

Earnings Release

2023

Padtec Holding S.A.
March 7th, 2024



Results Webcast

Friday, March 8th, 2024, at 10:00 a.m. (São Paulo, Brazil time)
Zoom platform

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

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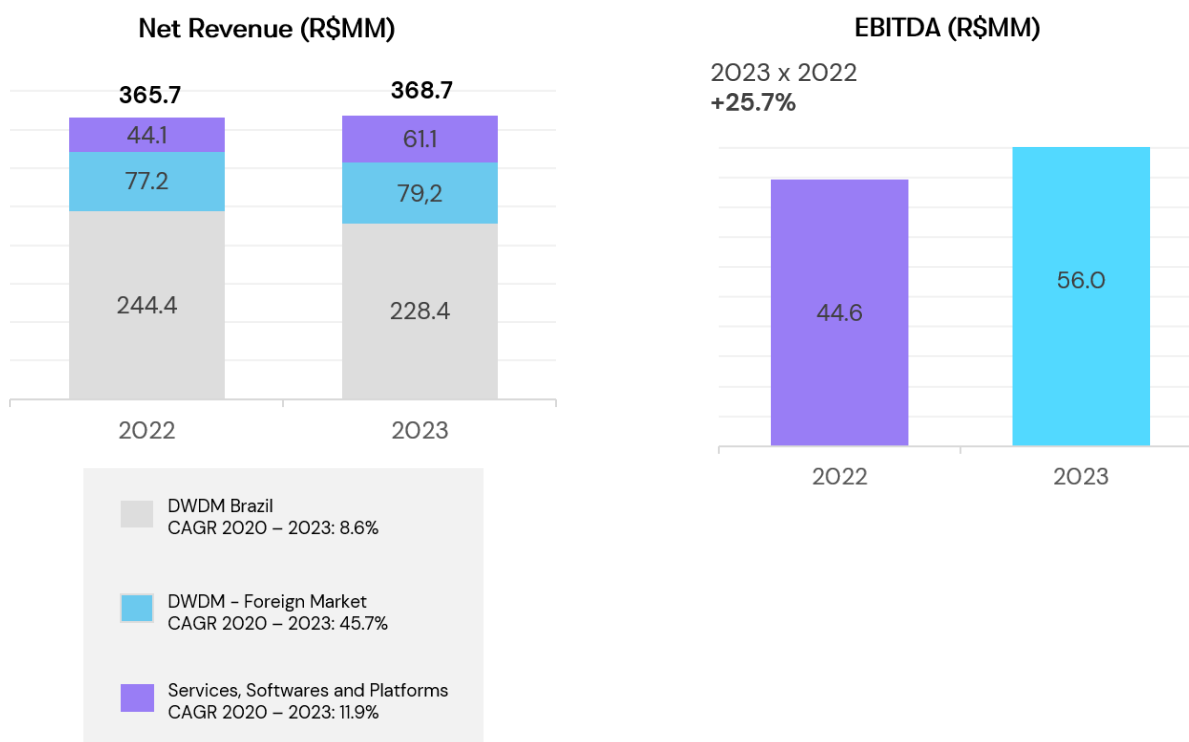
padtec

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Earnings Release 2023

Campinas, SP, March 7, 2024. Padtec Holding S.A. (B3: PDTC3) (and together with its subsidiaries, in particular Padtec S.A., "Company" or "Padtec") presents its results for the fiscal year ended December 31, 2023 (and the fourth quarter of 2023, "4Q23"), following accounting practices adopted in Brazil and with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). For a better comparison with previous periods, the Company presents combined consolidated information on its website, considering Padtec S.A. as its wholly-owned subsidiary since January 2018.

