

Positivo Tecnologia S.A.

Parent company and consolidated financial statements
for the year ended December 31, 2021



KPMG Auditores Independentes Ltda.
The Five East Batel
Rua Nunes Machado, nº 68 - Batel
Caixa Postal 13533 - CEP: 80250-000 - Curitiba/PR - Brasil
Telefone +55 (41) 3304-2500
kpmg.com.br

Independent auditors' report on the Parent company and consolidated financial statements

To the shareholders of Positivo Tecnologia S.A.

Curitiba - PR

Opinion

We have audited the Parent company and consolidated financial statements of Positivo Tecnologia S.A. ("Company"), which comprise the Parent company and consolidated statement of financial position as of December 31, 2021, and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the Parent company financial statements

In our opinion, the accompanying Parent company financial statements present fairly, in all material respects, the financial position of the Positivo Tecnologia S.A. as of December 31, 2021, and of its performance and its cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Positivo Tecnologia S.A. as of December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Auditing Standards. Our responsibilities, under those standards are further described in the "Auditor's responsibilities for the audit of Parent Company and consolidated financial statements" section of our report. We are independent in relation to the Company, in accordance with the ethical requirements that are relevant to our audit of the financial statements provided for the Accountant's Code of Professional Ethics and professional standards issued by the Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent company and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the Parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition from sales of products

See the explanatory notes 2.21.(a) and 25 to the Parent company and consolidated financial statements

| Key audit matters | How our audit addressed this matter |
|---|--|
| <p>The Company's main sources of revenue are sales of products to customers. The Company recognizes revenue when it transfers control over the product to customers, in accordance with CPC 47 / IFRS 15 – Revenue from contract with customer.</p> <p>The transfer of control of the products occurs when they are delivered and accepted by the customers. Consequently, at the end of each year, the Company measures the amount of invoiced sales that have not yet been delivered and accepted by customers. The measurement of the amount of products in transit is calculated based on the respective delivery dates at the facilities where the customers are located.</p> <p>Due to the relevance of the amounts involved, the nature and extent of the audit procedures necessary to address the matter, we consider this matter to be significant for our audit.</p> | <p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none">- evaluation of the design and implementation of the main internal controls related to the revenue recognition process;- evaluation, based on a sample, of proof of delivery and acceptance of products by customers;- evaluation, based on a sample, of products in transit, through proof of delivery subsequent to December 31, 2021 and the respective sales orders;- evaluation of the relevant disclosures related to the recognition of revenue from sales of products in the financial statements. <p>Based on the procedures summarized above and the results obtained, we consider that the amounts recognized as revenue from sales of products are acceptable, including the measurement prepared by management of the amount of goods in transit at the end of the year, as well as the related disclosures, in the context of the Parent company and consolidated financial statements taken as a whole.</p> |

Other matters - Statements of added value

Parent company and consolidated statements of added value for the year ended December 31, 2021, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures carried out together with the audit of Company's financial statements. In order to form our opinion, we evaluated whether this statement is reconciled with the financial statements and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the Parent Company and consolidated financial statements taken as a whole.

Other information accompanying Parent company and consolidated financial statements and the auditors' report

The Company's management is responsible for such other information that comprises the Management Report.

Our opinion on the Parent company and consolidated financial statements does not include the Management Report and we do not express any form of audit conclusion on such report.

Regarding the audit of Parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, in a material way, inconsistent with the financial statements or with our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We do not have anything to report on this respect.

Responsibility of management and those charged with governance for the Parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the Parent company financial statements in accordance with Accounting Practices Adopted in Brazil and the consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of Parent company and consolidated financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless management intends to wind-up the Company or cease its operations, or has no realistic alternative to avoid the closure of operations.

Those charged with governance of the Company and its subsidiaries are those responsible for supervising the process of preparing the financial statements.

Auditor's responsibilities for the audit of Parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Parent company and consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than that arising from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner consistent with the objective of fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Parent Company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our work.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Parent Company and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Curitiba, March 22, 2022.

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-PR

Original report in Portuguese signed by
Edson Rodrigues da Costa
Accountant CRC PR-054199/O-0

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020
(Amounts expressed in thousands of reais)

| ASSETS | Note | Parent company | | Consolidated | | LIABILITIES AND SHAREHOLDERS' EQUITY | Note | Parent company | | Consolidated | |
|-------------------------------------|---------|-------------------|-------------------|-------------------|-------------------|---|------------|-------------------|-------------------|-------------------|-------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 | | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| CURRENT ASSETS | | | | | | | | | | | |
| Cash and cash equivalents | 5 | 287,152 | 500,734 | 359,007 | 544,162 | Suppliers | 17 | 870,647 | 484,963 | 1,186,214 | 562,210 |
| Derivative financial instruments | 32 | 4,482 | 4,474 | 4,482 | 4,474 | Loans and financing | 18 | 390,072 | 437,298 | 400,196 | 461,373 |
| Accounts receivable | 6 | 624,475 | 540,810 | 762,625 | 698,044 | Derivative financial instruments | 32 | - | 8,727 | - | 8,727 |
| Inventories | 7 | 1,201,256 | 558,483 | 1,690,347 | 645,750 | Salaries and social charges payable | | 35,068 | 30,756 | 38,387 | 33,263 |
| Related parties | 10 | 196,153 | 66,633 | 14,502 | 20,410 | Lease liabilities | 15.a | 7,874 | 8,452 | 9,115 | 9,292 |
| Recoverable taxes | 8 | 142,639 | 178,156 | 157,222 | 183,356 | Provisions | 19 | 138,024 | 124,143 | 158,080 | 141,362 |
| Income tax and social contribution | | 14,717 | 35,435 | 18,803 | 37,680 | Provision for tax, labor and civil risks | 23 | 5,985 | 5,412 | 5,985 | 5,412 |
| Sundry advances | | 38,209 | 37,343 | 56,229 | 48,753 | Taxes payable | | 32,137 | 23,656 | 52,814 | 32,037 |
| Other receivables | 9 | 52,873 | 27,225 | 56,823 | 28,608 | Dividends payable | 24.f | 47,611 | 48,609 | 47,611 | 48,609 |
| | | 2,561,956 | 1,949,293 | 3,120,040 | 2,211,237 | Deferred revenue | 8 20 | 4,759 | 7,492 | 5,753 | 7,492 |
| | | | | | | Related parties | 10 | 9,810 | 7,477 | 745 | 1,213 |
| | | | | | | Other accounts payable | 21 | 19,455 | 45,569 | 32,751 | 59,942 |
| | | | | | | | | 1,561,442 | 1,232,554 | 1,937,651 | 1,370,932 |
| NON-CURRENT ASSETS | | | | | | | | | | | |
| Long-term receivables | | | | | | NON-CURRENT LIABILITIES | | | | | |
| Recoverable taxes | 8 | 275,650 | 275,380 | 275,722 | 275,415 | Loans and financing | 18 | 481,729 | 279,061 | 500,406 | 301,561 |
| Deferred taxes | | - | - | 624 | 599 | Lease liabilities | 15.a | 23,754 | 28,921 | 26,525 | 31,839 |
| Other receivables | 9 | 63,240 | 60,984 | 63,636 | 61,571 | Provisions | 19 | 46,211 | 19,306 | 46,211 | 19,306 |
| | | 338,890 | 336,364 | 339,982 | 337,585 | Provision for tax, labor and civil risks | 23 | 39,584 | 34,497 | 39,584 | 34,497 |
| | | | | | | Related parties | 10 | 5,627 | - | 3,440 | 4,393 |
| | | | | | | Net capital deficiency in subsidiaries and joint ventures | 11 14 .a | 475 | 1,273 | 475 | 457 |
| | | | | | | Deferred taxes | | - | - | 654 | - |
| | | | | | | Other accounts payable | 21 | 98 | 687 | 17,529 | 28,512 |
| | | | | | | | | 597,478 | 363,745 | 634,824 | 420,565 |
| | | | | | | TOTAL LIABILITIES | | 2,158,920 | 1,596,299 | 2,572,475 | 1,791,497 |
| SHAREHOLDERS' EQUITY | | | | | | | | | | | |
| Investments in subsidiaries | 11 | 302,880 | 200,629 | - | - | Share capital | 24.a | 721,670 | 721,670 | 721,670 | 721,670 |
| Investment in joint venture | 14 | - | - | 37,942 | 38,538 | Capital reserve | 24.b | 119,939 | 119,411 | 119,939 | 119,411 |
| Investment in associates and others | 12 13 | 26,789 | 18,001 | 76,284 | 53,154 | Profit reserve | 24.c | 361,419 | 211,233 | 361,419 | 211,233 |
| Property, plant and equipment | 15 | 72,456 | 73,590 | 92,894 | 86,298 | Equity valuation adjustment | 24.d | (10,069) | (17,075) | (10,069) | (17,075) |
| Intangible assets | 16 | 27,780 | 40,336 | 86,994 | 97,823 | Treasury shares | 24.e | (21,128) | (13,325) | (21,128) | (13,325) |
| | | 429,905 | 332,556 | 294,114 | 275,813 | Shareholders' equity attributable to controlling shareholders | | 1,171,831 | 1,021,914 | 1,171,831 | 1,021,914 |
| | | | | | | Non-controlling interest | | - | - | 9,830 | 11,224 |
| | | 768,795 | 668,920 | 634,096 | 613,398 | Total shareholders equity | | 1,171,831 | 1,021,914 | 1,181,661 | 1,033,138 |
| TOTAL ASSETS | | 3,330,751 | 2,618,213 | 3,754,136 | 2,824,635 | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 3,330,751 | 2,618,213 | 3,754,136 | 2,824,635 |

See the accompanying explanatory notes to the financial statements.

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

**STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts expressed in thousands of reais)**

| | Note | Parent company | | Consolidated | |
|---|---------|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| NET REVENUE | 25 | 3,110,312 | 1,991,623 | 3,365,487 | 2,192,173 |
| COST OF SALES AND SERVICES RENDERED | 26 | (2,466,596) | (1,609,151) | (2,596,881) | (1,743,427) |
| GROSS INCOME | | 643,716 | 382,472 | 768,606 | 448,746 |
| Sales expenses | 26 | (350,916) | (253,994) | (363,763) | (272,919) |
| General and administrative expenses | 26 | (133,714) | (125,773) | (163,437) | (136,782) |
| Other operating income (expenses), net | 8 | 38,677 | 227,604 | 57,585 | 237,507 |
| Equity in income of subsidiaries and associated companies | 11 - 14 | 82,469 | 23,544 | 4,158 | 1,124 |
| | | (363,484) | (128,619) | (465,457) | (171,070) |
| INCOME BEFORE FINANCIAL INCOME AND EXPENSES | | 280,232 | 253,853 | 303,149 | 277,676 |
| Financial revenues | 28 | 40,498 | 56,497 | 43,706 | 59,756 |
| Financial expenses | 28 | (144,857) | (92,375) | (158,768) | (100,576) |
| Net exchange-rate change | 28 | 24,385 | 48,895 | 20,150 | 35,533 |
| | | (79,974) | 13,017 | (94,912) | (5,287) |
| INCOME BEFORE INCOME TAX | | 200,258 | 266,870 | 208,237 | 272,389 |
| Current income tax and social contribution | 22 | - | (14,359) | (4,712) | (15,139) |
| Deferred income tax and social contribution | 22 | - | (61,540) | (629) | (61,408) |
| | | - | (75,899) | (5,341) | (76,547) |
| NET INCOME FOR THE YEAR | | 200,258 | 190,971 | 202,896 | 195,842 |
| Attributable to controlling shareholders | | N/A | N/A | 200,258 | 190,971 |
| Attributable to non-controlling shareholders | | N/A | N/A | 2,638 | 4,871 |
| NET INCOME PER SHARE - R\$ | | | | | |
| Basic | 29 | N/A | N/A | 1.4287 | 1.4024 |
| Diluted | 29 | N/A | N/A | 1.4234 | 1.4005 |

See the accompanying explanatory notes to the financial statements.

