

# Earnings Release

1Q2023

**Padtec Holding S.A.**  
May 11, 2023



## Results Webcast

May 15, Monday, 10:00 a.m. (São Paulo)

Zoom platform

The webcast will be hosted in Portuguese. Access [www.padtec.com](http://www.padtec.com) to add the meeting to your calendar.

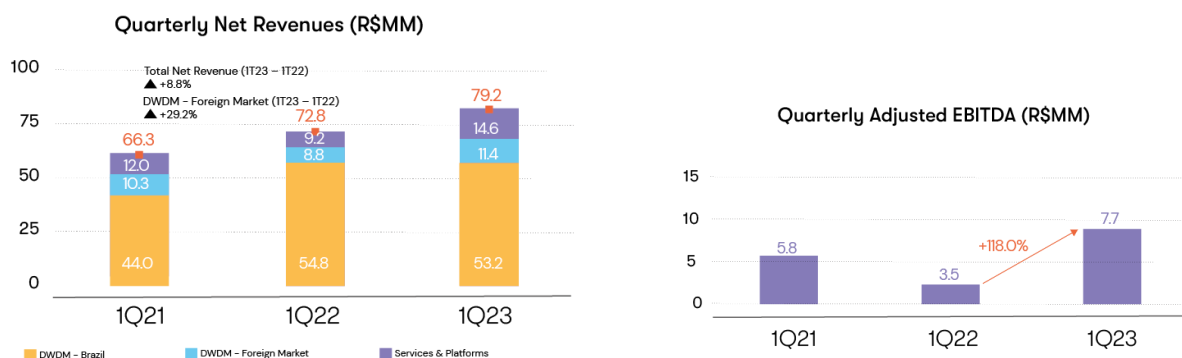
**padtec**

**Investor Relations**  
[ri@padtec.com.br](mailto:ri@padtec.com.br)  
+55 19 2104-9703

# Earnings Release 1Q23

Campinas, SP, May 11th, 2023. Padtec Holding S.A. (B3: PDTC3) (and together with its subsidiaries, in particular Padtec S.A., "Company" or "Padtec"), presents its results for the first quarter of 2023 ("1Q23"), in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). For the purpose of a better comparison with previous periods, the Company presents on its website combined consolidated information, considering Padtec S.A. as its wholly-owned subsidiary since January 2018.

- **1Q23 Highlights:**



*Brazilian multinational of high-capacity optical transport systems and mission-critical telecommunications solutions and platforms*

*Strong demand for new Padtec solutions in domestic and international*

*Leadership in the high capacity data connectivity market in Brazil with growing global presence*

*Proximity and partnership with customer*

- Net revenues of BRL 79.2 million, 8.8% higher than in 1Q22 and 24.6% lower than in 4Q22.
- Stable sales backlog compared to the end of 2022, with 74% in recurring revenue for the years 2023 to 2025.
- Net revenues from optical transport systems (DWDM equipment) in Brazil: BRL 53.2 million
- Foreign market continues to contribute with increases in net revenues: BRL 11.3 million, +29.2% over 1Q22 and +4.5% over 4Q22.
- Net revenues from Services, Software and Platforms: BRL 14.6 million, a jump of 58.7% over 1Q22 and 22.9% over 4Q22.
- Gross profit of BRL 28.5 million and gross margin of 36.0%.
- EBITDA of BRL 7.7 million (118.0% YoY) and EBITDA margin of 9.7% - compared to BRL 3.5 million in 1Q22 and BRL 16.9 million in 4Q22 (Adjusted EBITDA in that quarter was BRL 18.9 million).
- Net income amounting to BRL 0.7 million, compared to a loss of BRL 4.5 million in 1Q22 and net income amounting to BRL 5.8 million in 4Q22.
- Investments amounting to BRL 10.0 million in R&D (13% of revenue in 1Q23).
- Solid capital structure with net debt of BRL 51.0 million, consisting of debt amounting to BRL 95.5 million and cash and cash equivalents and financial investments in guarantee of BRL 44.5 million.
- Debt restructuring concluded in April with positive impacts on capital structure: reduction of financial cost and extension of payment terms.
- Launch of the new brand: innovating the way of presenting Padtec's activities to its different stakeholders.

