



PADTEC HOLDING S.A.

NOTICE TO THE MARKET

Padtec announces contracts with Finep for the development of innovative solutions for 5G networks

Campinas/SP, March 23rd, 2022 – PADTEC HOLDING S.A. (B3: PDTC3) (“Company” or “Padtec”) informs that its subsidiary Padtec S.A. celebrated with Finep – Financiadora de Estudos e Projetos (or Funding Authority for Studies and Projects), an organization of the Brazilian federal government, three financing contracts. These contracts will use funds raised from the Fundo para o Desenvolvimento Tecnológico das Telecomunicações (“FUNTTEL” or Fund for Technological Development of Telecommunications) aimed at developing solutions for 5G networks, in the total amount of R\$ 53.4 million and disbursements until 2024.

The first project provides for the development of new products and implementation of new functionalities in equipment from Padtec’s portfolio to launch a solution for optical communications equipment adhering to the backhaul of 5G networks. These new products will also seek certifications accepted in regions such as North America and Europe. The agreement is part of Padtec’s strategy for the coming years, which has focus on entering the 5G mobile communications market and strengthening its position as an exporter of telecommunications products for markets outside South America.

This operation is the first contract signed under the Finep 5G program, supporting projects for the development of technological solutions aimed at 5G network infrastructure; of products and services that will be enabled by 5G; and also the implementation of ventures that won the 5G bidding procedure, provided domestic technologies are used.

The purpose of the second project is to develop cybersecurity solutions and incorporate them into telecommunications products of the Company’s current portfolio. Thus, Padtec will meet the new requirements regarding the use of advanced encryption methods, software integrity assurance, attack mitigation capacity, adoption of secure passwords, among others. The adoption of secure products by



carriers is requested by regulatory agencies to ensure data security, besides being in line with the good practices of the Brazilian and international markets.

The third project includes the development of new tools for the management system of Padtec's DWDM (Dense Wavelength Division Multiplexing) platform, split into five modules: Service Control & Automation; Operation; Infrastructure; Planning; and Analytics. In order to be used by the networks of large- and small-sized carriers, it is mandatory to develop applications to support the entire life cycle of the network - from project feasibility planning to centralized and automated management of network elements.

All the three projects above have the potential to boost the supply of domestic technologies for 5G networks, ensuring safer and higher quality communications to the users. They also contribute to the generation of qualified jobs; to consolidate Padtec as an exporter of domestic technologies to international markets; in addition to supporting the exchange of knowledge between the academic and business sectors.

The partnership between Padtec and Finep, established several years ago, meets the Company's commitment to invest constantly in the evolution of its product portfolio, providing the market with innovative solutions and state-of-the-art technology in optical communication systems.

About Padtec (www.padtec.com.br)

Padtec is a global provider of flexible and high-capacity optical transport solutions based on DWDM technology. Padtec offers an extensive product portfolio for corporate access, DCI, metropolitan and regional networks and multi-terabit long-distance networks, which meets the end-to-end demands – in transport, optical amplification and route protection – of operators, integrators, carrier of carriers, utilities and service providers. Padtec's service unit is involved in the deployment, operation and maintenance of systems and in optical network management. With a strong focus on research and development, Padtec's pioneering technology spans long distances and challenges boundaries to connect the world intelligently.