- **Highlights:**



- 2023: a year of focus on profitability
- EBITDA reached R\$56.0 million (EBITDA margin of 15.2%), an increase of 25.7% compared to 2022.
- Record annual gross profit: R\$131.3 million, with a gross margin of 35.6%.
- Net income of R\$15.4 million, a growth of 58.0% over 2022.
- Net income per share of R\$0.19, compared to R\$0.12 in the previous year.
- For resolution at the Annual General Meeting, the payment of dividends of R\$0.046 per share will be proposed.
- Brazilian multinational, leader in the high capacity data connectivity market in Brazil with a growing presence in the Latin American and global markets.
- Recognized as the best option in proximity, partnership, and ethical relationship with customers.
- Overall satisfaction level grew for the 6th consecutive year: NPS +77 in 2023 (Zone of Excellence) (NPS +55 in 2022, Quality Zone).
- Optical transport systems (DWDM equipment) - Brazil: R\$228.4 million in net revenues, CAGR 2020 – 2023 of 8.6%.
- Optical transport systems (DWDM equipment) - foreign market: R\$79.2 million in net revenues, CAGR 2020 – 2023 of 45.7%.
- DWDM equipment: innovation and market timing equivalent to the biggest players in the industry. Padtec's portfolio is complemented with strategic partnerships for 5G, routers, and switches,

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maximizing the potential of the geographic footprint that has 4 offices in Latin America and a presence in the USA.

- Services, Software and Platforms: R\$61.1 million in net revenues, CAGR 2020 – 2023 11.9%.
- Debt restructuring successfully completed in 2Q23 resulted in reduced financial costs and longer terms: average funding cost of 5.7% p.a. in 2023 and around 12% in short-term obligations.
- Solid capital structure: net debt of R\$60.2 million, with a net debt/LTM EBITDA ratio¹ of 1.08.

R\$ thousand	Selected Financial Indicators									
	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Gross Operating Revenues	93.748	103.470	121.398	136.674	455.290	100.658	118.949	128.248	107.307	455.162
Net Revenues	72.757	84.892	103.096	104.980	365.725	79.164	96.903	103.532	89.088	368.687
Gross Profit	20.665	28.152	33.290	34.762	116.869	28.489	34.892	39.195	28.696	131.272
Net Results	(4.477)	(3.787)	12.218	5.800	9.754	677	807	15.540	(1.611)	15.413
Net Result per Share (R\$)	(0,06)	(0,05)	0,16	0,07	0,12	0,01	0,01	0,20	(0,02)	0,19
EBITDA	3.533	5.224	18.976	16.866	44.598	7.703	12.862	25.412	10.062	56.039
EBITDA Margin	4,9%	6,2%	18,4%	16,1%	12,2%	9,7%	13,3%	24,5%	11,3%	15,2%
Gross Debt	78.334	93.857	93.111	113.321	113.321	95.508	95.048	104.333	112.455	112.455
Net Debt	1.709	20.650	49.995	63.489	63.489	50.977	62.435	53.576	60.245	60.245

- **Padtec: Driving connections to create new realities**

Padtec offers products and services that bring together and connect people, contributing to the development of society and the economy, and an increasingly sustainable world.

Over more than 20 years of history, the Company has played an important role in the development of advanced solutions for optical networks. And in 2023, with the launch of the new brand, it innovated the way to present itself to its different relationship audiences.

In Brazil and Latin America, Padtec is recognized by the market for its contributions to the evolution of technologies, products, and services related to high-capacity data transmission, being the only one that develops DWDM products in the country and the Latin American region. A survey conducted in 2H23 by an independent company specialized in data analysis and competitive intelligence with customer representatives indicated that the level of overall satisfaction with the Company grew for the 6th consecutive year. Based on the Net Promoter Score methodology, Padtec achieved an NPS index of +77, the best result in its history, positioning the Company in the Zone of Excellence according to this methodology.

The evaluation of growth options - organic and inorganic - is part of Padtec's daily routine, which seeks alternatives to accelerate its value generation, either through more sales in the Brazilian, or Latin American markets (an example of this was the opening of the commercial office in Peru announced in 1Q23) and in other geographical borders or the development of complements to the product and service lines that are already offered in the Company's portfolio.

Thus, as part of its commitment to technological innovation and as a result of massive investments in research and development, in January 2023 Padtec launched a new DWDM solution: the dual disaggregated transponder (or standalone), with SDN (Software Defined Network) management, which offers high data transmission capacity – up to 400 Gb/s per optical channel, or 800 Gb/s in total – over short and medium distances, with fast and simplified installation and low energy consumption, in a mechanics of only 1U in height. With this equipment, the Company meets the needs presented by internet service providers (or ISPs) for the

¹ LTM EBITDA corresponds to the sum of EBITDA recorded in the last twelve months.



improvement of their networks, which seek a combination of better operational performance with availability and flexibility for rapid expansion at a more affordable cost.