R\$ thousand	Selected Financial Indicators						
	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2023
Gross Operating Revenues	93.748	103.470	121.398	136.674	455.290	100.658	100.658
Net Revenues	72.757	84.892	103.096	104.980	365.725	79.164	79.164
Gross Profit	20.665	28.152	33.290	34.762	116.869	28.489	28.489
Net Results	(4.477)	(3.787)	12.218	5.800	9.754	677	677
Adjusted Net Results	(4.477)	(3.787)	12.218	8.064	12.018	677	677
Adjusted EBITDA	3.533	5.224	18.976	18.845	46.578	7.703	7.703
Adjusted EBITDA Margin	4,9%	6,2%	18,4%	18,0%	12,7%	9,7%	9,7%
Gross Debt	78.334	93.857	93.111	113.321	113.321	95.508	95.508
Net Debt	1.709	20.650	49.995	63.489	63.489	50.977	50.977

- **Padtec: Levering Connections to Create New Realities**

Padtec is a Brazilian multinational company with more than 20 years of history that aims to create high-capacity connections. We work side by side with our customers, attentive to the challenges they face and constantly committed to developing products and services to serve them in the best possible way. We use our knowledge to design new futures and continuously adapt to a world that does not stop evolving.

We offer products and services that bring people closer together, contributing to the development of society and the economy, and to an increasingly sustainable world.

- **Company's Result in 1Q23**

### **Operating Income**

Historically, the first half of the year tends to be the least warm in terms of revenues from optical transport systems (DWDM equipment) while the last half is the hottest. This is explained by the fact that customers start the year by adjusting budget limits and seek to invest within the calendar year to comply with the approved annual budgets. The subsidiary Padtec S.A., by producing in Brazil and being close to its customers, is able to meet such demands quickly. Additionally, it is noted that in the first weeks of 2023 many companies sought to protect their cash funds and chose to “hold” new investments.

In 1Q23, Padtec recorded gross operating revenues of BRL 100.7 million, an increase of 7.4% over 1Q22, BRL 93.8 million and a decrease of 26.4% compared to 4Q22, BRL 136.7 million.

Net revenues amounted to BRL 79.2 million, 8.8% higher than 1Q22, BRL 72.8 million, and 24.6% lower than 4Q22, BRL 105 million. The sales backlog in 1Q23 was stable compared to the end of 2022, with 74% in recurring revenues for the years 2023 to 2025.

R\$ thousand	NET REVENUES						1Q2023 x	1Q2023 x	
	1Q2022	2Q2022	3Q2022	4Q22	2022	1Q2023	2023	1Q2022	4Q2022
DWDM Brazil	54.770	55.738	51.656	82.240	244.403	53.209	53.209	-2,9%	-35,3%
DWDM Foreign Market	8.782	18.707	38.869	10.856	77.213	11.347	11.347	29,2%	4,5%
Services & Platforms	9.205	10.447	12.571	11.886	44.109	14.608	14.608	58,7%	22,9%
<b>Total Revenues</b>	<b>72.757</b>	<b>84.892</b>	<b>103.095</b>	<b>104.982</b>	<b>365.725</b>	<b>79.164</b>	<b>79.164</b>	<b>8,8%</b>	<b>-24,6%</b>



Revenues from DWDM equipment in Brazil, 67% of those recorded by the Company in the quarter, were impacted by the facts mentioned above. It should be noted, however, that revenues from regional internet service providers (ISPs), which correspond to more than half of the amount of BRL 53.2 million, although stable in relation to 1Q22, grew 14% over the amounts recorded in 4Q22.

The forfait discount operations made available by Padtec to facilitate access to the financial funds necessary for the acquisition of the Company's products by customers located outside Brazil, contributed to the increase in this revenue line. In 1Q23, the main highlights in the foreign market were revenues from sales to northern Latin America.