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts expressed in thousands of reais)**

| | Note | Parent company | | Consolidated | |
|--|---------|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| NET INCOME FOR THE YEAR | | 200,258 | 190,971 | 202,896 | 195,842 |
| Other comprehensive income (loss) | | | | | |
| Items that may be reclassified in the statement of income | | | | | |
| Exchange difference on translation of foreign operations | | | | | |
| Exchange-rate changes on foreign investments | | | | | |
| Crounal S.A./PBG Uruguay S.A. | 11 | 6,025 | 18,329 | 6,025 | 18,329 |
| Positivo Inf. da Bahia/PBG Rwanda Limited | 11 14 | 51 | 1,364 | 51 | 1,364 |
| Positivo Argentina S.R.L. | | 42 | (36) | 42 | (36) |
| Cash Flow Hedges | | | | | |
| Fair value of cash flow hedge financial instrument | 32 | 888 | 720 | 888 | 720 |
| | | 7,006 | 20,377 | 7,006 | 20,377 |
| Comprehensive income for the year | | 207,264 | 211,348 | 209,902 | 216,219 |
| Comprehensive income attributed to controlling shareholders | | | | 207,264 | 211,348 |
| Comprehensive income attributed to non-controlling shareholders | | | | 2,638 | 4,871 |

See the accompanying explanatory notes to the financial statements.

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**
(Amounts expressed in thousands of reais)

| | | Parent company and Consolidated | | | | | | | | | |
|--|----------------|---------------------------------|-----------------|------------------------------|------------------------|---------------|-----------------|-------------------------|---------------------------|--|-----------------------------------|
| Note | Capital | Capital Reserve | | Equity valuation adjustments | Profit reserve | | Treasury shares | Net income for the year | Total shareholders equity | Interest of non-controlling shareholders | Consolidated shareholders' equity |
| | | Tax incentive reserves | Options granted | | Tax incentive reserves | Legal reserve | | | | | |
| AT DECEMBER 31, 2019 | 389,000 | 118,132 | 1,158 | (37,452) | 68,606 | 81 | (12,501) | - | 527,024 | 7,868 | 534,892 |
| Net income for the year | - | - | - | - | - | - | - | 190,971 | 190,971 | 4,871 | 195,842 |
| Other comprehensive income (loss): | | | | | | | | | | | |
| Cash flow hedges | | | | 720 | | | | | 720 | - | 720 |
| Accumulated translation adjustment | 11 - 14 | - | - | 19,657 | - | - | - | - | 19,657 | - | 19,657 |
| Total comprehensive income (loss) | - | - | - | 20,377 | - | - | - | 190,971 | 211,348 | 4,871 | 216,219 |
| Increase Capital | 24.a | 353,700 | | | | | | | 353,700 | | 353,700 |
| (-) Expenses with issuance of shares | 24.a | (21,030) | | | | | | | (21,030) | | (21,030) |
| Exercising Stock Options | 33 | - | (310) | - | (373) | - | 1,077 | - | 394 | - | 394 |
| Options granted (stock options) | | - | 431 | - | - | - | - | - | 431 | - | 431 |
| Mandatory dividend | | - | - | - | - | - | - | (48,055) | (48,055) | - | (48,055) |
| Dividend returned to tax incentive reserve | | - | - | - | 3 | - | - | - | 3 | - | 3 |
| Apropriation of loss for the year | 24.c | - | - | - | 132,799 | 10,117 | - | (142,916) | - | - | - |
| Treasury shares | 24.e | - | - | - | - | - | (1,901) | - | (1,901) | - | (1,901) |
| Dividends - non-controlling | | - | - | - | - | - | - | - | - | (1,515) | (1,515) |
| AT DECEMBER 31, 2021 | 721,670 | 118,132 | 1,279 | (17,075) | 201,035 | 10,198 | (13,325) | - | 1,021,914 | 11,224 | 1,033,138 |
| AT DECEMBER 31, 2020 | 721,670 | 118,132 | 1,279 | (17,075) | 201,035 | 10,198 | (13,325) | - | 1,021,914 | 11,224 | 1,033,138 |
| Net income for the year | - | - | - | - | - | - | - | 200,258 | 200,258 | 2,638 | 202,896 |
| Other comprehensive income (loss): | | | | | | | | | | | |
| Cash flow hedges | 32 | - | - | 888 | - | - | - | - | 888 | - | 888 |
| Accumulated translation adjustment | 11 - 14 | - | - | 6,118 | - | - | - | - | 6,118 | - | 6,118 |
| Total comprehensive income (loss) | - | - | - | 7,006 | - | - | - | 200,258 | 207,264 | 2,638 | 209,902 |
| Exercising Stock Options | 33 | - | (947) | - | (2,511) | - | 6,829 | - | 3,371 | - | 3,371 |
| Options granted (stock options) | 33 | - | 1,475 | - | - | - | - | - | 1,475 | - | 1,475 |
| Mandatory dividend | 24.f | - | - | - | - | - | - | (47,561) | (47,561) | - | (47,561) |
| Apropriation of loss for the year | 24.e | - | - | - | 142,684 | 10,013 | - | (152,697) | - | - | - |
| Treasury shares | 24.e | - | - | - | - | - | (14,632) | - | (14,632) | - | (14,632) |
| Dividends - non-controlling | | - | - | - | - | - | - | - | - | (4,032) | (4,032) |
| AT DECEMBER 31, 2021 | 721,670 | 118,132 | 1,807 | (10,069) | 341,208 | 20,211 | (21,128) | - | 1,171,831 | 9,830 | 1,181,661 |

See the accompanying explanatory notes to the financial statements.

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts expressed in thousands of reais)

| | | Parent company | | Consolidated | |
|--|---------|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| | Note | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Net income for the year | | 200,258 | 190,971 | 202,896 | 195,842 |
| Reconciliation of income to cash used in operating activities: | | | | | |
| Depreciation and amortization | 26 | 39,135 | 40,906 | 42,344 | 46,102 |
| Equity in income of subsidiaries and associated companies | 11 14 | (82,469) | (23,544) | (4,158) | (1,124) |
| Fair value (gain) loss | | (29,239) | (23,140) | (35,656) | (23,551) |
| Provision for tax, labor and civil risks | 23 | 11,488 | 4,717 | 11,488 | 4,717 |
| Allowance for doubtful accounts | 6 | 7,261 | 10,974 | 7,401 | 11,252 |
| Provision for inventory losses | 7 | 10,738 | 19,924 | 20,827 | 23,802 |
| Provisions and deferred income | | 38,053 | 64,144 | 41,884 | 71,107 |
| Stock options | 33 | 1,475 | 431 | 1,475 | 431 |
| Interest on borrowings and leases | | 84,101 | 58,855 | 89,200 | 61,796 |
| Foreign exchange variation | | 3,382 | (6,260) | 6,743 | (5,967) |
| Interest on taxes | | (16,401) | (31,810) | (16,506) | (31,810) |
| Gain on disposal of fixed assets | | (3,458) | - | (3,458) | - |
| Gain in lawsuits | 8 | (10,476) | (217,589) | (14,734) | (221,376) |
| Income tax and social contribution (current and deferred) | 22 | - | 75,899 | 5,341 | 76,547 |
| | | 253,848 | 164,478 | 355,087 | 207,768 |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable | | (92,413) | (347,579) | (74,514) | (451,149) |
| Inventories | | (651,803) | (154,952) | (1,061,553) | (190,753) |
| Recoverable taxes | | 80,777 | (33,874) | 69,167 | (37,104) |
| Sundry advances | | (1,198) | 14,967 | (7,860) | 15,790 |
| Accounts receivable - Related parties | | (121,560) | (39,144) | 9,904 | 15,296 |
| Other receivables | | (20,839) | 11,068 | (19,615) | 15,352 |
| Increase (decrease) in liabilities: | | | | | |
| Suppliers | | 422,990 | 161,324 | 659,992 | 178,231 |
| Taxes payable | | 8,481 | 2,888 | 20,777 | 8,002 |
| Other accounts payable | | (22,391) | 48,360 | (23,041) | 55,323 |
| Indemnities | | (5,828) | - | (5,828) | - |
| Payment of interest on loans and right-of-use | | (63,505) | (38,335) | (68,264) | (40,412) |
| | | (467,289) | (375,277) | (500,835) | (431,424) |
| Net cash used in operating activities | | (213,441) | (210,799) | (145,748) | (223,656) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Increase in capital - subsidiaries | 13 | (23,250) | (13,990) | (13,501) | (12,000) |
| Acquisition of investments | 21.b | - | - | (10,009) | (5,331) |
| Purchases of property, plant and equipment | 15 | (16,946) | (7,137) | (27,481) | (9,186) |
| Increase in intangible assets | 16 | (11,749) | (19,813) | (16,043) | (22,121) |
| Net cash used in investing activities | | (51,945) | (40,940) | (67,034) | (48,638) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Capital increase | | - | 332,670 | - | 332,670 |
| Payment dividends | 24.f | (48,559) | (4,003) | (52,591) | (5,518) |
| New borrowings | 18 | 689,110 | 651,535 | 689,110 | 698,105 |
| Amortization of loans | 18 | (569,976) | (609,365) | (588,090) | (658,452) |
| Right of use - payments | 15.a | (7,510) | (7,674) | (8,604) | (8,415) |
| Treasury shares | 24.e | (14,632) | (1,901) | (14,632) | (1,901) |
| Resources from exercicio exercising Stock Options | 33 | 3,371 | 394 | 3,371 | 394 |
| Net cash provided by financing activities | | 51,804 | 361,656 | 28,564 | 356,883 |
| Exchange-rate changes over cash and cash equivalents | | - | - | (937) | (1,141) |
| (REDUCTION) INCREASE IN CASH AND CASH EQUIVALENTS | | (213,582) | 109,917 | (185,155) | 83,448 |
| Cash and cash equivalents at the beginning of the year. | 5 | 500,734 | 390,817 | 544,162 | 460,714 |
| Cash and cash equivalents at the end of the year. | 5 | 287,152 | 500,734 | 359,007 | 544,162 |
| (REDUCTION) INCREASE IN CASH AND CASH EQUIVALENTS | | (213,582) | 109,917 | (185,155) | 83,448 |

See the accompanying explanatory notes to the financial statements.