In September, Padtec announced a new product platform for DWDM networks developed to meet the demands of increasing transmission capacity, due to the greater use of applications and services: the LightPad Max. This complete line of new generation transponders and very high data transmission capacity, with up to 1.2 Tb/s per optical channel (or 2.4 Tb/s in total), in a mechanics of only 1U in height, is scheduled for launch in 1H24. Among the objectives of the LightPad Max is the reduction of the cost per bit transmitted in coherent optical systems, with high energy efficiency.

The year 2023 also marked the Company's entry into the switch and router market, through the partnership entered into with the companies UfiSpace (from Taiwan) and IP Infusion (from the USA). The expansion of Padtec's operations and portfolio of products, services, and solutions takes place through the offer of a complete solution for this equipment throughout Latin America, combining UfiSpace's line of switches and routers, which meets the trends of disaggregated and open networks, and IP Infusion's software (operating system), recognized worldwide as an advanced solution for the disaggregated networks standard. At this moment, Padtec has completed the Anatel (the National Telecommunication Agency in Brazil) certifications for some of these products and already have several proofs of concept with customers.

It is important to mention that the implementation of 5G networks in Brazil is a journey that requires investments on several fronts, such as the construction of communication networks throughout the country that will support the infrastructure for the next generation of applications and new broadband services. New investments in high-capacity optical networks will become a greater demand for solutions that allow greater connectivity and better quality in data services. In this sense, in February 2024, to expand its portfolio of 5G solutions, Padtec announced the development of joint efforts with Parallel Wireless to offer Parallel Wireless GreenRAN™ solutions to mobile network operators in Brazil and Latin America.

- **Company's results in 2023**

Padtec's business model is divided into business units (or "BUs"), the Equipment/DWDM unit, which since 2023 offers switches and routers, and the Services, Software, and Platforms unit. The Equipment/DWDM business unit encompasses the projects developed for each customer, considering their realities and needs. The sales cycle of these projects is relatively extensive and any changes in "sales" may take more than 45 days to be accounted for in the Company's revenues.

The results obtained by Padtec in recent years confirm its ability to adapt to changes in the scenarios experienced by the telecommunications ecosystem and to the various macroeconomic and geopolitical challenges, always maintaining discipline in the allocation of its resources. In 2023, total net revenues grew 0.8% compared to 2022. In the analysis of the mix between revenues obtained with DWDM equipment, there was a reduction of 6.5% in Brazil and an increase of 2.5% in the foreign market. On the other hand, revenues from Services, Software, and Platforms showed a significant growth of 38.5%. The growth in revenue recurrence and greater diversity in its origins contributed to the evolution of this revenue item, and also to a 25.7% increase in operating cash generation measured by EBITDA, which reached R\$56.0 million in 2023.

From the second quarter of 2023, the market and the telecommunications equipment value chain began to show signs of saturation. Retractions in sales (and impacts on revenues) were felt by several competitors operating in this ecosystem, justified by the slowdown of ISP growth projects in Brazil and in countries where interest rates were increased to contain the effects of inflation. It was also noticed the effect of the decrease in the stocks of telecommunications operators that increased their inventories of equipment and capacity in the years of the COVID-19 pandemic. There will certainly still be effects of this adjustment in the value chain throughout the year 2024.

The logo for Padtec, consisting of the word "padtec" in a lowercase, bold, sans-serif font.

Seeking to minimize these effects, Padtec continues its efforts to increase the diversity of sales and revenue sources in products and equipment, supported by the entry of the line of routers, new DWDM platforms and new contracts and solutions in the area of Services, Software and Platforms.

For long-term organic strategic planning, the Company will continue to pursue the development of the international market, adding new products and services in addition to new geographies and sales channels. For the domestic market, in Brazil, Padtec continues to expand the line of products in the core in photonics and new lines of equipment such as routers and other products that can complement the portfolio to increase participation in customer purchases. In the Services, Software, and Platforms vertical, the Company is seeking exponential growth with the launch of new platforms and software that will contribute to improving telecommunications, data operations, and infrastructure support both in the segment of internet providers and to customers who start using private network solutions.