The growth seen in net revenues from Services, Software and Platforms is mainly explained by the renewal of the contract with Telebras – Telecomunicações Brasileiras S.A. announced at the end of 2022. This revenue line also reflects the values obtained with Smart Site, a cloud platform aimed at remote and real-time management of network environments (websites) of operators and internet service providers. Smart Site's customer base is still in formation.

### **Gross Profit**

Gross profit in 1Q23 amounted to BRL 28.5 million, an increase of 37.9% over 1Q22 (BRL 20.7 million) and a decrease of 18.0% compared to 4Q22 (BRL 34.8 million). Results in 2022 were negatively impacted by the semiconductor crisis, a situation that has been softened in recent months. The gross margin reached 36.0%, above the quarterly values recorded throughout 2022.

### **Operating Expenses / Revenues**

In 1Q23, administrative expenses amounted to BRL 7.4 million, 7.0% higher than 1Q22 (BRL 6.9 million) and 15.5% higher than in 4Q22 (BRL 6.4 million).

Selling expenses were BRL 9.0 million, 12.2% higher than in 1Q22 (BRL 8.0 million) and 14.2% higher than 4Q22 (BRL 7.8 million).

Investments in research and development ("R&D") amounted to BRL 10.0 million, compared to BRL 10.5 million in 1Q22 and BRL 11.3 million in 4Q22. As the amount recorded in the Income Statement shows the effect of deferrals, in that report these expenses amount to BRL 9.7 million in 1Q23, compared to BRL 8.4 million in 1Q22 and BRL 8.1 million in 4Q22.

Changes made in the classification of provisions for tax and labor contingencies and in amounts receivable from customers, in addition to payments of indemnities in labor claims, contributed to other operating expenses of BRL 0.8 million in 1Q23.

### **Financial Result**

The net financial result was a negative BRL 0.9 million in 1Q23, compared to losses of BRL 4.3 million in 1Q22 and BRL 6.0 million in 4Q22.

Financial income totaled BRL 5.8 million. Income from investments and financial operations account for half of this amount and the exchange variation for the other half. Financial expenses amounted BRL 6.7 million, mostly impacted by interest on loans and financing and by exchange variation.



## Results from the Period

The Company posted net income of BRL 0.7 million in the quarter, compared to a negative net result of BRL 4.5 million in 1Q22 and net income of BRL 5.8 million in 4Q22.

In this quarter, there was no adjustment related to non-recurring effects and, therefore, there is no Adjusted Net Income to be presented.

	Adjusted Net Result						
R\$ thousand	1Q22	2Q22	3Q22	4T22	2022	1Q23	2023
From Net Result to Adjusted Net Result							
<b>Net Result</b>	(4.477)	(3.787)	12.218	5.800	9.754	677	677
Write-Offs of Other Credits	-	-	-	2.264	2.264	-	-
<b>Adjusted Net Result</b>	<b>(4.477)</b>	<b>(3.787)</b>	<b>12.218</b>	<b>8.064</b>	<b>12.018</b>	<b>677</b>	<b>677</b>

In 4Q22, Adjusted Net Income includes the write-off of credits receivable of BRL 2.3 million (BRL 0.3 million of which is related to financial income) arising from a financial transaction carried out in 2018.

## Adjusted EBITDA

The Company considers EBITDA, which corresponds to net income, plus income tax and social contribution, depreciation and amortization expenses and the financial result, an important parameter for investors, as it provides relevant information on its operating results and profitability.