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

**STATEMENTS OF ADDED VALUE
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts expressed in thousands of reais)**

| | Parent company | | Consolidated | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Revenue | | | | |
| Sales of goods and services | 3,691,613 | 2,327,440 | 3,986,579 | 2,585,439 |
| Returns and commercial discounts | (136,999) | (66,319) | (153,013) | (62,769) |
| Cooperative advertising expenses and provision for rebates | (93,526) | (64,910) | (91,549) | (64,959) |
| Allowance for doubtful accounts | (7,261) | (10,974) | (7,401) | (11,252) |
| Other revenues | 3,314 | 220,815 | 22,208 | 221,329 |
| | 3,457,141 | 2,406,052 | 3,756,824 | 2,667,788 |
| Inputs acquired by third parties | | | | |
| Cost of sales and services rendered | (2,381,493) | (1,552,880) | (2,467,283) | (1,662,579) |
| Materials, electricity, outsourced services and other | (261,096) | (198,354) | (283,922) | (219,478) |
| Commissions | (46,146) | (32,702) | (54,883) | (42,179) |
| Marketing | (35,567) | (27,176) | (36,770) | (29,227) |
| | (2,724,302) | (1,811,112) | (2,842,858) | (1,953,463) |
| Gross value added | 732,839 | 594,940 | 913,966 | 714,325 |
| Depreciation and amortization | (39,135) | (40,906) | (42,344) | (46,102) |
| Net value added generated by the entity | 693,704 | 554,034 | 871,622 | 668,223 |
| Value added received through transfer | | | | |
| Equity in income of subsidiaries and associated companies | 82,469 | 23,544 | 4,158 | 1,124 |
| Financial revenues and foreign exchange gain | 142,589 | 216,842 | 162,963 | 257,334 |
| | 225,058 | 240,386 | 167,121 | 258,458 |
| Total value added to distribute | 918,762 | 794,420 | 1,038,743 | 926,681 |
| Distribution of value added | | | | |
| Personnel | | | | |
| Salaries and social charges | 125,109 | 95,931 | 150,692 | 106,213 |
| Benefits | 28,320 | 23,291 | 37,983 | 27,787 |
| Government Severance Indemnity Fund for Employees | 9,629 | 6,357 | 10,809 | 7,143 |
| | 163,058 | 125,579 | 199,484 | 141,143 |
| Taxes, fees and contributions | | | | |
| Federal | 279,976 | 243,561 | 332,645 | 274,686 |
| State | 46,021 | 26,580 | 37,976 | 47,844 |
| Municipal | 3,233 | 1,960 | 3,847 | 2,387 |
| | 329,230 | 272,101 | 374,468 | 324,917 |
| Third-party capital remuneration | | | | |
| Interest and finance costs | 144,857 | 92,375 | 158,768 | 100,576 |
| Rentals | 3,653 | 1,945 | 4,020 | 2,158 |
| Foreign exchange variation | 77,706 | 111,449 | 99,107 | 162,045 |
| | 226,216 | 205,769 | 261,895 | 264,779 |
| Remuneration of own capital | | | | |
| Dividends | 47,561 | 48,055 | 47,561 | 48,055 |
| Retained earnings | 152,697 | 142,916 | 152,697 | 142,916 |
| Interest of non-controlling shareholders in retained earnings | - | - | 2,638 | 4,871 |
| | 200,258 | 190,971 | 202,896 | 195,842 |
| Total value added distributed | 918,762 | 794,420 | 1,038,743 | 926,681 |

See the accompanying explanatory notes to the financial statements.

Contents

| | |
|--|----|
| 1. OPERATIONS..... | 9 |
| 2. ACCOUNTING POLICIES | 10 |
| 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF UNCERTAINTIES IN ESTIMATES | 24 |
| 4. NEW STANDARDS AND INTERPRETATIONS..... | 26 |
| 5. CASH AND CASH EQUIVALENTS | 27 |
| 6. ACCOUNTS RECEIVABLE | 28 |
| 7. INVENTORIES..... | 29 |
| 8. RECOVERABLE TAXES | 29 |
| 9. OTHER RECEIVABLES | 31 |
| 10. RELATED PARTY TRANSACTIONS..... | 32 |
| 11. INVESTMENTS IN SUBSIDIARIES | 33 |
| 12. INVESTMENT IN ASSOCIATED AND OTHERS | 34 |
| 13. OTHER INVESTMENTS (CONSOLIDATED) | 35 |
| 14. INVESTMENTS IN JOINT VENTURE | 36 |
| 15. PROPERTY, PLANT AND EQUIPMENT | 38 |
| 16. INTANGIBLE ASSETS | 40 |
| 17. SUPPLIERS..... | 41 |
| 18. LOANS AND FINANCING | 42 |
| 19. PROVISIONS..... | 44 |
| 20. DEFERRED REVENUE..... | 45 |
| 21. OTHER ACCOUNTS PAYABLE | 46 |
| 22. INCOME TAX AND SOCIAL CONTRIBUTION | 47 |
| 23. PROVISION FOR TAX, LABOR AND CIVIL RISKS | 47 |
| 24. SHAREHOLDERS' EQUITY | 49 |
| 25. NET REVENUE | 52 |
| 26. EXPENSES PER TYPE..... | 52 |
| 27. INFORMATION BY BUSINESS SEGMENT | 53 |
| 28. FINANCIAL INCOME (LOSS) | 55 |
| 29. EARNINGS PER SHARE | 55 |
| 30. FINANCIAL RISK MANAGEMENT..... | 56 |
| 31. FINANCIAL INSTRUMENTS BY CATEGORY | 62 |
| 32. DERIVATIVE FINANCIAL INSTRUMENTS | 63 |

POSITIVO TECNOLOGIA S.A. AND SUBSIDIARIES

SUMMARY OF PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

| | | |
|-----|---------------------------------------|----|
| 33. | STOCK OPTION PLAN | 65 |
| 34. | INSURANCE - CONSOLIDATED | 67 |
| 35. | TRANSACTIONS NOT INVOLVING CASH | 67 |
| 36. | SUBSEQUENT EVENTS | 67 |

1. OPERATIONS

a) The company

Positivo Tecnologia S.A. ("Company") is a technology company based in Brazil. It was founded in 1989 and, since December 2006, its shares (POSI3) have been traded at the São Paulo Stock Exchange - BM&FBOVESPA, in compliance with Corporate Governance practices - New Market (Novo Mercado).

The company is mainly engaged in the industrialization, trading and development of projects in the IT area; industrialization, sale and lease of software and hardware; sale of IT equipment, pedagogic and school management application systems, technical-pedagogical planning and support; representation, sales, implementation, training and support, technical assistance for equipment and technical, technological and scientific teaching systems in several areas, and other related activities.

Among the products manufactured and sold by the Company are: small and medium-sized computers, portable computers, servers, tablets, monitors, electronic boards, computerized educational desks, mobile phones, smartphones and educational software systems and a range of Internet Things (IoT) products.

b) COVID-19

No material impacts related to the COVID-19 pandemic were identified in the Parent company and consolidated financial statements as of December 31, 2021.

The Company continues with the measures adopted at the beginning of the pandemic, among which we highlight the maintenance of the crisis committee, remote work for employees in the administrative area, who represent about 47% of the workforce, strict sanitary controls in the manufacturing areas providing greater safety to employees.

Management continues monitoring the situation of the pandemic in the world, evaluating any relevant impacts or risks to the Company's operations.

c) Issuance of financial statements

The issuance of financial statements was authorized by the Management on March 22, 2022.

2. ACCOUNTING POLICIES

The consolidated financial statements were prepared in accordance with the International Financial Reporting System (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil (BR GAAP).

The Parent company financial statements of the parent company were prepared in accordance with accounting practices adopted in Brazil (BR GAAP).

2.1. Preparation basis

The Parent company and consolidated financial statements were prepared based on the historical cost as the value basis, except for certain financial instruments measured at its fair values.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Company's Management to exercise its judgment in the process of applying the Company's accounting policies. The areas requiring the highest level of judgment and having the highest complexity, and the areas where assumptions and estimates are significant for the Parent company and consolidated financial statements, are disclosed in Note 3.

Going concern

The financial statements were prepared based on the assumption of going concern. Management assessed the Company's ability to continue as a going concern and believes that the Company has the necessary resources to allow the going concern of its business in the future. Management is not aware of any material uncertainty that may cast significant doubts as to its ability to continue as a going concern.

Statement of Added Value ("DVA")

The presentation of the Parent company and Consolidated Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. The IFRS do not require the presentation of this statement. Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period. The presentation of this statement is required by the Brazilian Corporate Law and presented as supplementary information for IFRS purposes.

The statement of added value was prepared based on information obtained in the accounting records that serve as basis for the preparation of financial statements and in accordance with the provisions of CPC 09 - Statement of Added Value. The first part of the DVA presents the wealth created by the Company, represented by revenues (gross sales, including taxes levied thereon, other revenues and the effects of the allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, power and outsourced services, including taxes levied at the time of acquisition, the effects of impairment,

depreciation and amortization) and the value added received from third parties (profit sharing of associated companies, subsidiaries, and joint ventures, financial and other revenues). The second part of the DVA presents the distribution of wealth among employees, taxes and contributions, third-party capital remuneration and remuneration of own capital.

2.2. Consolidation

The following accounting policies are used in the preparation of the consolidated financial statements.

a) Direct and indirect subsidiaries

Subsidiaries are all entities (including structured entities) that the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries are fully consolidated as of the date control is transferred to the Company. The consolidation is interrupted beginning on the date on which the Company no longer has control.