On the inorganic front, Padtec remains attentive to opportunities that can accelerate the growth and accumulation of skills and technologies both in Brazil and in international markets. In addition to the combination of organic and inorganic growth, it will be necessary to develop financing models to support sales growth in the various markets. Currently, the Company already has its own credit rights investment fund, or FIDC (in conjunction with BNDES), and will need to develop similar financing structures to support sales in the international market. For international financing, Padtec is working with local and international development agencies as well as commercial banks specialized in this type of transaction.

Operating Income

The Company ended 2023 with gross operating revenue (excluding returns and cancellations) of R\$455.2 million, without fluctuation in reaction to the previous year. Net revenue totaled R\$368.7 million, also in line with 2022, R\$365.7 million (0.8% increase).

R\$ thousand	NET REVENUES									
	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
DWDM Brazil	54.770	55.738	51.656	82.240	244.403	53.209	57.968	65.488	52.215	228.880
DWDM Foreign Market	8.782	18.707	38.869	10.856	77.213	11.347	23.379	23.478	20.967	79.171
Services, Softwares & Platforms	9.205	10.447	12.571	11.886	44.109	14.608	15.557	14.566	15.904	60.635
Total Revenues	72.757	84.892	103.095	104.982	365.725	79.164	96.904	103.532	89.086	368.687

Revenues from the DWDM business unit in Brazil in 2023 decreased by 6.5% compared to the previous year, those from sales in the foreign market increased by 2.5% between 2022 and 2023 and those from the Services, Software, and Platforms segment were 38.5% higher than in the previous year.

Although revenues recorded in 4Q23 did not maintain the growth trend of the last quarter of the year compared to the previous quarter, as has been happening at Padtec in recent years, the compound annual growth rate (CAGR) between 2023 and 2020 for the DWDM business unit in Brazil is 8.6%. The CAGR 2020 – 2023 of 45.7% for the DWDM business unit in the foreign market proves the Company's strategy for international expansion of its activities.

CAGR 2020 - 2023	
DWDM Brazil	8,6%
DWDM Foreign Market	45,7%
Services, Softwares & Platforms	11,9%
Total Revenues	14,2%

Gross Profit

Although the Company recorded only a slight evolution in its revenues between 2023 and 2022, the control of its production costs proved to be effective, proving the Company's operational efficiency, which translates into increases in gross profit and gross margin.

In 2023, gross profit reached R\$131.3 million (a record² in Padtec's history), 12.3% higher than in the previous year, R\$116.9 million. Gross margin grew 3.6 percentage points, from 32.0% in 2022 to 35.6% in 2023.

Operating Expenses/Incomes

Administrative, commercial, and research and development expenses totaled R\$104.2 million in 2023, an increase of 8.1% over expenses recorded in 2022, R\$96.4 million.

Changes in the classifications of provisions for tax, labor, civil contingencies, and provisions for amounts receivable from customers, payments of indemnities in labor claims, in addition to the receipt of R\$7.4 million related to indemnities in civil lawsuits to which Ideiasnet S.A. was a party contributed to other operating revenues of R\$3.1 million in 2023.

Financial Result

In 2023, the net financial result was negative by R\$14.7 million, compared to losses of R\$17.0 million in the previous year.

Results from the Period

Padtec recorded a net income of R\$15.4 million in 2023 (with a basic net income per share of R\$0.19), an increase of 58.0% over the previous year, R\$9.8 million (when basic net income per share was R\$0.12).

	2022	2023
Net Result (R\$ thousand)	9.754	15.413
Basic Net Result per Share (R\$)	0,12	0,19

At a shareholders' meeting held in 3Q23, the reduction of the capital stock was approved to fully absorb the balance of accumulated losses recorded in the Financial Statements of December 31, 2022. This was a pure accounting operation, with no change in the Company's shareholders' equity, and may provide additional benefits to shareholders, such as enabling dividend distributions.

The Company will propose for resolution of the Annual General Meeting the distribution to shareholders of R\$3.7 million as a minimum mandatory dividend, corresponding to dividends of R\$0.046 per share.

EBITDA

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

¹ Considers combined consolidated results (Padtec S.A. + Ideiasnet S.A.) since January 2019.