	Adjusted EBITDA						
R\$ thousand	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2023
From EBITDA to Net Income							
<b>Net Income</b>	(4.477)	(3.787)	12.218	5.800	9.754	677	677
Depreciation & Amortization	3.750	4.185	4.852	4.651	17.438	6.134	6.134
Net Financial Results	4.259	4.918	1.906	5.956	17.038	892	892
Income tax and social contribution	1	(92)	-	459	368	-	-
<b>EBITDA</b>	<b>3.533</b>	<b>5.224</b>	<b>18.976</b>	<b>16.866</b>	<b>44.598</b>	<b>7.703</b>	<b>7.703</b>
Write-Offs of Other Credits	-	-	-	1.979	1.979	-	-
<b>Adjusted EBITDA</b>	<b>3.533</b>	<b>5.224</b>	<b>18.976</b>	<b>18.845</b>	<b>46.577</b>	<b>7.703</b>	<b>7.703</b>
<b>Adjusted EBITDA Margin</b>	<b>4,9%</b>	<b>6,2%</b>	<b>18,4%</b>	<b>18,0%</b>	<b>12,7%</b>	<b>9,7%</b>	<b>9,7%</b>

Padtec recorded EBITDA of BRL 7.7 million in 1Q23, with an EBITDA margin of 9.7%. In this quarter, there was no adjustment related to non-recurring effects and, therefore, there is no variation between EBITDA and Adjusted EBITDA.

In 1Q22, there was also no adjustment to EBITDA, which totaled BRL 3.5 million. In 4Q22, EBITDA was BRL 16.9 million and Adjusted EBITDA, discounting the write-off of credits receivable in the net amount of BRL 2.0 million, BRL 18.9 million.

## Debt, Cash and Capital Structure

At the end of March 2023, loans and financing amounted to BRL 77.2 million (BRL 92.4 million in December 2022). Fund raising from Banco Safra, Banco ABC Brasil and Banco Daycoval, in addition to facilities taken out with FINEP (eight contracts signed in 2020, 2021 and 2022) make up this value. FINEP's loans are earmarked for investments in new products and technologies and funds are released in accordance with disbursements and proof of execution of the strategic innovation plan of subsidiary Padtec S.A.

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On the same date, the outstanding balance related to simple non-convertible debentures issued by Padtec S.A. in the amount of BRL 40.0 million and maturing in December 2024, totaled BRL 18.4 million (BRL 21.0 million at the end of 2022).

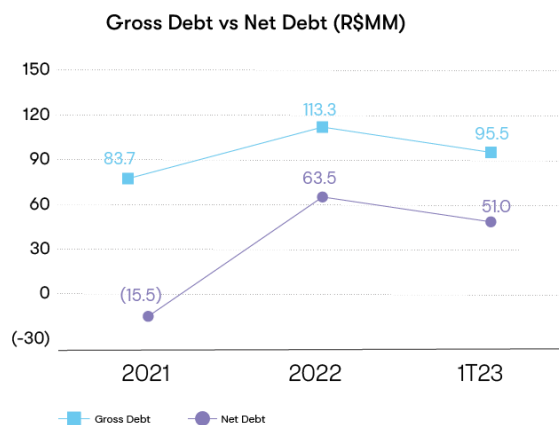
Thus, debt in 1Q23, including loans, financing and debentures, amounted to BRL 95.5 million, 15.7% lower than in 4Q22. The reduction is explained by the termination of the FINIMP operation, which matured and was paid at the end of March. About 20% of obligations were short-term, improving the Company's debt profile (in 4Q22 these obligations represented 30% of total debt). The average cost of funding in the quarter was 7.8% per year, compared to 8.6% per year in 2022.

R\$ thousand					CONSOLIDATED	
Modality	Agreed Rate	Annual Average Effective Rate	Due Date (Maturity)	Guarantee	Mar 31, 2023	Dec 31, 2022
Working Capital - Safra	CDI + 5,53% p.a.	19.33%	10/22/20 until 09/23/25	-	6.144	6.752
Working Capital - Daycoval	CDI + 5,9% p.a.	19.72%	10/29/20 until 09/30/24	Receivables	2.672	3.007
Working Capital - ABC Brasil	CDI + 4,38% p.a.	18.13%	12/23/20 until 05/23/24	Receivables	4.462	5.130
FINIMP - credit letter	10,14% p.a.	10.14%	03/20/23	Credit Letter	-	14.687
FINEP	TR + 2,30% and 2,80% p.a.	3.93%	02/15/20 until 12/15/42	Bank Guarantee	63.878	62.788
					<b>77.156</b>	<b>92.364</b>
Padtec S.A. debentures	CDI + 3,80% p.a.	16.60%	03/21/21 until 12/21/24		18.352	20.957
					<b>95.508</b>	<b>113.321</b>
<b>Current liabilities</b>					19.367	34.112
					20,3%	0,30
<b>Non-current liabilities</b>					76.141	79.209
					79,7%	0,70
					<b>95.508</b>	<b>113.321</b>