Unrealized transactions, balances and gains in transactions among companies are eliminated. Unrealized losses are also eliminated, unless the transaction shall provide impairment evidence of the asset transferred. The accounting policies of the subsidiaries are changed when required in order to assure the consistency with the policies adopted by the Company.

| | Ownership interest - % | |
|--|------------------------|----------------------|
| | December 31, 2021 | December 31, 2020 |
| Direct subsidiaries | | |
| Positivo Smart Tecnologia Ltda. | 100.00 | 100.00 |
| Portal Mundo Positivo Ltda. | 100.00 | 100.00 |
| Crounal S.A. | 100.00 | 100.00 |
| Positivo Argentina S.R.L. | 100.00 | 100.00 |
| Boreo Indústria de Componentes Ltda. | 100.00 | 100.00 |
| Positivo Distribuição e Comércio Ltda. | 100.00 | 100.00 |
| Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes. | 100.00 | 100.00 |
| Indirect subsidiaries | | |
| Investee of Positivo Smart Tecnologia Ltda. | | |
| Boreo Comércio de Equipamentos Ltda. | 100.00 | 100.00 |
| ACC Brasil Ind. e Com. de Comp. Ltda. | 80.00 | 80.00 |

b) Joint ventures

Joint venture is the entity over which the Company has shared control with one or more parties. The joint venture is accounted for at the equity method and initially recognized at cost value. The profit sharing is recognized in the statement of income and its share of reserve movements is recognized in the Company's reserves. When the Company's interest in losses of a joint venture is equal to or higher than investment book value, including any other receivables, the Company does not

recognize additional losses unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest. Non-realized losses are also eliminated, unless the transaction shall provide evidence of a loss (impairment) of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Company.

| | Ownership interest - % | |
|--|------------------------|----------------------|
| | December 31, 2021 | December 31, 2020 |
| Joint venture | | |
| Informática Figueira S.A. | 50.00 | 50.00 |
| BR Code Desenvolvimento de Software S.A. | 50.10 | 50.10 |
| Investee of Positivo Smart Tecnologia Ltda. | | |
| PBG Rwanda Limited. | 50.00 | 50.00 |
| Investee of Cronal S.A. | | |
| PBG Uruguay S.A. | 50.00 | 50.00 |

c) Associated companies

An associated company is an entity over which the Company has significant influence and that does not qualify as a subsidiary or joint venture. Significant influence is the power to participate in the financial and operating decisions of the investee without exercising individual or joint control over those policies.

The income (loss) and assets and liabilities of associated companies are included in these financial statements under the equity method, except when the investment is classified as held for sale, in which case it is recognized in accordance with IFRS 5 (CPC 31).

Under the equity method, an investment in an associated company is initially recognized in the consolidated balance sheet at cost and subsequently adjusted to recognize the Company's interest in the income (loss) and the other comprehensive income of the associated company.

| | Ownership interest - % | | | |
|--|------------------------|----------------------|----------------------|----------------------|
| | Parent company | | Consolidated | |
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Associated company | | | | |
| Hi Technologies Holding Ltd. | 23.00 | 23.00 | 28.01 | 28.01 |
| Desenvolve Amazônia -Fundo de Invest. Partic. em Empresas Emergentes | 20.34 | - | 25.57 | - |
| Inova IV Fundo de Invest. Partic. em Empresas Emergentes | 25.83 | - | 31.52 | - |
| Investee of Hi Technologies Holding Ltd. | | | | |
| Hi Technologies S.A. | 23.00 | 23.00 | 28.01 | 28.01 |

d) Other investments

The Company has no significant influence on these instruments, which were measured at fair value through profit or loss or at acquisition cost:

| Others investments - Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes. | Ownership interest - % | |
|--|-------------------------------|---------------------|
| | December 31, | December 31, |
| | 2021 | 2020 |
| Tech Inovações Tecnológ. para a Agrop. S.A. | 20.00 | 20.00 |
| Agrosmart S.A. | 12.40 | 12.40 |
| Ambar Living S.A. | 5.70 | 5.70 |
| Business Global Consult. Em Agroneg. Ltda | 13.65 | 13.65 |
| Pharmalog S.A. | 33.00 | 33.00 |
| Encontre Um Nerd S.A. | 8.02 | - |

2.3. Presentation of segment reporting

The operating segment information is shown in Note 27, consistently with the internal report supplied to the main operating decision maker. The main operating decision maker, in charge of allocating funds and evaluating performance of operating segments is the Company's Executive Board, also in charge of the Company's strategic decision making. The Company's main operating segments are: retail, government and servers.

2.4. Foreign currency translation

a) Functional and presentation currency

The items included in the financial statements of each of the companies of the Company are measured using the main currency of the economic environment where the company operates (the "functional currency"). Parent company and consolidated financial statements are being presented in Reais, functional currency of the Company and also, the presentation currency of Parent company and consolidated financial statements.

b) Transactions and balances

Transactions with foreign currencies are converted into functional currency by using foreign exchange rates prevailing on the transaction or valuation dates when the items are remeasured. Exchange gains and losses resulting from the settlement of those transactions and from the translation at year-end exchange rates referring to monetary assets and liabilities in foreign currencies, are recognized in the statement of income.

Foreign exchange gains and losses related to financial instruments are presented in the statement of income as financial revenue or expense.

c) Investees with a different functional currency

The income (loss) and financial position of all entities, whose functional currency differs from the presentation currency, are converted into the presentation currency as follows:

(i) Assets and liabilities of each balance sheet presented are translated at the closing exchange rate on the balance sheet date.

(ii) revenues and expenses of each statement of income are translated at the average exchange rates (unless these averages are not a reasonable approximation of cumulative effect of current taxes on the date of operations and, in such case, income and expenses are translated at the rate on the dates of operations).

(ii) All resulting foreign exchange differences are recognized as separate component in the shareholders' equity in "Equity valuation adjustments" account.

In the consolidation, exchange differences arising from the translation of the net investments in foreign operations are recognized in shareholders' equity. When a foreign operation is partially divested or sold, exchange differences previously recorded in shareholders' equity are recognized in the statement of income as part of gain or loss on the sale.

2.5. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other high-liquidity investments and with an insignificant risk of change in value and the balance is net of balances in secured accounts. Overdraft accounts are stated in the balance sheet as "Loans" in current liabilities.

2.6. Financial assets

2.6.1. Rating

The Company classifies its financial assets in the initial recognition under the following categories: measured at fair value through profit or loss and amortized cost. Such classifications are based on the business model adopted for asset management and the characteristics of the contractual cash flows.

a) Financial assets at fair value through profit or loss

The recognition at fair value through profit or loss is carried out for the assets that: (i) do not fit the business models for which it would be possible to classify them at amortized cost or fair value through other comprehensive income; (ii) equity instruments stated at fair value through profit or loss; and (iii) the financial assets that are managed to obtain cash flow from the sale of assets. Examples of assets classified in this category are as follows: "Cash and cash equivalents," "Derivative financial instruments" and "other investments."

b) Amortized cost

The financial assets maintained in a business model, whose purpose is to maintain financial assets to receive contractual cash flows are recognized at amortized cost. These cash flows are received on specific dates and include payment of principal and interest only. Examples of assets classified in this category are as follows: "Trade accounts receivable," "Other receivables," "Related parties."

Provision for losses for financial assets measured at amortized cost are deducted from the gross book value of assets.

2.6.2. Recognition and measurement

Purchases and sales of financial assets are normally recognized on trading date. Investments are initially recognized at fair value plus transaction cost for all financial assets not classified at fair value through profit or loss. Financial assets classified at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income. Financial assets are written off when rights to receive cash flows have been expired or transferred; in the latter case, as long as the Company has transferred virtually all ownership risks and benefits of the property. Financial assets measured at fair value through profit or loss are subsequently recorded at fair value. Financial assets measured at amortized cost are accounted for using the effective interest rate method, net of the amount referring to expected credit loss.

Gains or losses resulting from fluctuations in the fair value of financial assets measured through profit or loss are presented in statement of income in "financial income (loss)" for the period in which they occur.

2.6.3. Offsetting of financial instruments

Financial assets and liabilities are offset and their net values in the balance sheet only when there is a legal right to offset the amounts recognized and there is an intent to settle them on net basis, or realize the asset and settle the liability simultaneously.

2.6.4. Impairment of financial assets

The Company recognizes a provision for expected credit losses on investments in debt instruments measured at amortized cost or fair value through other comprehensive income, amounts receivable from leases, amounts receivable from clients and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is restated on each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

A financial asset is subject to impairment when one or more events that have a negative impact on estimated future cash flows of that financial asset has incurred. The evidences that a financial asset is subject to impairment include the observable data on following events:

- a) Significant financial difficulty of issuer or debtor;
- b) Breach of contract, such as default or event;
- c) The debtor's creditors, for economic or contractual reasons related to the debtor's financial difficulty, granted the debtor a discount that the creditor would not otherwise consider;
- d) It is likely that the debtor will declare bankruptcy or other financial reorganization; or
- e) The disappearance of an active market for that financial asset due to the financial difficulties.

Impairment loss is measured as the difference between the assets' book value and the present value of estimated future cash flows (excluding future credit losses not yet incurred) discounted with basis on the existing interest rate originally contracted for the

financial assets. The asset's book value is reduced and the amount of the loss is recognized in the consolidated statement of income. If a loan or investment kept through maturity has a variable interest rate, the discount rate to measure the impairment loss is the current effective interest rate determined in accordance with the contract.

If, in a subsequent period, the value of the impairment loss decreases and the decrease can objectively be related to an event occurring after the impairment is recognized (as an improvement in the debtor's credit classification) the reversal of this previously recognized loss will be recognized in the statement of income.

The Company evaluated its receivables portfolio for the year ended December 31, 2021, and did not identify evidence that could impact the recognition estimates of the provision for expected credit losses, among which: increase in defaults, financial difficulties of its main clients, contract breaches, or granting discount that it would not consider in scenarios prior to the COVID-19 pandemic. Thus, the amount of the provision for loss recognized and disclosed in Note 6 adequately reflects the estimated loss expected by the Company on the disclosure date of financial statements.

2.6.5. Derivative financial instruments and hedge accounting

The Company has derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including forward exchange contracts, and interest rate and currency swaps. Notes 30 to 32 include more detailed information on derivative financial instruments.

Derivatives are initially measured at fair value. After the initial recognition, derivatives are measured at fair value and changes are normally recorded in profit or loss.

The Company designates certain derivatives as hedge instruments to hedge the variability of cash flows associated with highly likely forecasted transactions resulting from changes in exchange and interest rates, in addition to certain derivative and non-derivative financial liabilities as foreign exchange risk hedge of an operation in foreign currency.

At the beginning of the designated hedge relationships, the Company documents the risk management objective, the hedge instrument acquisition strategy and the economic relation between the hedge instrument and hedged item.

When a derivative is designated as a cash flow hedge instrument, the effective portion of change in the derivative's fair value is recognized in other comprehensive income and disclosed in "hedge reserve" account. The effective portion of the changes in the fair value of the derivative financial instrument recognized in Other Comprehensive Income is limited to the cumulative change in the fair value of the hedged item, calculated based on the present value as of the hedge inception. Any non-effective portion of the changes in the fair value of the derivative is recognized immediately in income (loss).

Further details on derivative financial instruments for hedge accounting are described in Note 32.

2.7. Trade accounts receivable

Trade accounts receivable correspond to the amounts receivable for the sale of products and goods or provision of services in the normal course of the Company's activities. If the payment term is equivalent to one year or less, accounts receivable are classified as current assets. Otherwise, they are presented in non-current assets.

Trade accounts receivable are initially recognized at fair value of each operation and, subsequently, measured at amortized cost using the effective interest rate method less allowance for doubtful accounts ("PCLD" or impairment).

2.8. Inventories

Inventories are presented at the lower value between the cost and net realizable value. Inventory costs are determined at the average cost method. Cost of finished products and Work in progress include raw materials, direct labor, other direct costs, as well as respective direct and indirect production expenses (based on regular operating capacity).

The net realizable value is the estimated sales price of inventories, less all estimated costs of completion and costs necessary to make the sale.