	Adjusted EBITDA									
R\$ thousand	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
From EBITDA to Net Income										
Net Income	(4.477)	(3.787)	12.218	5.800	9.754	677	807	15.540	(1.611)	15.413
Depreciation & Amortization	3.750	4.185	4.852	4.651	17.438	6.134	6.298	6.660	6.771	25.863
Net Financial Results	4.259	4.918	1.906	5.956	17.038	892	5.772	2.203	5.829	14.696
Income tax and social contribution	1	(92)	-	459	368	-	(15)	1.009	(927)	67
EBITDA	3.533	5.224	18.976	16.866	44.598	7.703	12.862	25.412	10.062	56.039
Write-Offs of Other Credits	-	-	-	1.979	1.979	-	-	-	-	-
Civil Suit Indemnity	-	-	-	-	-	-	(1.000)	(5.400)	(1.000)	(7.400)
Adjusted EBITDA	3.533	5.224	18.976	18.845	46.577	7.703	11.862	20.012	9.062	48.639
EBITDA Margin	4,9%	6,2%	18,4%	16,1%	12,2%	9,7%	13,3%	24,5%	11,3%	15,2%
Adjusted EBITDA Margin	4,9%	6,2%	18,4%	18,0%	12,7%	9,7%	12,2%	19,3%	10,2%	13,2%

In 2023, EBITDA reached R\$56.0 million (EBITDA margin of 15.2%), an increase of 25.7% over the previous year (R\$44.6 million, EBITDA margin of 12.2%).

Adjusted EBITDA in 2023, after the reversal of the amount received as compensation for civil lawsuits in which Ideiasnet S.A. was a party, was R\$48.6 million (Adjusted EBITDA margin of 13.2%). In 2022, with the elimination of the effect of the write-off of credits receivable in the net amount of R\$2.0 million, Adjusted EBITDA was R\$46.6 million (Adjusted EBITDA margin of 12.7%).

Debt, cash, and capital structure

The Company ended 2023 with loans and financing in the amount of R\$112.5 million, composed of Banco Votorantim's NCE and credit lines taken with FINEP (eight contracts entered into in 2020, 2021, and 2022) whose funds are destined for investments in new products, software, and technology developments, being released following the disbursements and evidence of the execution of the strategic innovation plan of subsidiary Padtec S.A. In 2023, FINEP released R\$18.9 million.

The funds raised in the debt restructuring completed in April were allocated to the settlement of loans and financing that were outstanding with private institutions and debentures issued by Padtec S.A. in 2020. This restructuring reduced the total amount of indebtedness in 2Q23 by 16.1% compared to the outstanding position in December 2022. In addition, it brought positive impacts to the debt profile, with the lengthening of maturities and improvements in short-term liquidity. At the end of 2023, the capital structure had about 88% in long-term obligations and 12% in short-term obligations. At the end of 2022, short-term obligations accounted for 30% of indebtedness.

In 2023, the average funding cost was 5.7% per year - compared to 8.6% per year in 2022.

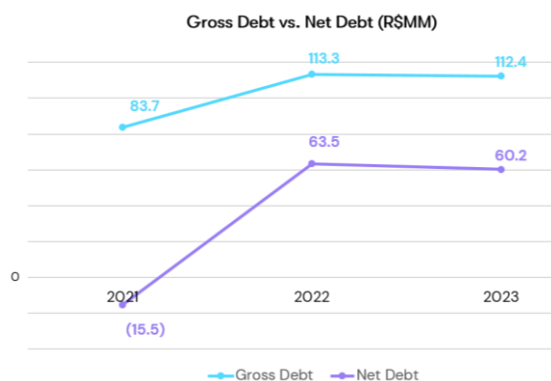
R\$ thousand						CONSOLIDATED	
Modality	Agreed Rate	Annual Average Effective Rate	Due Date (Maturity)	Guarantee		Dec 31, 2023	Dec 31, 2022
Brazilian Currency							
FINEP	TR + 2,30% and 2,80% p.a.	3.01%	02/15/20 until 12/15/42	Bank Guarantee		81.284	62.788
Working Capital - Safra	CDI + 5,53% p.a.	19.33%	10/22/20 until 09/23/25	-		-	6.752
Working Capital - Daycoval	CDI + 5,9% p.a.	19.72%	10/29/20 until 09/30/24	Receivables		-	3.007
Working Capital - ABC Brasil	CDI + 4,38% p.a.	18.33%	12/23/20 until 05/23/24	Receivables		-	5.130
FINIMP - credit letter	10,14% p.a.	10.14%	03/20/23	Credit Letter		-	14.687
						81.284	92.364
Padtec S.A. debentures	CDI + 3,80% p.a.	16.60%	03/21/21 until 12/21/24			-	20.957
Foreign Currency							
NCE - Votorantim	exchange variation + 8.55% p.a.		07/26/23 until 06/27/26	Escrow Account		31.171	-
						112.455	113.321
Current liabilities							
						13.374	34.112
						11,9%	30,1%
Non-current liabilities							
						99.081	79.209
						88,1%	69,9%
						112.455	113.321



