million, 5.9% higher than 2Q21 and 36.1% higher than 3Q20. In 9M21, this line totaled R\$ 22.4 million, an increase of 46.5% compared to 9M20, R\$ 15.3 million, due to higher expenses associated with the structuring of the Company's international expansion and higher sales made in the period.

R\$ 11.2 million were invested in research and development in 3Q21, 10.0% above 2Q21 and 28.8% more than in 3Q20. In 9M21, these expenses totaled R\$ 30.6 million, an increase of 19.8% over the same period of the previous year, R\$ 25.6 million. As the amount recorded in the Earnings Statement shows the effect of deferrals, in that report these expenses totaled R\$ 9.2 million in 3Q21 and R\$ 22.6 million in 9M21.

Other operating expenses were R\$ 1.3 million in 3Q21. Due to the non-compliance with the obligations assumed by Officer, a former investee of Ideiasnet, the Company decided to recognize the provision for the loss of these obligations, which value was R\$ 0.9 million. Additionally, changes made in the classification of provisions for contingency and indemnity payments in labor and civil claims contributed with R\$ 0.3 million to these expenses.

Finance Results

In 3Q21, the financial earnings were composed of financial revenues of R\$ 2.6 million and financial expenses of R\$ 7.5 million, totaling a negative financial result of R\$ 4.6 million. In 9M21, the net financial results were negative in R\$ 4.1 million, consisting of financial revenues of R\$ 12.5 million and financial expenses of R\$ 16.6 million.

Income for the Period

The Company's net profit in 3Q21 was R\$ 4.7 million, compared to R\$ 10.9 million in 2Q21 and R\$ 7.8 million in 3Q20. In 9M21, the Company recorded net profit of R\$ 27.3 million, against R\$ 8.4 million in the same period in 2020.

Adjusted EBITDA

	Adjusted EBITDA										
R\$ thousand	1Q20	2Q20	3Q20	4Q20	9M20	2020	1Q21	2Q21	3Q21	9M21	2021
From EBITDA to Net Income											
Net Income	(821)	1.454	7.801	7.860	8.434	16.293	11.721	10.903	4.660	27.284	27.284
Depreciation & Amortization	2.874	2.681	2.967	3.237	8.522	11.759	3.143	3.899	4.002	11.044	11.044
Net Financial Results	2.256	2.621	1.143	(805)	6.020	5.214	(168)	(328)	4.630	4.134	4.134
Income tax and social contribution	1.864	(888)	(573)	510	402	912	5.613	1.247	(331)	6.529	6.529
EBITDA	6.172	5.867	11.339	10.802	23.378	34.178	20.309	15.721	12.961	48.991	48.991
Fiscal Credits (PIS/Cofins)					-	-	(1.736)	-	-	(1.736)	(1.736)
Net Income from Discontinued Operations and Others	(7.423)	-	-	-	(7.423)	(7.423)	(12.759)	(398)	(124)	(13.281)	(13.281)
Adjusted EBITDA	(1.250)	5.867	11.339	10.802	15.955	26.755	5.814	15.323	12.837	33.974	33.974
Adjusted EBITDA Margin	-2,4%	11,5%	17,9%	13,2%	9,6%	10,8%	8,8%	17,1%	14,2%	13,8%	13,8%

EBITDA corresponds to net income, plus income tax and social contribution taxes, depreciation and amortization expenses and financial results. From the 9M21 figures, the non-recurring effects of (i) the third milestone related to the divestment of the Submarine Systems business division concluded in 2019 (revenue net of tax effects), in the amount of R\$ 12.8 million, (ii) R\$ 1.3 million related to the sale of the remaining equity interest in Batanga (being R\$ 0.1 million in 3Q21), and (iii) R\$ 1.7 million related to tax credits eligible for offsetting, resulting from a final favorable decision in a lawsuit about the exclusion of ICMS from the PIS/Cofins tax base, were discounted, resulting in the Adjusted EBITDA.

The Company considers that EBITDA is an important parameter for investors, as it provides relevant information about its operating and profitability results. In 3Q21, EBITDA was R\$ 13.0 million, with an EBITDA margin of 14.3%. The Adjusted EBITDA, discounting the exchange variation effects from the divestment of Batanga recorded in this quarter, totaled R\$ 12.8 million, with an Adjusted EBITDA margin of 14.2%.