The provision for inventory obsolescence is recorded with basis on the evaluation of raw materials, dealers' inventories and finished products that do not have a clear estimate of when they will be used or sold. The principal basis of that evaluation is inventory turnover, with a segregation of items for production and items for technical assistance.

2.9. Property, plant and equipment

When applicable, buildings, machinery and equipment, hardware, furniture and fixtures are stated at cost less depreciation and accumulated impairment loss. When applicable, professional fees are recorded as part of property, plant and equipment in progress and, in case of qualifiable assets, capitalized loan costs are also recorded in accordance with the Company's accounting policy. This property, plant and equipment in progress is classified in proper categories of property, plant and equipment when concluded and ready for intended use. Depreciation of these assets starts when they are ready for the intended use and is calculated on the same basis as for other property, plant and equipment.

Depreciation is recognized so as to write off the cost or valuation of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

| Property, plant and equipment | Useful lives (years) |
|--------------------------------------|-------------------------------------|
| Machinery and equipment | 15 |
| Leasehold improvements | 10 |
| Hardware | 5 |
| Furniture and fittings | 10 |
| Industrial facilities | 13 |
| Buildings | 25 |
| Other property, plant and equipment | 10 |

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the book value of the asset and is recognized in income (loss).

2.10. Intangible assets

a) Goodwill

Goodwill is represented by the positive difference between the amount paid and/or payable for the acquisition of a business and the investee's net fair value of assets and liabilities of subsidiary acquired. Goodwill arising from acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated financial statements. In case of determination of negative goodwill, the amount is recorded as gain in income (loss) for the year, on acquisition date. The goodwill is tested annually to verify impairment losses. Goodwill is calculated at its value cost less impairment losses. Impairment losses recognized on goodwill are not reversed. Gain and losses for the sale of an entity include the book value of the goodwill related to the sold entity.

The goodwill is allocated to the Cash Generating Units for impairment testing. The allocation is made to Cash Generating Units or to groups of Cash Generating Units that should benefit from the business combination from which the goodwill was generated and are identified in accordance with the operating segment.

b) Intangible asset generated internally - in progress

The expenditures with research activities are recognized as expense in the year in which they are incurred.

The internally generated intangible asset resulting from development expenditures (or of a development phase of an internal project) is recognized if, and only if, all of the following conditions are shown:

- The technical feasibility of completing the intangible asset to be made available for use or sale;
- The intention to complete the intangible asset and use it or sell it;
- The skill to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of proper technical, financial and other resources to complete the development of the intangible asset and to use it or sell it; and
- Ability to measure reliably the expenditure attributable to the intangible asset during its development.

c) Intangible asset generated internally - completed

The amount initially recognized for intangible assets generated internally corresponds to the sum of expenses incurred since the intangible asset started to

meet the aforementioned recognition criteria. When no internally generated intangible asset can be recognized, the development expenses will be recognized in the income (loss) for the period, when incurred.

After the initial recognition, internally-generated assets are recorded at cost value, less amortization and accumulated impairment loss, as well as intangible assets separately acquired.

Amortization is initiated after the completion of the projects, at which time the Company obtains or can obtain the economic benefits arising from its use and/or commercialization.

d) Software

Software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life. Software maintenance costs are recognized as an expense, as incurred. Development costs that are directly attributable to software product design and testing, and are identifiable and exclusive, controlled by the Company, are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software to make it available for use.
- Management intends to complete the software and either use it or sell it;
- The software can be sold or used.
- It can be demonstrated that the software is likely to generate future economic benefits;
- Adequate technical, financial, and other resources are available to complete the development and to use or sell the software;
- The expenditure attributable to the software in the course of its development can be reliably measured.

The directly attributable costs, which are capitalized as part of the software product, include costs on employees allocated to the software development and an adequate portion of indirect relevant expenses.

Other development expenditures not meeting those criteria are expensed as incurred. Development costs previously expensed are not recognized as asset in a subsequent period.

The software developed by the Company is amortized over its estimated useful life, not exceeding five years.

e) Useful life of intangible asset:

Company's useful life of intangible assets are as follows:

| Intangible assets | Useful lives (years) |
|--------------------------|-------------------------------------|
| Developed projects | 3 - 5 |
| Software | 3 - 5 |
| Use licenses | 5 |

2.11. Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to identify any possible need of impairment. Assets subject to amortization are reviewed to confirm their impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognized when the book value exceeds its recoverable value, which represents the higher of the asset's fair value less these sale costs and value in use. For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units). Non-financial assets, except goodwill, which suffered impairment are then reviewed for an analysis of a possible reversal of impairment on the balance sheet date.

2.12. Accounts payable to suppliers

Trade accounts payable are obligations due for assets or services acquired in the normal course of businesses, and are classified as current liabilities if payment is due within one year. Otherwise, trade accounts payable are presented as non-current liabilities. They are initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method.

2.13. Lease

a) The Company as a lessee

Lease agreements in which the Company and its subsidiaries act as lessees are recognized in the balance sheet under right-of-use asset, with a contra entry to lease liabilities, except for short-term and low-value leases, which are recognized as an expense in a straight-line basis during the lease term. The right-of-use asset is measured at cost, net of accumulated depreciation and impairment loss, adjusted for any remeasurement of the lease obligation. Depreciation is calculated based on the useful life of the asset or the contractual term. The lease obligation is initially measured at the present value of the lease installments of the agreement, restated monthly by the discounted interest and settled by the lease payments made.

The remaining term of the lease agreements, which corresponds to the same periods over which the right-of-use assets will be depreciated, comprises the period 10–52 months.

b) The Company as a lessor

Accounts receivable from lessees referring to lease agreements are initially recorded based on the fair value of the leased asset. The lease income is recognized in the accounting periods, to reflect the effective rate of return on the Company's net investment outstanding in relation to the leases.

2.14. Loans

Loans are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost. Any difference between the amounts raised (net of

transaction costs) and the value payable is recognized in the income statement during the period while the loans are outstanding, under the effective interest rate method. Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.15. Government subsidies

The Company enjoys tax benefits, which are characterized as government grants, as mentioned in Note 8.

The portion corresponding to the use of tax benefits related to the ICMS, resulting from the sale of industrialized products, is recognized as follows:

- As revenue for the current year, the portion in which the investment obligations related to the benefit were fully met;
- Maintained in liabilities, under the deferred revenue, the portion whose investment obligation has not yet been fully met;
- Also maintained in liabilities, under deferred revenue, the investment portion related to an amortizable asset. This portion will be recognized as revenue over the useful life of this asset, proportionally to its amortization;
- As revenue for the current year, the portion for which there is no direct investment obligation;

In compliance with Law 11638/07 and CPC 7 - Government Grant and Assistance, the Company's government grants are recognized in income (loss) under sales taxes except for the financial credit set forth by Law 13969/2019, which is treated as other operating revenues. After determining the income for the year, if a profit has been determined, tax incentives are allocated to the tax incentives reserve account in shareholders' equity.

2.16. Provisions for contingencies

Provisions for lawsuits (labor, civil and tax) and other are recognized when: (i) the Company has a present or non-formalized obligation because of past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) amount may be reliably estimated.

When there is a series of similar obligations, the probability of settling them is determined by taking into account the obligation class as a whole. A provision is recognized even if the likelihood of settlement related to any individual item included in the same class of obligations is small.

When some or all economic benefits required to settle a provision are expected to be recovered from a third party, an asset is recognized if, and only if, the reimbursement is certain and the amount can be reliably measured.

2.17. Current and deferred income tax and social contribution

Income tax and social contribution expenses of the year include current and deferred taxes. Income taxes are recognized in the statement of income, except to the extent they are related to items directly recognized in shareholders' equity or comprehensive income. In that case, the tax is also recorded in shareholders' equity or comprehensive income.

The current and deferred income tax and social contribution charge is calculated based on enacted, or substantially enacted, tax acts, at the reporting date. Management periodically evaluates the positions taken by the Company in the calculations of income tax with respect to situations in which applicable tax regulation is subject to interpretations; and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax and social contribution are stated at net amounts, by the taxpayer entity, in liabilities when there are amounts payable, or in assets when the prepaid amounts are in excess of the total payable as of the end of the reporting period.

Deferred income tax and social contribution are recognized on determined tax losses.

Deferred income tax and social contribution assets are recognized only in the proportion of the probability that the future taxable income will be available and temporary differences can be used against it.

Deferred income tax assets and liabilities are presented at net value in balance sheet when there is the legal right and the intention of offsetting them upon calculation of current taxes, in general related to the same legal entity and the same tax authority. Accordingly, deferred tax assets and liabilities in different entities or countries are in general presented separately, and not at net value.

2.18. Employee benefits

a) Stock-based payments

Share-based remuneration plans for employees and Company's executives are measured at fair value of equity instruments on grant date. Details on the determination of these plans' fair value are described in Note 33.

Granted options fair values determined on grant date are recorded at the straight line basis as expenses in income for the year during the period in which the right is acquired, based on the Company's estimates on which granted options will be possibly acquired, with corresponding equity increase. On each reporting period, the Company reviews its estimates on the number of equity instruments that will be acquired. Review impact on original estimates, if any, is recognized in income for the year, so that accumulated expenses reflect reviewed estimates with the corresponding adjustment in shareholders' equity under "Recognized Options Granted" that recorded the benefit to employees.

b) Retirement obligations

The Company operates with a defined contribution pension plan. A defined contribution plan is a pension plan that, according to the Company, does fixed

contributions to a separate Entity and has no legal or constructive obligations to make contributions if the fund does not have sufficient assets to pay to all the employees the benefits related to the employee's service in the current and prior period.

c) Profit sharing

The Company recognizes a liability and a profit sharing expense in profit or loss based on a methodology that considers the income attributable to Company's shareholders after a few adjustments. The Company recognizes a provision when it is contractually compelled or when there is a past practice that created a constructive obligation.

2.19. Capital

Common shares are classified in net assets.

Incremental costs directly attributable to issuance of new shares or options are shown in shareholders' equity as a deduction of funds obtained, net of taxes.

An equity instrument is a contract that indicates a residual interest in the assets of a company after deducting all its obligations. The equity instruments issued by the Company are recognized when the funds are received, net of any direct issuance costs.

The repurchase of the Company's own equity instruments is recognized and directly deducted from equity. No gain or loss is recognized in the income (loss) from purchase, sale, issuance or cancellation of own equity instruments of the Company.

2.20. Treasury shares

When shares recognized as net assets are repurchased, the value of the consideration paid which includes any costs directly attributable is recognized as a deduction from net assets. The repurchased shares are classified as treasury shares and presented as a deduction from net assets.

2.21. Revenue recognition

CPC 47, equivalent to the international standard IFRS 15 and related interpretations and applies, with limited exceptions, to all revenues from contracts with customers. The CPC 47 establishes a five-step model to calculate the revenue from contract with customer. (i) Identify the contract with the client; (ii) Identify the performance obligations in the contract; (iii) Establish the price of the transactions; (iv) Allocate the price of the transaction to the performance obligations; (v) Recognize the revenue when the performance obligations are met.