Repayment Schedule by Year of Maturity - R\$ thousand							
	2024	2025	2026	2027	2028	2029 onwards	total
Loan and financing	13.374	20.686	10.456	5.341	5.341	57.257	112.455

In December 2023, the amounts available in cash and cash equivalents totaled R\$50.5 million (R\$49.6 million at the end of 2022), and financial investments as collateral, R\$1.8 million (R\$0.2 million in December 2022), totaling R\$52.2 million.

Net debt was R\$60.2 million, with a net debt/LTM EBITDA ratio³ of 1.08 and a net debt/equity ratio of 0.39.



Padtec's capital structure allows the Company to conduct its operations safely and sustainably, enabling the acceleration of its growth in new geographies, fostering financing for its customers, and developing new products and solutions to better meet the demands arising from the telecommunications ecosystem.

Co-obligations

Through transactions based on the principle of credit assignment and receivables discounts, credits have already been granted to more than 30 customers since 2017. The Company carries out a thorough monitoring of each of its customers to mitigate the credit risk of its counterparties. The fact that the portfolio is widely dispersed also contributes to the proper management of financial risk and maintenance of defaults close to zero.

At the end of 2023, the operations made available by Padtec to facilitate the acquisition of its implementation products and services by customers who do not have direct access to the financing lines available in the market totaled R\$91.9 million. Short-term obligations account for about 40% of this amount. The counterpart of the entries is recorded in current assets and non-current assets.

Financial Transactions - Co-obligations		
R\$ thousand	2022	2023
Vendor	50.371	62.561
FIDC Sifra	31	29.338
Forfait	26.835	-
Total	77.237	91.899
Short Term	41.125	39.008
	53,2%	42,4%
Long Term	36.112	52.891
	46,8%	57,6%
Total	77.237	91.899

² LTM EBITDA corresponds to the sum of EBITDA recorded in the last twelve months.

FIDC Funttel Padtec

In addition to the instruments informed above, Padtec has a credit rights investment fund in conjunction with BNDES Participações S.A. – BNDESPAR (BNDESPAR). The operations of FIDC Funttel Padtec have as senior shareholder BNDESPAR (with an 80% interest) and a shareholder subordinated to subsidiary Padtec S.A. (20%) started in 2Q22 and the objective of the fund is, through the granting of credit to Padtec's customers, to stimulate the process of technological innovation, encourage the training of human resources, foster job creation and promote the access of small and medium-sized companies to capital resources, to increase the competitiveness of the Brazilian telecommunications industry.

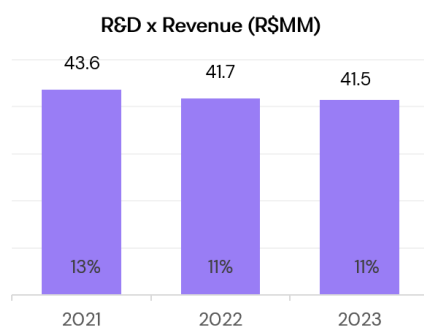
By the end of 2023, the fund's shareholders made available R\$25 million, and R\$22.2 million credits were granted to nineteen Padtec customers (and of this amount, about 73% remains outstanding).