Repayment Schedule by Year of Maturity - R\$ thousand							
	2023	2024	2025	2026	2027	2028 onwards	total
Loan and financing	6.805	11.379	4.111	4.111	4.111	46.639	<b>77.156</b>
Debentures	8.074	10.278	-	-	-	-	<b>18.352</b>
<b>Total</b>	<b>14.879</b>	<b>21.657</b>	<b>4.111</b>	<b>4.111</b>	<b>4.111</b>	<b>46.639</b>	<b>95.508</b>

The amounts available in cash and cash equivalents amounted to BRL 44.3 million (BRL 49.6 million at the end of 2022) and financial investments in guarantee, BRL 0.2 million (same as December 2022), totaling BRL 44.5 million.

Net debt amounted to BRL 51.0 million, with a net debt/LTM Adjusted EBITDA ratio<sup>1</sup> of 1.00 and a net debt/equity ratio of 0.37.



<sup>1</sup> LTM Adjusted EBITDA corresponds to the sum of Adjusted EBITDA registered in the last twelve months.

In April, the Company concluded the restructuring of its debt, resulting in the fund raising of BRL 32 million from Banco Votorantim in an export credit note, NCE + Swap Limiter, with three-year term and twelve months grace period, quarterly interest and nine quarterly installments. This transaction is guaranteed by the financial flow of receivables in an escrow account. These funds made it possible to settle outstanding loans and financing with private institutions (Banco Daycoval, Banco ABC and Banco Safra) and debentures issued by Padtec S.A. in 2020. This restructuring allowed Padtec to significantly reduce its financial cost with the mentioned institutions from approximately CDI + 4.88% p.a. for CDI + 1.65% p.a., in addition to benefiting from the grace period of this new operation, extending the maturity of its debt and improving its short-term liquidity.

Padtec considers that its capital structure allows it to conduct its operations in a safe and sustainable way, enabling the Company to accelerate its growth in new geographies and the development of products and solutions.

### **Co-obligations**

At the end of 1Q23, financial operations made available by Padtec to facilitate the acquisition of its products and implementation services by customers who do not have direct access to financing lines available in the market amounted to BRL 80.5 million. About 53% of guarantee obligations for financing taken out by customers were short-term (47% long-term) and the counterpart of these entries is recorded in current assets and non-current assets.

<b>Financial Transactions - Co-obligations</b>		
<b>R\$ thousand</b>	<b>4Q22</b>	<b>1Q23</b>
Vendor	<b>50.371</b>	<b>51.151</b>
FIDC Sifra	<b>31</b>	<b>-</b>
Forfait	<b>26.835</b>	<b>29.381</b>
<b>Total</b>	<b>77.237</b>	<b>80.532</b>
Short Term	<b>41.125</b>	<b>42.534</b>
	53,2%	52,8%
Long Term	<b>36.112</b>	<b>37.998</b>
	46,8%	47,2%
<b>Total</b>	<b>77.237</b>	<b>80.532</b>

The Company has already granted credit through these transactions to more than 30 customers since 2017. Padtec performs a rigorous follow-up with each of its customers, aiming at mitigating the credit risk of its counterparties. The fact that the portfolio is highly dispersed contributes to the proper management of financial risk and maintenance of defaults close to zero.