CPC 47 requires the Company to exercise judgment, taking into account all relevant facts and circumstances when applying each step of the model to contracts with their customers, and

that the recognized revenue to reflect the consideration that the entity expects to receive in exchange for the transfer of assets or services to a client.

a) Sales revenue

Revenues from the sale of goods are recognized when property and risks and control are transferred to third parties, only at the amount the Company expects to be entitled to in the transaction (its amounts deducted from unconditional discounts, returns, adjustment to present value calculated on installment sales, sales taxes and trade allowances granted). Exceptionally, some operations are of bill-and-hold type, where contractually the customer has control of the product even if it remains under the physical possession of the entity. In this case, the client can direct the use and obtain substantially all of the remaining benefits of the product, even if he has decided not to exercise his right to take physical possession of that product.

b) Rendering of services

Service revenues are measured based on the considerations specified in the contracts with customers and are recognized when the expected obligations are effectively satisfied and when there is a right to receive the amounts. Among the main services rendered by the Company, we highlight the solutions for the area of educational technology, consulting and software development, equipment rental and technical assistance.

c) Financial revenue

Financial revenue is recognized in accordance with the elapsed time at the accrual basis using the effective interest rate method.

2.22. Dividend distribution

Payment of dividends to Company's shareholders is recognized as a liability in the financial statements at the end of each year, with basis on the Company's by-laws. Any amount above the mandatory minimum is provisioned only on the date of its approval by the Shareholders' Meeting.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF UNCERTAINTIES IN ESTIMATES

When applying the Company's accounting policies described in Note 2, Company's Management must make judgments and prepare estimates on book values of assets and liabilities for which are not easily obtained from other sources. Estimates and respective assumptions are based on historic experience and on other factors that are considered relevant. Effective results may differ from these estimates.

Estimates and underlying assumptions are continuously reviewed. Effects from reviews made to accounting estimates are recognized in the period in which estimates are reviewed in case review affects only that period; or also in subsequent periods in case review affects both current period and future periods.

The main judgments and estimates made by Management during the process of adopting the Company's accounting policies and which most significantly affect the amounts recognized in the financial statements are as follows:

a) Measurement of fair value (Notes 30 and 32)

Some of the Company's assets and liabilities are measured at fair value for the purposes of preparing the financial statements, in particular cash and cash equivalents and derivative financial instruments.

To estimate the fair value of an asset or liability, the Company uses observable market data to the extent they are available. When there is no Level 1 information available, the Company involves qualified professionals in the process of evaluating and measuring the fair values of such assets and liabilities.

Information on valuation techniques and information used to determine the fair value of derivative financial instruments is disclosed in Notes 30 and 32.

b) Estimated losses from allowance for doubtful accounts (Note 6)

The Company measures the provision for losses on accounts receivable from customers in an amount equivalent to the expected credit loss on trade accounts receivable during their useful lives. The expected credit losses on trade accounts receivable are estimated considering the debtor's historical default experience and an analysis of the debtor's current financial position, general economic conditions of the sector in which the debtors operate.

Prospective information (such as the predicted economic performance indicators) is also considered if, based on previous experience, such indicators show a significant correlation with actual credit losses.

c) Realization of inventories (Note 7).

The Company analyzes the realization of inventories, based on the expected use or sale of inventories, as well as the assessment between the book value and the net realization value. Inventories are reduced to their recoverable value through estimates of loss due to slow movement of goods or realization with a margin below the book value.

d) Recoverable taxes (Note 8)

As described in Note 8, the Management conducts periodical studies to evaluate the realization of credits from recoverable taxes by taking preventive measures so such realization occurs and thus, will prevent the balance from exceeding its realization capacity.

e) Useful life of property, plant and equipment, intangible assets and term of lease agreements. (Notes 15 and 16)

The calculation of depreciation and amortization of property, plant and equipment and intangible assets include the estimates of useful lives. This estimate is determined considering the period in which these assets will generate economic benefits for the Company.

Leased assets are depreciated over the briefest period between estimated useful life and contractual term.

During 2021, the Company carried out a review of the useful lives of its property, plant and equipment and intangible assets, and did not identify any necessary changes.

f) Provision for tax, labor and civil risks (Note 23)

Provisions are recognized as a liability when a reliable estimate of the present value of the obligation can be made, and it is probable that cash outflows will be required to settle these obligations.

Provisions are made based on the opinion of the Company's internal and external legal advisors, considering available case laws, current legislation, and available evidence.

Provisions are periodically reassessed to verify whether there have been significant changes in the amounts of claims or new elements that may impact the estimated loss of these lawsuits.

g) Provisions (Note 19)

A provision is recognized when the Company has a legal obligation, which can be estimated on reliable basis, and it is probable that future cash outflows will be required to settle these obligations.

Provisions are determined by discounting the estimated future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability in question.

The provisions recognized by the Company derive from contracts signed such as the provision for royalties, legislation (post sale) or originated from its commercial relationships, such as commissions and marketing.

4. NEW STANDARDS AND INTERPRETATIONS

Amendments to the standards to be adopted for annual periods beginning on or after January 1, 2021, for which there is no significant impact on the Parent company and consolidated financial statements:

| Standard | Term (on or after) | Topic addressed |
|--|---------------------------|---|
| Disclosure of Accounting Policies - Amendments to CPC 26/IAS 1 | 06/01/2021 | The pronouncement now presents criteria for recognition, measurement and disclosure of equity items, for the preparation of financial statements by entities in liquidation and for additional disclosures. |

| | | |
|--|------------|---|
| Definition of Accounting Estimates - Amendments to CPC 23/IAS 8 | 06/01/2021 | The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. The purpose of the amendments is to facilitate the understanding of the definition of material in IAS 1 and not to change the underlying concept of materiality in IFRS standards. |
| Amendment to CPC 06/IFRS 16 - Rental concessions related to COVID-19 | 06/01/2021 | It establishes practical measures for lessees in accounting for lease concessions that occurred as a direct result of COVID-19. |

Standards which will become effective for the years started after January 1, 2022, and not adopted in advance in the preparation of these financial statements, for which Management does not expect a significant impact on Parent company and consolidated financial statements:

| Standard | Term (on or after) | Topic addressed |
|---|---------------------------|--|
| Onerous Contracts - Amendments to CPC 25/IAS 37 | 01/01/2022 | These changes specify which costs an entity must include to determine the cost of complying with a contract to assess if the contract is onerous |
| Deferred tax – amendments to CPC 32/IAS 12 | 01/01/2023 | The amendments limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. |
| Property, plant and equipment - Amendments to CPC 27/IAS 16 | 01/01/2022 | The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from the sale of items produced before the asset is available for use. |
| Reference to the Conceptual Framework - Amendments to CPC 15/IFRS 3 | 01/01/2022 | The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework rather than the 1989 Framework. |
| Amendments to CPC 16/IAS 1 – classification of liabilities as current or non-current. | 01/01/2023 | The amendments clarify that the classification of liabilities as current or non-current is based on the rights existing at the balance sheet date, specify that the classification is not affected by expectations about whether an entity will exercise its right to delay the settlement of the liability, |
| IFRS 17 - Insurance Contracts | 01/01/2023 | The new standard establishes the principles for recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. |

5. CASH AND CASH EQUIVALENTS

| | Parent company | | Consolidated | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Banks | 40,234 | 12,450 | 63,908 | 53,446 |
| Financial investments linked to the Interbank Deposit Certificate (CDI) rate | 246,918 | 488,284 | 295,099 | 490,716 |
| | 287,152 | 500,734 | 359,007 | 544,162 |

As of December 31, 2021 and 2020, interest earning bank deposits of the Company correspond substantially to repurchase and resale agreements and Bank Deposit Certificates (CDB) with private securities, in Brazilian currency, with an average yield of 94.99% (101.43% as of

December 2020) of the change in the Interbank Deposit Certificate (CDI), being readily convertible into a known cash value, and are subject to an insignificant risk of change in value.

6. ACCOUNTS RECEIVABLE

| | Parent company | | Consolidated | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Current | 415,150 | 389,013 | 537,354 | 522,707 |
| Past-due up to 30 days | 84,294 | 51,097 | 87,129 | 53,282 |
| Overdue from 31 to 60 days | 28,610 | 39,924 | 33,650 | 44,456 |
| Overdue from 61 to 90 days | 46,515 | 11,245 | 47,852 | 17,333 |
| Overdue from 91 to 180 days | 21,305 | 21,254 | 22,852 | 26,713 |
| Overdue from 181 to 360 days | 18,044 | 19,558 | 19,715 | 21,486 |
| Overdue for more than 361 days | 73,781 | 63,408 | 78,940 | 67,093 |
| (-) Allowance for doubtful accounts | (59,412) | (52,364) | (59,951) | (52,642) |
| (-) Adjustment to present value | (3,812) | (2,325) | (4,916) | (2,384) |
| | 624,475 | 540,810 | 762,625 | 698,044 |

The Company is assessing the need for a provision for expected credit losses, substantially through prospective analyses of its asset portfolio, considering whether there is material financial difficulty for the debtor, adverse changes in economic conditions that correlate to defaults, and past experience with the debtor's default.

Changes in provision for expected credit losses during the year are:

| | Parent company | | Consolidated | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Balance at the beginning of the year | (52,364) | (41,390) | (52,642) | (41,390) |
| Reductions / Recognized losses | 213 | - | 92 | - |
| Provision for impairment of trade receivables | (7,261) | (10,974) | (7,401) | (11,252) |
| | (59,412) | (52,364) | (59,951) | (52,642) |

Also noteworthy is the concentration of receivables in a few clients: the Company's 20 largest customers represent approximately 72% of the amount receivable on December 31, 2021 (approximately 71% on December 31, 2020).

The average period of receipt is 81 days (97 days as of December 31, 2020) in sales to government agencies the term can reach up to 180 days.

The overdue balances resulting from the sale of goods to government agencies are due to the fact that receipts depend on internal processes for approving payments by such agencies. Historically, that situation of delayed payments is a common feature of that sales segment, which is foreseen by management in its business strategy, and which has not resulted in material losses for the Company. Therefore, the overdue balances do not yet represent a relevant risk of loss on receipt of these credits. Accordingly, the provision was set up only for cases in which there is a prospect of loss on the part of the Company. The amount of overdue bonds securities from government agencies in the year ended December 31, 2021 is R\$ 18,134 (R\$ 29,587 on December 31, 2020).

The adjustment to present value of accounts receivable is calculated to show the present value of a future cash flow. The Company considers the payment term of each credit sale and calculates the discount of this transaction by using the CDI (Interbank Certificate of Deposit) rate as reference.