EBITDA recorded in 9M21 reached R\$ 49.0 million (EBITDA margin of 19.9%), with Adjusted EBITDA of R\$ 34.0 million (with Adjusted EBITDA margin of 13.8%). The results obtained in 9M21 exceed the values recorded for the year 2020, when the Company obtained an EBITDA of R\$ 34.2 million (growth of 43.3%) and Adjusted EBITDA of R\$ 26.8 million (increase of 27.0%).

Indebtedness and Cash

The Company had loans and financing in the amount of R\$ 54.2 million at the end of September 2021. Funding from Banco Safra, Banco ABC Brasil and Banco Daycoval, in addition to credit lines taken with FINEP (contracts entered into in February 2020 and July 2021) make up this amount. FINEP funds are intended for investments in new products and technologies and released in accordance with the disbursements and proof of execution of the Company's strategic innovation plan.

In December 2020, Padtec S.A. issued R\$ 40 million in simple non-convertible debentures, of the kind with real guarantee, in a single series, for public distribution, placed with restricted efforts under the terms of CVM Instruction 476 and maturity in December 2024. The net funds raised through this issuance were allocated for re-profiling and lengthening the Company's debts. On September 30, 2021, the balance of these debentures was R\$ 34.0 million.

Thus, at the end of 3Q21, the total indebtedness, comprising loans, financing and debentures, amounted to R\$ 88.2 million, 25% (R\$ 22.4 million) being equivalent to short-term obligations and 75% (R\$ 65.8 million) to long-term obligations. The average funding cost was 8.1% per year (compared to 6.3% per year in 2020).

The 11% increase (or about R\$ 8.7 million) in relation to the total indebtedness recorded at the end of June 2021, R\$ 79.5 million, is explained by funds released in the credit line granted by FINEP for new investments in innovation.

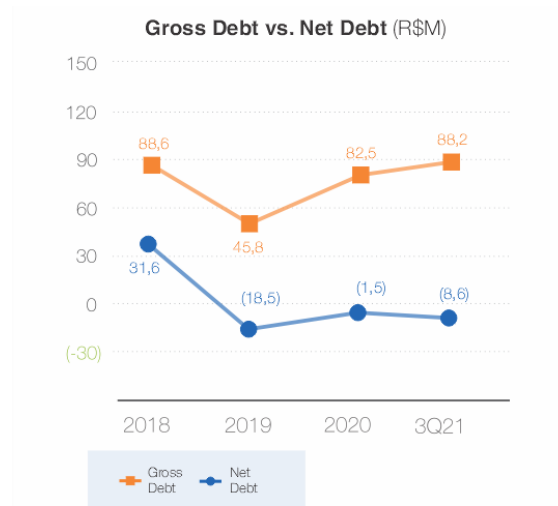
R\$ thousand					CONSOLIDATED	
Modality	Agreed Rate	Due Date (Maturity)	Due Date (Maturity)	Guarantee	Sep 30, 2021	Dec 31, 2020
Working Capital - Safra	CDI + 5,53% p.a.	5,68%	04/26/21 until 09/24/24	-	8.587	10.020
Working Capital - Daycoval	CDI + 5,9% to 10,08% p.a.	8,33%	07/29/20 until 09/30/24	Receivables	9.617	15.036
Working Capital - ABC Brasil	CDI + 4,38% p.a.	4,47%	12/23/20 until 05/23/24	Receivables	7.793	8.011
FINEP	TR + 2,80% p.a.	2,84%	02/01/23 until 02/01/40	Bank guarantee	28.241	10.365
					54.238	43.432
Padtec S.A. debentures	CDI + 3,80% p.a.	CDI + 3,80% p.a.	06/21/21 until 12/21/24		33.974	39.078
					88.212	82.510
Current liabilities					22.439	18.916
Non-current liabilities					65.773	63.594
					88.212	82.510

Repayment Schedule by Year of Maturity - R\$ thousand							
	2021	2022	2023	2024	2025	2026 onwards	total
Loan and financing	2.968	11.007	8.398	7.738	2.023	22.103	54.238
Debentures	2.628	10.490	10.428	10.428	-	-	33.974
Total	5.596	21.497	18.826	18.166	2.023	22.103	88.211

The amounts available in cash and cash equivalents at the end of September 2021 totaled R\$ 85.2 million and financial investments in guarantee, R\$ 11.6 million, totaling R\$ 96.8 million (28.1% higher than the closing the previous quarter, R\$ 75.5 million).