FIDC Funttel Padtec is consolidated into the Company in accordance with the rules of Technical Pronouncement CPC 36 (R3) Consolidated Statements, correlated to International Accounting Standards – IFRS 10 (IASB - BV 2012). However, for the purposes of this Results Release, the values of FIDC Funttel Padtec are not considered for the calculations and analyzes presented in the section "Indebtedness, cash and capital structure".

- **Investments**

Padtec focuses on the continuous improvement of its solutions and is always attentive to the demands of the telecommunications and technology segments, seeking to offer products capable of contributing positively to its customers' businesses. The products and services offered by the Company, developed internally or through partnerships, have a high technological content index, great flexibility and high levels of robustness, quality and reliability.

Investments in research and development ("R&D") in 2023 totaled R\$41.5 million (11.2% of net revenue), in line with the R\$41.7 million allocated in the previous year. As the amount recorded in the Income Statement presents the effect of deferrals, in that report these expenses totaled R\$37.5 million in 2023 and R\$34.7 million in 2022.



At the end of 2023, Padtec already held the registration of eleven invention patents with the Brazilian National Institute of Intellectual Property (Instituto Nacional de Propriedade Intelectual – INPI) and was awaiting the approval of seven other applications filed. Through partnerships with universities and research centers, the Company seeks to increase and diversify the technological innovations that support the continuous development of new solutions offered to its industry.

- **The ESG agenda at Padtec - 2023 retrospective**

Padtec constantly improves its commitment to ESG issues. Below are the highlights of the year 2023 in the three pillars - Environmental (or Environmental), Social, and Governance:

- Joining the Fiber Broadband Association (FBA), to participate in collaborative and research projects conducted by global communities that drive technology innovation.
- Partnership with FYCO, a global company specialized in technological solutions for the telecommunications sector, aiming to expand its presence in the Mexican market in addition to contributing to the training of professionals in the telecommunications sector through education projects in partnership with FYCO Learning – an academic institution accredited by FBA.
- Association with the Tower Automation Alliance (TAA), the first initiative fully dedicated to creating a standard for the automation of the management of critical telecommunications infrastructures, aiming to achieve 100% digital operations.
- NPS in 2023 reaches a higher historical level: +77 and positions the Company in the Zone of Excellence of the Net Promoter Score methodology (the index that measures customer loyalty with Padtec). The survey, conducted by an independent specialized company, indicated that the level of overall satisfaction with Padtec grew for the 6th consecutive year.
- The 5th edition of Pad Technology Day recorded a record audience at the Company's facilities in Campinas.
- Sponsorship of the event "Tech com elas: Transformando o futuro em realidade" and the 1st Women's Programming Marathon at Unicamp, aiming to promote female participation in the areas of technology.
- For the 2nd consecutive year, Padtec won 1st place in the DWDM item of the survey "The Outstanding Brands in Internet Providers" carried out by RTI magazine.
- Launch of development programs for employees to improve their skills, new training for training leaders, the Mind Health Program ("Programa Saúde da Mente"), and the 1st Padtec Internship Program, in addition to the #Padtecker web series and Field Stories, telling stories about employees.
- Four times recognized in 2023 by the seal "Company that gives Feedback" granted by the human resources platform Gupy.
- The Engagement Index reached 86%, according to an independent climate survey conducted annually with employees, an increase of 4 percentage points compared to the survey carried out in 2022.
- Quality Management System (QMS) certified by ISO 9001 since 2004 and Environmental Management System (EMS) certified by ISO 14001:2015 since 2022.
- Review of corporate policies to improve Padtec's guidelines for best management and corporate governance practices.
- 3rd edition of Compliance Week, aimed at all employees of the Company.
- Inauguration of the new distance learning studio (EAD) in 1Q24 doubles the capacity to offer specialized technical training in optical communication networks to clients from all over Brazil and abroad. Since 2021, when the first EAD was inaugurated, more than 4,000 people – including employees and customers - have already been trained.