7. INVENTORIES

| | | Parent company | | Consolidated | |
|--------------------------------|-----|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Materials | | 641,499 | 266,921 | 891,763 | 307,751 |
| Finished products | | 290,963 | 184,620 | 351,339 | 200,889 |
| Imports in transit | (a) | 232,732 | 98,595 | 361,914 | 113,312 |
| Advances to suppliers | | 119,561 | 81,108 | 184,720 | 102,360 |
| Provision for inventory losses | (b) | (83,499) | (72,761) | (99,389) | (78,562) |
| | | 1,201,256 | 558,483 | 1,690,347 | 645,750 |

- a) Imports in progress are inputs acquired from foreign suppliers that, on the closing date of these financial statements, had already been shipped by the suppliers; however, they are in transit and were under the responsibility of the Company.
- b) The provision for inventory losses is carried out based on the assessment of raw materials, inventories for resale and finished products which have no clear use or sale expectation or due to a possible impairment for obsolescence. The principal basis is the perspective of realization related to inventories with a segregation of items for production and items for technical assistance.

Management estimates that inventories will be realized in a period lower than 12 months.

In 2021, raw materials, consumption materials and changes to balance of inventories of work in progress and finished products included in 'Cost of goods sold and services rendered' totaled R\$ 2,390,202 (2020: R\$ 1,559,017) and R\$ 2,478,105 (2020: R\$ 1,669,707), in the Parent company and consolidated financial statements, respectively.

8. RECOVERABLE TAXES

| | | Parent company | | Consolidated | |
|---|-----|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| ICMS | (a) | 102,157 | 106,960 | 107,952 | 108,347 |
| Excise Tax (IPI) | | 15,323 | 52,537 | 15,404 | 52,592 |
| Social Integration Program (PIS) | | 2,937 | 3,082 | 3,016 | 3,147 |
| Social Contribution on Revenues (COFINS) | | 11,849 | 14,025 | 12,198 | 14,323 |
| Financial Credit - Law 13969/2019 | (b) | 37,567 | 19,472 | 41,062 | 22,531 |
| PIS and COFINS - exclusion of ICMS from the calculation basis | (c) | 237,865 | 223,486 | 242,229 | 223,486 |
| Other taxes recoverable | | 10,591 | 33,974 | 11,083 | 34,345 |
| | | 418,289 | 453,536 | 432,944 | 458,771 |
| Current | | 142,639 | 178,156 | 157,222 | 183,356 |
| Non Current | | 275,650 | 275,380 | 275,722 | 275,415 |

a) ICMS

The Company uses the following ICMS tax benefits:

- (i) Paraná State Law 13214/2001, endorsed by State Law 15542/2007, which establishes a 7% reduction in the tax burden of IT products for sales within the state;
- (ii) Paraná State Decree 1922/2011 (and subsequent amendments), which grants presumed ICMS tax credit equivalent to the amount owed for the outgoing goods, resulting in a 0% tax burden for specific industrialized products under Law 8248/1991 and marketed by the Company;
- (iii) Amazonas State Decree 23994/2003, which grants tax benefits such as the deferral of the recording of ICMS levied on imports of raw materials and inputs destined to production, presumed ICMS credit on the purchase of raw material and inputs of domestic origin, ICMS stimulus credit equivalent to the amount owed on sales of computer goods and automation goods and portable cell phone terminals produced in the territory of the Manaus Free Trade Zone (ZFM).

As a result of the enjoyment of the tax benefits mentioned above, in 2021, the Company recorded, on its Parent company and consolidated financial statements, the amount of R\$ 381,625 (R\$ 225,522 as of December 31, 2020) and R\$ 403,391 (R\$ 226,757 as of December 31, 2020), respectively, related to the investment grant, in the account of deductions on sale - Sales taxes, referring to the sale of industrialized products (as Note 25) and maintained the amount of R\$ 4,759 (R\$ 7,492 as of December 31, 2020) and R\$ 5,753 (R\$ 7,492 as of December 31, 2020) in liabilities, under the heading of Deferred Revenue in the Parent company and consolidated financial statements, respectively. The amount recorded in liabilities will be appropriated to income (loss) as a result of the amortization of the related assets and compliance with the obligations required as a counterpart to the foregoing tax benefit, as provided for in the standards recommended in Technical Pronouncement CPC 7 and disclosed in Note 16.a. The term of said tax benefit is indefinite.

Realization of tax credits

Tax credits are realized based on the corporate restructuring that took place in 2015, with the take-over of the subsidiary Positivo da Amazônia Ltda. and changes in Federal and State legislation. These changes had two consequences on the operations: the first one was that it reduced the generation of tax credits, and the second one was that it generated tax debts that will allow the use of accumulated tax credits. For realization of ICMS (Tax on the Circulation of Goods and Services), in addition to the aforementioned changes, new projects will assist in the realization of these credits, which will generate ICMS debts in the current year and in the coming years.

b) Financial credit Law 13969/2019

As of April 1, 2020, amendments in Law 13969/2019 that changed the incentive regime implemented by Law 8248, of October 23, 1991, known as the "Information Technology Act", came into effect. With the new legislation, the rates of the IPI are now fully applied, that is, the IPI rates for products covered by the Federal Information Technology Act are no longer benefiting from reductions as permitted by the previous Law and instituted a system of financial credits, converted into federal credits, obtained through a multiplier on the investment in Research, Development and

Innovation (RD&I) carried out by the computer goods industries and which will remain in effect until December 31, 2029.

As a result of the aforementioned benefit, the Company recorded the amount of R\$ 77,758 (R\$ 39,604 as of December 31, 2021) and R\$ 87,256 (R\$ 54,091 as of December 31, 2020), respectively, in the income (loss) for the year ended December 31, 2020 in the Parent company and consolidated financial information, in "other net operating revenues (expenses)".

c) PIS and CONFINS – Exclusion of ICMS from calculation basis

The Company had a favorable decision in the lawsuit that questioned the constitutionality related to the inclusion of Value-Added Tax on Sales and Services (ICMS) in the PIS and COFINS calculation basis. The writ of mandamus filed in 2010 was judged in favor of the Company, with a final and received a final and unappealable in October 2020.

Said decision, expressly authorizes the exclusion of the highlighted ICMS from the calculation basis of the Contribution to PIS and COFINS and determines the adjustment of the undue amount for SELIC, under the terms of article 39, § 4 of Law 9250/95.

In 2021, the Company obtained new information that was not previously available and was not considered in the initial survey, since there was no reasonable certainty to include these elements in the initial estimate. Therefore, in June 2021, based on said information, the Company recorded in the year ended December 31, 2021, the additional amount, which included inflation adjustments in the total amount of R\$ 22,448, and R\$ 10,476 is under "other operating revenues (expenses)" and R\$ 11,972 under "financial revenues" in Parent company financial statements and R\$ 26,812 and R\$ 14,735 under "other operating revenues (expenses)" and R\$ 12,077 under "financial revenues" in the consolidated financial statements.

Realization of tax credits

The analysis of realization of tax credits in items (b) and (c) considered the execution of the Company's business plan for the next periods, which will result in the generation of tax debts and contributions necessary to offset these credits.

9. OTHER RECEIVABLES

| | | Parent company | | Consolidated | |
|-------------------|-----|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Prepaid expenses | | 15,001 | 10,592 | 16,090 | 11,481 |
| Judicial deposits | (a) | 68,240 | 65,960 | 68,360 | 66,051 |
| Unearned interest | (b) | 29,737 | 10,330 | 31,343 | 10,596 |
| Other | | 3,135 | 1,327 | 4,666 | 2,051 |
| | | 116,113 | 88,209 | 120,459 | 90,179 |
| Current | | 52,873 | 27,225 | 56,823 | 28,608 |
| Non Current | | 63,240 | 60,984 | 63,636 | 61,571 |

- a) The Company made judicial deposits in the amount of R\$ 55,387 in order to maintain the zero-rate tax benefit for PIS and COFINS, as provided for in article 28 of Law 11196/2005, through the end of 2018. According to the evaluation of the Company's internal and external legal advisors, the likelihood of loss in this lawsuit is remote.
- b) Unearned financial expenses referring to the contracting of letter of guarantee, letters of credit for imports, and expenses related to issuance of debentures, which will be allocated to the result according to the respective validity terms of the contracts.

10. RELATED PARTY TRANSACTIONS

Commercial transactions:

| | Parent company | | | | | | | |
|--|---------------------|-------------------|-------------------|-------------------|--------------------|-------------------|------------------------|-------------------|
| | Accounts receivable | | Accounts payable | | Sales and services | | Purchases and services | |
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Centro de Estudos Superiores Positivo Ltda. | 57 | 57 | 6 | 322 | - | - | 156 | 500 |
| Positivo Educacional Ltda. | 133 | 185 | - | - | 762 | 211 | 372 | 640 |
| Editora Aprende Brasil Ltda. | 271 | 586 | 248 | 253 | 24 | 207 | 956 | 721 |
| Gráfica e Editora Posigraf S.A. | - | 396 | - | - | 4 | 142 | - | - |
| Rosch Administração de Bens Ltda. | - | - | 491 | 638 | - | - | 5,887 | 6,372 |
| Positivo Smart Tecnologia Ltda. | - | - | 5,647 | 5,286 | (b) | - | - | - |
| Boreo Com. de Equipamentos Ltda | 3,869 | 3,869 | (b) | 8,187 | - | - | - | - |
| Informática Figueira S.A. | - | 208 | - | - | - | - | - | - |
| Portal Mundo Positivo Ltda. | - | - | 536 | 536 | - | - | - | - |
| Crounal S.A. | - | - | 322 | 315 | - | - | - | - |
| BR Code Desenvolvimento de Software S.A. | 941 | 941 | - | - | - | - | - | - |
| PBG Uruguay S.A. | - | 89 | - | - | - | - | - | - |
| Boreo Indústria de Componentes Ltda | 131,828 | 23,371 | (a) | - | 4,359 | 9,796 | (a) | 745,214 |
| Positivo Distribuição e Comércio Ltda. | 59,054 | 22,129 | (a) | - | (a) | 88,909 | (a) | 356 |
| ACC Brasil Indústria e Com. de Computadores Ltda | - | 14,802 | (a) | 127 | 3,889 | 91,703 | (a) | 1,487 |
| | 196,153 | 66,633 | 15,437 | 7,477 | 97,547 | 140,982 | 754,428 | 417,479 |
| Portion in current liabilities | 196,153 | 66,633 | 9,810 | 7,477 | | | | |
| Non-current installment | - | - | 5,627 | - | | | | |

| | Consolidated | | | | | | | |
|--|---------------------|-------------------|-------------------|-------------------|--------------------|-------------------|------------------------|-------------------|
| | Accounts receivable | | Accounts payable | | Sales and services | | Purchases and services | |
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Centro de Estudos Superiores Positivo Ltda. | 57 | 57 | 6 | 322 | - | - | 156 | 500 |
| Positivo Educacional Ltda. | 133 | 185 | - | - | 762 | 211 | 372 | 640 |
| Editora Aprende Brasil Ltda. | 271 | 586 | 248 | 253 | 24 | 207 | 956 | 721 |
| Gráfica e Editora Posigraf S.A. | - | 396 | - | - | 4 | 142 | - | - |
| Rosch Administração de Bens Ltda. | - | - | 491 | 638 | - | - | 5,887 | 6,372 |
| BR Code Desenvolvimento de Software S.A. | 941 | 941 | - | - | - | - | - | - |
| PBG Uruguay S.A. | 5,750 | 7,884 | (c) | - | - | - | - | - |
| Informática Figueira S.A. | 6,050 | 5,759 | (a) | - | - | - | - | - |
| Non-controlling shareholders - ACC Brasil Ind E Com. | 1,300 | 4,602 | (d) | 3,440 | (d) | - | - | - |
| | 14,502 | 20,410 | 4,185 | 5,606 | 790 | 560 | 7,371 | 8,233 |
| Portion in current liabilities | 14,502 | 20,410 | 745 | 1,213 | | | | |
| Non-current installment | - | - | 3,440 | 4,393 | | | | |

Related party transactions take place according to prices and terms agreed between the parties.