The amount allocated to financial investments in guarantee correspond to investments made in quotas of the FIC FIDC OSHER fund, which purpose is to finance customers and prepay their receivables, in Banco Bradesco's CDB, part used as judicial guarantee insurance and part used to guarantee the debt with the FINEP and financial investments in Banco Alfa and Banco do Brasil that also guarantee the debt with FINEP.

At the end of 3Q21, net debt was negative by R\$ 8.6 million, with a negative net debt/Adjusted EBITDA ratio of 0.25 and a negative net debt/equity ratio of 0.07.



Co-obligations

To facilitate the acquisition of its deployment products and services by customers who do not have direct access to the credit lines available on the market, Padtec carries out financial operations of Vendor and in a credit rights investment fund (FIDC, created in October 2019 and administered by the Sifra Group).

In the end of 3Q21, the Company had on its balance sheet operations of this nature in the amount of R\$ 46.5 million, given as guarantee for financing taken by some of its customers. About 73% of these obligations are short-term (27% long-term) and the counterpart of these entries is in current and non-current assets.

Vendor operations, which consist of granting credits through Financing Pledge Contracts entered into between financial institutions and Padtec customers and whose resources are used to purchase Company's products and services, total R\$ 44.5 million.

The operations carried out through the FIDC, in which Padtec holds a 25% interest and operates similarly to the Vendor operations, totalized R\$ 2.0 million.

Padtec has been carrying out this type of transaction for about three years now, its portfolio is highly dispersed and the default rate is close to zero. In order to better mitigate the credit risk of its counterparties, the Company conducts a meticulous follow-up with each of its clients.

- Investments and growth opportunities

The digital world is already part of the daily lives of people and companies. This reality was accentuated when the Covid-19 pandemic began in 1Q20. The dynamism, speed, volume of information and intensity of interactions in the online world cannot be compared to what existed less than two years ago. And to remain competitive in the global market, it is mandatory to use existing technologies and be connected at all times.

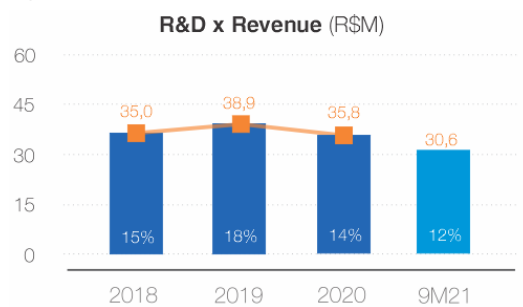
Thus, the companies that compose the telecommunications ecosystem have been adapting to this new level demanded by the market and have already made massive investments in the expansion and improvement of their networks and services. For the future, Padtec expects that new investments in infrastructure will be demanded by the various players in this ecosystem. Such investments may be originated with the entry of 5G

in Brazil, by new companies with neutral networks that are emerging from traditional operators, with the creation of new regional providers and the professionalization and injection of resources into existing ones, for example.

Padtec's growth is based on three major strategic pillars: (i) local expansion in Brazil and internationally with a focus on Latin America, (ii) diversification of the portfolio of products and services offered, making them increasingly innovative, evolved and robust, and (iii) expansion of its leadership in the Brazilian market, adding new clients to its portfolio and more recurring sales.

To finance investments estimated for the near future, as established in its strategic planning, the Company uses its cash availabilities and funds from new sales. Furthermore, Padtec is constantly evaluating alternatives for raising funds in the capital market.

In 3Q21, the Company invested R\$ 11.2 million, adding research and development expenses and values allocated to intangible assets, reaching R\$ 30.6 million in 9M21, 19.8% above 9M20.



- **5G auction: additional growth opportunities for Padtec**

On the last November 4th, ANATEL (the Brazilian national telecommunications agency) promoted an auction offering lots to expand the presence and capacity of mobile data in 4G and 5G – the fifth generation for mobile and broadband networks. In practice, 5G will allow connections at very high speed and excellent quality, reducing the time that information travels over networks (called latency), enabling greater automation, with several applications in people's lives and in the reality of companies. 5G will also enable other various data services to meet the "machine-to-machine" (M2M) market, which grows every day with greater automation of equipment, factories, telemetry and remote monitoring.