### **FIDC Funttel Padtec**

In addition to the instruments mentioned above, the Company has a credit rights investment fund jointly with BNDES Participações S.A. – BNDESPAR (BNDESPAR). FIDC Funttel Padtec began in 2Q22 and has BNDESPAR as its senior shareholder (80% stake) and Padtec S.A. as its subordinate shareholder (20%). The fund's objective is by granting credit to Padtec's customers to stimulate the process of technological innovation, encourage the training of human resources and job creation and promote access to small and medium-sized companies to capital resources, in order to increase the competitiveness of the Brazilian telecommunications industry. By the end of 1Q23, the fund's shareholders had made BRL 12.5 million available and credits in the amount of BRL 11.7 million had been granted to twelve Padtec customers (of this amount, around 88% remains outstanding).



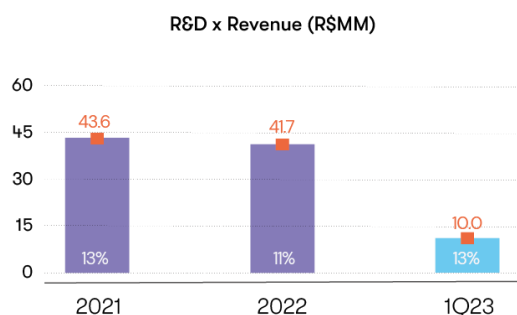
In April, the fund's shareholders paid in over BRL 12.5 million (Padtec's share in the amount of BRL 2.5 million) and the fund's equity reached BRL 25 million.

The FIDC Funttel Padtec is consolidated in the Company in accordance with the rules of Technical Pronouncement CPC 36 (R3) Consolidated Financial Statement, correlated to International Accounting Standards – IFRS 10 (IASB - BV 2012). However, for the purposes of this Earnings Release, the values of the FIDC Funttel Padtec are not considered for the calculations and analyzes submitted in the section “Debt, Cash, and Capital Structure.”

- **Investments**

Padtec knows the specific demands of each business segment in the ecosystem where it operates and is permanently committed to developing products and services to serve all its customers in the best possible way, seeking to propose simple and effective solutions. The Company has partnerships with universities and research centers, which also favors the increase and diversification of the range of technological innovations that support the continuous development of the telecommunications ecosystem.

In 1Q23, an amount of BRL 10.0 million was invested, including R&D expenses and amounts allocated to intangible assets.





- Income Statement – Consolidated**

	CONSOLIDATED							
<i>(in thousand of Brazilian Reais)</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2023	
<b>Gross operating revenues</b>	<b>93.748</b>	<b>103.470</b>	<b>121.398</b>	<b>136.674</b>	<b>455.290</b>	<b>100.658</b>	<b>100.658</b>	
Sales taxes	(20.991)	(18.578)	(18.302)	(31.694)	(89.565)	(21.494)	(21.494)	
<b>Net operating revenues</b>	<b>72.757</b>	<b>84.892</b>	<b>103.096</b>	<b>104.980</b>	<b>365.725</b>	<b>79.164</b>	<b>79.164</b>	
Cost of products sold and services rendered	(52.092)	(56.740)	(69.806)	(70.218)	(248.856)	(50.675)	(50.675)	
<b>Gross profit</b>	<b>20.665</b>	<b>28.152</b>	<b>33.290</b>	<b>34.762</b>	<b>116.869</b>	<b>28.489</b>	<b>28.489</b>	
<b>Operational income (expenses)</b>								
Administrative expenses	(6.889)	(8.247)	(7.643)	(6.383)	(29.162)	(7.373)	(7.373)	
Commercial expenses	(8.028)	(8.754)	(7.884)	(7.890)	(32.556)	(9.007)	(9.007)	
Research and development expenses	(8.438)	(9.235)	(8.941)	(8.065)	(34.679)	(9.724)	(9.724)	
Other operational expenses (income)	2.473	(877)	5.302	(210)	6.688	(816)	(816)	
	<b>(20.882)</b>	<b>(27.113)</b>	<b>(19.166)</b>	<b>(22.548)</b>	<b>(89.709)</b>	<b>(26.920)</b>	<b>(26.920)</b>	
<b>Profit/(losses) before financial income (expenses)</b>	<b>(217)</b>	<b>1.039</b>	<b>14.124</b>	<b>12.215</b>	<b>27.161</b>	<b>1.569</b>	<b>1.569</b>	
Financial income	(10.158)	(10.691)	(7.580)	(7.587)	(36.016)	(6.713)	(6.713)	
Financial expenses	5.899	5.773	5.674	1.631	18.977	5.821	5.821	
	-	-	-	-	-	-	-	
<b>Profit/(losses) income tax and social contribution</b>	<b>(4.476)</b>	<b>(3.879)</b>	<b>12.218</b>	<b>6.259</b>	<b>10.122</b>	<b>677</b>	<b>677</b>	
Income tax and social contribution	-	-	-	-	-	-	-	
Current	(1)	92	-	(459)	(368)	-	-	
Deferred	-	-	-	-	-	-	-	
<b>Profit in the period from continuing operations</b>	<b>(4.477)</b>	<b>(3.787)</b>	<b>12.218</b>	<b>5.800</b>	<b>9.754</b>	<b>677</b>	<b>677</b>	
<b>Discontinued operations</b>								
Net income from discontinued operations	-	-	-	-	-	-	-	
<b>Net income from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net profit in the period</b>	<b>(4.477)</b>	<b>(3.787)</b>	<b>12.218</b>	<b>5.800</b>	<b>9.754</b>	<b>677</b>	<b>677</b>	