• Income Statement – Consolidated

(in thousand of Brazilian Reals)	CONSOLIDATED									
	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Gross operating revenues	93.748	103.470	121.398	136.674	455.290	100.658	118.949	128.248	107.307	455.162
Sales taxes	(20.991)	(18.578)	(18.302)	(31.694)	(89.565)	(21.494)	(22.046)	(24.716)	(18.219)	(86.475)
Net operating revenues	72.757	84.892	103.096	104.980	365.725	79.164	96.903	103.532	89.088	368.687
Cost of products sold and services rendered	(52.092)	(56.740)	(69.806)	(70.218)	(248.856)	(50.675)	(62.011)	(64.337)	(60.392)	(237.415)
Gross profit	20.665	28.152	33.290	34.762	116.869	28.489	34.892	39.195	28.696	131.272
Operational income (expenses)										
Administrative expenses	(6.889)	(8.247)	(7.643)	(6.383)	(29.162)	(7.373)	(8.213)	(7.273)	(8.401)	(31.260)
Commercial expenses	(8.028)	(8.754)	(7.884)	(7.890)	(32.556)	(9.007)	(8.924)	(8.580)	(8.946)	(35.457)
Research and development expenses	(8.438)	(9.235)	(8.941)	(8.065)	(34.679)	(9.724)	(9.339)	(9.670)	(8.753)	(37.486)
Other operational expenses (income)	2.473	(877)	5.302	(210)	6.688	(816)	(1.852)	5.080	695	3.107
	(20.882)	(27.113)	(19.166)	(22.548)	(89.709)	(26.920)	(28.328)	(20.443)	(25.405)	(101.096)
Profit/(losses) before financial income (expenses)	(217)	1.039	14.124	12.215	27.161	1.569	6.564	18.752	3.291	30.176
Financial income	(10.158)	(10.691)	(7.580)	(7.587)	(36.016)	(6.713)	(8.965)	(4.003)	(11.421)	(31.102)
Financial expenses	5.899	5.773	5.674	1.631	18.977	5.821	3.193	1.800	5.592	16.406
	-	-	-	-	-	-	-	-	-	-
Profit/(losses) income tax and social contribution	(4.476)	(3.879)	12.218	6.259	10.122	677	792	16.549	(2.538)	15.480
Income tax and social contribution	-	-	-	-	-	-	15	-	-	-
Current	(1)	92	-	(459)	(368)	-	-	(1.009)	927	(67)
Deferred	-	-	-	-	-	-	-	-	-	-
Net profit in the period	(4.477)	(3.787)	12.218	5.800	9.754	677	807	15.540	(1.611)	15.413

• Balance Sheet – Consolidated

(in thousand of Brazilian Reals)	Consolidated		Consolidated	
	12/31/23	12/31/2022	12/31/23	12/31/2022
Assets			Liability	
Current			Current	
Cash and cash equivalents	50.456	49.620	Loans and financing	13.374
Marketable securities	9.920	3.703	Derivative Financial Instruments	1.671
Accounts receivable	125.809	134.999	Debtentures	-
Inventories	102.196	93.435	Commercial leasing operations	5.882
Recoverable taxes	30.141	34.330	Suppliers	57.395
Sales financing operation	39.008	41.125	Related parties	400
Other credits	6.909	5.494	Payable taxes and contributions	4.643
			Payable taxes and contributions in installment	1.055
Total current assets	364.439	362.706	Social contributions	27.274
			Dividends payable	3.674
Non-current			General provisions	2.411
Accounts receivable	4.766	13.267	Sales financing operation	39.008
Restricted financial investments	1.754	212	Advances from customers	1.447
Sales financing operation	52.891	36.112	Other accounts payable	1.208
Judicial deposits	1.151	1.167		
Other credits	23	409	Total current liabilities	159.442
Fixed assets	40.422	37.571	Non-current	
Intangible assets	51.060	45.175	General provisions	507
			Provisions for labor and tax risks	16.058
Total non-current assets	152.067	133.913	Loans and financing	99.081
			Debtentures	-
Total assets	516.506	496.619	Suppliers	508
			Commercial leasing operations	13.071
			Payable taxes and contributions in installment	1.299
			Liabilities - FIDC Senior Shares	21.109
			Sales financing operation	52.891
			Other accounts payable	-
			Total non-current liabilities	204.524
			Total liabilities	363.966
			Equity	
			Capital stock	138.439
			Capital reserve	3.193
			Income reserve	10.965
			Goodwill on capital transaction	599
			Other comprehensive income	(656)
			Total of shareholders' equity	152.540
			Total of liabilities and shareholders' equity	516.506

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.