In addition to the natural demands for more transmission equipment, antennas and radio equipment, the winning companies in the auction in the different bands must comply with several considerations, such as the installation of antennas in various locations, making municipalities with less than 30,000 inhabitants be served by 4G, take optical fiber to cities that do not yet have this infrastructure, install a fiber optic network by river in the Amazon region and make mobile internet available to public schools of basic education through a plan to be developed by the Ministry of Education.

As previously mentioned, the implementation of 5G in Brazil results into more opportunities for Padtec and for all other actors operating in the telecommunications ecosystem. As an example, to support mobile broadband speeds of up to 10Gbps, the new 5G antennas, especially those operating at higher frequencies, will have a much higher density, in some cases one antenna for each block or street in cities and metropolises

denser. With these new networks, there will be a significant increase in the demand for high-capacity optical connectivity, demanding even more equipment and services from the portfolio offered by Padtec.

ANATEL data indicate that Brazil ended July 2021 with 39.4 million fixed broadband accesses. Of that number, 54% (or 21.2 million) correspond to fiber optic connections. In the last three years (2018 to 2020), the expansion in the number of fiber accesses has practically tripled, and in the first seven months of 2021 it grew 25% compared to December 2020 data. Statistics also indicate that currently about 20% of the Brazilian population (approximately 40 million people) still live without access to the internet, and this rate is even higher in the north and northeast regions of the country.

- Income Statement – Consolidated*

<i>(in thousand of Brazilian Reais)</i>	CONSOLIDATED				
	1Q21	2Q21	3Q21	9M21	2021
Gross operating revenues	86.133	119.554	120.427	326.114	326.114
Sales taxes	(19.854)	(30.185)	(29.956)	(79.995)	(79.995)
Net operating revenues	66.279	89.369	90.471	246.119	246.119
Cost of products sold and services rendered	(42.938)	(57.411)	(57.654)	(158.003)	(158.003)
Gross profit	23.341	31.958	32.817	88.116	88.116
Operational income (expenses)					
Administrative expenses	(6.462)	(6.535)	(6.016)	(19.013)	(19.013)
Commercial expenses	(7.769)	(7.101)	(7.517)	(22.387)	(22.387)
Research and development expenses	(5.591)	(7.854)	(9.160)	(22.605)	(22.605)
Other operational expenses (income)	888	956	(1.289)	555	555
	(18.934)	(20.534)	(23.982)	(63.450)	(63.450)
Profit/(losses) before financial income (expenses)	4.407	11.424	8.835	24.666	24.666
Financial income	(5.332)	(3.787)	(7.501)	(16.620)	(16.620)
Financial expenses	5.500	4.115	2.871	12.486	12.486
Profit/(losses) income tax and social contribution	4.575	11.752	4.205	20.532	20.532
Income tax and social contribution					
Current	(5.613)	(1.247)	331	(6.529)	(6.529)
Deferred	-	-	-	-	-
Profit in the period from continuing operations	(1.038)	10.505	4.536	14.003	14.003
Discontinued operations					
Net income from discontinued operations	12.759	398	124	13.281	13.281
Net income from discontinued operations	12.759	398	124	13.281	13.281
Net profit in the period	11.721	10.903	4.660	27.284	27.284

*Combined information for the year 2020, considering Padtec S.A. as wholly-owned subsidiary of Padtec Holding S.A. since January 2018.