## • Balance Sheet – Consolidated

(in thousand of Brazilian Reais)

	Consolidated			Consolidated	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
<b>Assets</b>			<b>Liability</b>		
<b>Current</b>			<b>Current</b>		
Cash and cash equivalents	44.287	49.620	Loans and financing	8.850	23.595
Marketable securities	2.848	3.703	Debtentures	10.517	10.517
Accounts receivable	109.175	134.999	Commercial leasing operations	6.183	6.044
Inventories	108.545	93.435	Suppliers	68.801	68.223
Recoverable taxes	26.738	34.330	Related parties	369	344
Sales financing operation	42.534	41.125	Payable taxes and contributions	4.219	14.541
Other credits	4.256	5.494	Payable taxes and contributions in installment	1.617	1.931
			Social contributions	25.477	22.774
<b>Total current assets</b>	<b>338.383</b>	<b>362.706</b>	General provisions	2.504	2.689
			Sales financing operation	42.534	41.125
<b>Non-current</b>			Advances from customers	2.821	1.458
Accounts receivable	14.198	13.267	Other accounts payable	685	355
Restricted financial investments	244	212			
Sales financing operation	37.998	36.112	<b>Total current liabilities</b>	<b>174.577</b>	<b>193.596</b>
Judicial deposits	1.160	1.167			
Other credits	212	409	<b>Non-current</b>		
			Provisions for labor and tax risks	18.630	19.308
Fixed assets	37.665	37.571	Loans and financing	68.306	68.769
Intangible assets	45.244	45.175	Debtentures	7.835	10.440
			Suppliers	508	522
<b>Total non-current assets</b>	<b>136.721</b>	<b>133.913</b>	Commercial leasing operations	17.362	18.909
			Payable taxes and contributions in installment	1.783	2.016
<b>Total assets</b>	<b>475.104</b>	<b>496.619</b>	Liabilities - FIDC Senior Shares	10.643	10.393
			Sales financing operation	37.998	36.112
			Other accounts payable	875	875
			<b>Total non-current liabilities</b>	<b>163.940</b>	<b>167.344</b>
			<b>Total liabilities</b>	<b>338.517</b>	<b>360.940</b>
			<b>Equity</b>		
			Capital stock	199.211	199.211
			Accumulated losses	(60.103)	(60.780)
			Currency translation adjustments	599	599
			Other comprehensive income	(3.120)	(3.351)
			<b>Total of shareholders' equity</b>	<b>136.587</b>	<b>135.679</b>
			<b>Total of liabilities and shareholders' equity</b>	<b>475.104</b>	<b>496.619</b>

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.

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