	CONSOLIDATED					
<i>(in thousand of Brazilian Reais)</i>	1Q20	2Q20	3Q20	4Q20	9M20	2020
Gross operating revenues	61.475	64.178	84.777	107.448	210.430	317.876
Sales taxes	(10.076)	(13.349)	(21.424)	(25.314)	(44.849)	(70.163)
Net operating revenues	51.400	50.829	63.353	82.134	165.581	247.713
Cost of products sold and services rendered	(35.948)	(33.044)	(40.302)	(53.196)	(109.295)	(162.490)
Gross profit	15.452	17.785	23.051	28.939	56.286	85.223
Operational income (expenses)						
Administrative expenses	(7.269)	(4.501)	(5.923)	(6.535)	(17.693)	(24.227)
Commercial expenses	(5.109)	(4.652)	(5.525)	(6.702)	(15.287)	(21.988)
Research and development expenses	(6.813)	(5.579)	(7.433)	(8.831)	(19.824)	(28.657)
Other operational expenses (income)	(385)	133	4.202	695	3.951	4.646
	(19.576)	(14.598)	(14.679)	(21.373)	(48.853)	(70.226)
Profit/(losses) before financial income (expenses)	(4.124)	3.187	8.372	7.566	7.434	14.997
Financial income	(8.377)	(4.982)	(4.431)	(2.492)	(17.790)	(20.282)
Financial expenses	6.121	2.361	3.288	3.297	11.770	15.067
Profit/(losses) income tax and social contribution	(6.380)	566	7.229	8.371	1.415	9.783
Income tax and social contribution						
Current	(1.864)	888	572	(510)	(403)	(912)
Deferred	-	-	-	-	-	-
Profit in the period from continuing operations	(8.243)	1.454	7.801	7.860	1.011	8.871
Discontinued operations						
Net income from discontinued operations	7.423	-	-	-	7.423	7.423
Net income from discontinued operations	7.423	-	-	-	7.423	7.423
Net profit in the period	(821)	1.454	7.801	7.860	8.434	16.293

*Combined information for the year 2020, considering Padtec S.A. as wholly-owned subsidiary of Padtec Holding S.A. since January 2018.

- Balance Sheet – Consolidated

(in thousand of Brazilian Reais)

	Consolidated			Consolidated	
	09/30/2021	12/31/2020		09/30/2021	12/31/2020
Assets			Liability		
Current			Current		
Cash and cash equivalents	85.197	64.680	Loans and financing	11.929	11.151
Accounts receivable	106.798	100.296	Debentures	10.510	7.765
Inventories	83.335	61.989	Commercial leasing operations	1.236	
Recoverable taxes	26.464	23.562	Suppliers	64.150	55.832
Sales financing operation	33.799	37.139	Forfeiting	1.957	1.971
Other credits	7.886	2.356	Related parties	1.452	3.681
			Payable taxes and contributions	9.683	9.204
Total current assets	343.479	290.022	Payable taxes and contributions in installment	8.056	6.331
			Social contributions	23.400	18.976
Non-current			General provisions	2.354	2.745
Accounts receivable	-	2.377	Sales financing operation	33.799	37.139
Recoverable taxes	-	324	Advances from customers	8.318	
Restricted financial investments	11.582	19.395	Other accounts payable	1.438	4.946
Sales financing operation	12.663	11.460			
Judicial deposits	1.373	2.364	Total current liabilities	178.282	159.741
Other credits	2.080	2.905			
			Non-current		
Fixed assets	20.228	18.540	Provisions for labor and tax risks	37.481	35.970
Intangible assets	36.134	29.217	Loans and financing	42.309	32.281
			Debentures	23.464	31.313
Total non-current assets	84.060	86.582	Leasing operations - related parties	-	624
			Commercial leasing operations	2.594	-
Total assets	427.539	376.604	Payable taxes and contributions in installment	700	2.203
			Sales financing operation	12.663	11.460
			Total non-current liabilities	119.211	113.851
			Total liabilities	297.493	273.592
			Equity		
			Capital stock	199.211	199.211
			Capital reserve	(2.674)	(2.674)
			Accumulated losses	(66.126)	(83.331)
			Currency translation adjustments	599	599
			Other comprehensive income	(964)	(10.793)
			Total of shareholders' equity	130.046	103.012
			Total of liabilities and shareholders' equity	427.539	376.604

This report may contain projections and/or estimates of future events. The use of the terms "anticipates", "believes", "expects", "estimates", "plans", "predicts", "projects", among others, intends to signal possible trends and statements that, of course, involve uncertainties and risks, and future results may differ from current expectations. Forward-looking statements are based on several assumptions and factors, including economic, market and industry conditions, in addition to operating factors. Any changes in these assumptions and factors may lead to practical results that are different from current expectations. These forward-looking statements should not be fully trusted. Forward-looking statements reflect opinions only on the date they were prepared and presented. The Company is not obliged to update them in the face of new information or new developments. The Company is not responsible for operations that are carried out or for investment decisions that are made based on these projections and estimates. Finally, the pro forma financial information contained in this report has not been audited, and therefore may differ from the final audited results.