- a) Purchase and sale of inputs and finished products: the Company and its subsidiaries purchase and sell inputs to its jointly-controlled subsidiaries for use in the production process and resells them under normal course of operations.

Moreover, the Company has credits arising from advances for the acquisition of inputs and apportionment of expenses with Boreo Indústria de Componentes Ltda., according to the normal flow of operations.

- b) The Company maintains a current account with Positivo Smart Tecnologia Ltda. and Boreo Comércio de Equipamentos Ltda. Such transactions derive from timely cash needs and the settlement does not have an estimated term.

- c) As of December 31, 2021, the subsidiary Crounal S.A. presented the amount of R\$ 5,750 related to dividends receivable from the Joint Venture PBG Uruguay S.A.
- d) The liability balance refers to the fundraising undertaken by the Company from its non-controlling shareholders – ACC Brasil Indústria e Comércio de Computadores Ltda. The amounts are recognized in reais (R\$) and mature in 2022 and 2024. The amounts are restated at the positive change of general market price index. The asset balance refers to the realized advanced distribution of income to non-controlling shareholders.

Management remuneration

The amount recognized in the year ended December 31, 2021 as management's remuneration was R\$ 8,963 (R\$ 6,250 at December 31, 2021), relating to short and long term benefits.

11. INVESTMENTS IN SUBSIDIARIES

| | | <u>At 12/31/2020</u> | <u>Increase in capital</u> | <u>Equity in net income of subsidiaries</u> | <u>Equity valuation adjustment</u> | <u>At 12/31/2021</u> |
|---|-----|----------------------|----------------------------|---|------------------------------------|----------------------|
| <u>Investments</u> | | | | | | |
| Positivo Smart Tecnologia Ltda. | | 55,005 | - | 6,497 | 51 | 61,553 |
| Crounal S.A. | (a) | 79,939 | - | 7,755 | 6,025 | 93,719 |
| Portal Mundo Positivo Ltda. | | 685 | - | - | - | 685 |
| Positivo Argentina S.R.L. | (b) | 269 | - | 1,081 | 42 | 1,392 |
| Positivo Distribuição e Comércio Ltda. | (c) | 19,748 | - | 5,871 | - | 25,619 |
| Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes | (d) | 44,983 | 16,000 | 7,506 | - | 68,489 |
| Boreo Industria de Componentes Ltda. | (e) | - | - | 51,423 | - | 51,423 |
| | | 200,629 | 16,000 | 80,133 | 6,118 | 302,880 |

| | | <u>At 12/31/2020</u> | <u>Equity in net income of subsidiaries</u> | <u>At 12/31/2021</u> |
|---|-----|----------------------|---|----------------------|
| <u>Provision for unsecured liability</u> | | | | |
| Boreo Industria de Componentes Ltda. | (e) | (816) | 816 | - |
| | | (816) | 816 | - |

The Company's investments in subsidiaries (direct and indirect) are in the note 2.2(a).

The Company's investments in assets, liabilities, shareholders' equity and income (loss) in direct and indirect subsidiaries, all of them privately-held, are as follows:

Positivo Tecnologia S.A. and subsidiaries

| | Assets | Liabilities | Shareholders' equity (unsecured liability) | Net revenue | Net income (loss) |
|---|------------|-------------|---|-------------|-------------------|
| December 31, 2021 | | | | | |
| Positivo Smart Tecnologia Ltda. | 93,574 | 32,021 | 61,553 | - | 6,497 |
| Portal Mundo Positivo Ltda. | 687 | 2 | 685 | - | - |
| Crounal S.A. | 109,488 | 15,769 | 93,719 | 110,134 | 7,755 |
| Boreo Comércio de Equipamentos Ltda. (indirect subsidiary) | 8,761 | 13,473 | (4,712) | - | (885) |
| Boreo Indústria de Componentes Ltda. | 502,795 | 451,372 | 51,423 | 716,225 | 52,239 |
| Positivo Argentina S.R.L. | 2,522 | 1,130 | 1,392 | 3,866 | 1,081 |
| Positivo Distribuição e Comércio Ltda. | 95,801 | 70,182 | 25,619 | 86,835 | 5,871 |
| ACC Brasil Ind. e Com. de Comp. Ltda. (indirect subsidiary) | (f) 65,436 | 26,894 | 38,542 | 101,582 | 11,810 |
| Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes | 74,520 | 32 | 74,488 | - | 7,506 |
| December 31, 2020 | | | | | |
| Positivo Smart Tecnologia Ltda. | 96,151 | 41,146 | 55,005 | - | 16,450 |
| Portal Mundo Positivo Ltda. | 687 | 2 | 685 | - | - |
| Crounal S.A. | 85,714 | 5,775 | 79,939 | 39,015 | (1,797) |
| Boreo Comércio de Equipamentos Ltda. (indirect subsidiary) | 10,005 | 13,832 | (3,827) | - | - |
| Boreo Indústria de Componentes Ltda. | 95,304 | 96,120 | (816) | 367,103 | 1,002 |
| Positivo Argentina S.R.L. | 1,643 | 1,374 | 269 | 4,419 | 150 |
| Positivo Distribuição e Comércio Ltda. | 52,104 | 32,356 | 19,748 | 76,591 | 1,292 |
| ACC Brasil Ind. e Com. de Comp. Ltda. (indirect subsidiary) | 89,782 | 51,529 | 38,253 | 191,965 | 20,744 |
| Positivo Tecn. Fundo de Invest. em Partic. em Emp. Emergentes | 48,430 | 32 | 48,398 | - | 1,154 |

- Headquartered in the city of Montevideo – Uruguay, Crounal S.A. is mainly engaged in the resale of electronic components, computer equipment, telephony and communication. The Company's functional currency is the US Dollar.
- Headquartered in the city of Buenos Aires, Positivo Argentina S.R.L. is mainly engaged in the manufacture and sale of medical, laboratory, computer and communication equipment. The subsidiary's functional currency is the Argentine peso.
- Positivo Distribuição e Comércio Ltda. (formerly Positivo Distribuidora de Equipamentos de Informática Ltda.) started its operations in July 2018, with its operational headquarters in the city of Curitiba-PR, and is mainly engaged in the distribution of computer goods and equipment, electronics, telephony and communication equipment.
- Positivo Tecnologia Fundo de Investimento em Participações em Empresas Emergentes is mainly engaged in acquiring equity interests in other technology emerging companies.
- Boreo Indústria de Componentes Ltda., headquartered in the city of Manaus, state of Amazonas, and its main activity is the manufacture of electronic components.
- As of December 31, 2018, subsidiary Positivo Smart Tecnologia Ltda. acquired 80% of the capital of ACC Brasil Indústria e Comércio de Computadores Ltda. whose main activities are the manufacturing and commercialization of storages, servers, and computers.

12. INVESTMENT IN ASSOCIATED AND OTHERS

| | | Parent company | | | |
|--|-----|----------------|--------------------------------------|---------------------|---------------|
| | | At 12/31/2020 | Equity in net income of subsidiaries | Increase in capital | At 12/31/2021 |
| <u>Associated company</u> | | | | | |
| Hi Technologies Holding Ltd | (a) | 18,001 | 1,538 | - | 19,539 |
| Desenvolve Amazônia -Fundo de Invest. Partic. em Empresas emergentes (b) | (b) | - | - | 3,100 | 3,100 |
| Inova IV Fundo de Invest. Partic. em Empresas emergentes | (c) | - | - | 4,150 | 4,150 |
| | | 18,001 | 1,538 | 7,250 | 26,789 |

| | | Consolidated | | | |
|--|-----|---------------|--------------------------------------|---------------------|---------------|
| | | At 12/31/2020 | Equity in net income of subsidiaries | Increase in capital | At 12/31/2021 |
| <u>Associated company</u> | | | | | |
| Hi Technologies Holding Ltd | (a) | 28,154 | 1,873 | - | 30,027 |
| Desenvolve Amazônia -Fundo de Invest. Partic. em Empresas emergentes | (b) | - | - | 3,898 | 3,898 |
| Inova IV Fundo de Invest. Partic. em Empresas emergentes | (c) | - | - | 5,065 | 5,065 |
| | | 28,154 | 1,873 | 8,963 | 38,990 |

Interest in associated companies is shown in Note 2.2 (c).

- a) Holding company that controls the startup Hi Technologies S.A., a technology company focused on the medical field, offering a specialized laboratory exam service through devices that allow the tests to be performed remotely.
- b) In October 2021, Positivo Tecnologia S.A. made contributions in the amount of R\$ 3,100 in Desenvolve Amazônia - Fundo de Investimento e Participações em Empresas Emergentes, whose main activity is the investment in companies of the technology sector.

Boreo Indústria de Componentes Ltda. made contributions to this fund in October and December 2021, in the total amount of R\$ 798.

- c) In October 2021, Positivo Tecnologia S.A. made contributions in the amount of R\$ 4,150 in Inova IV Fundo de Investimento e Participações em Empresas Emergentes, whose main activity is the investment in companies of the technology sector.

Boreo Indústria de Componentes Ltda. made contributions to this fund in November 2021, in the total amount of R\$ 915.

13. OTHER INVESTMENTS (CONSOLIDATED)

Investments of Positivo Tecnologia Fundo de Participação em Empresas Emergentes (F.I.P):

| | | Consolidated | | | |
|---|-----|---------------|---------------------|--------------|---------------|
| | | At 12/31/2020 | Increase in capital | Fair Value | At 12/31/2021 |
| <u>Other investments</u> | | | | | |
| Tech Inovações Tecnológ. para a Agrop. S.A. | (a) | 10,277 | 1,038 | (3,657) | 7,658 |
| Agrosmart S.A. | (b) | 11,723 | - | 11,184 | 22,907 |
| Ambar Living S.A. | (c) | 1,000 | 1,000 | - | 2,000 |
| Business Global Consult. Em Agroneg. Ltda | (d) | 1,000 | - | - | 1,000 |
| Pharmalog S.A. | (e) | 1,000 | 1,500 | - | 2,500 |
| Encontre Um Nerd S.A. (Eunerd) | (f) | - | 1,000 | 229 | 1,229 |
| | | 25,000 | 4,538 | 7,756 | 37,294 |

| | | Consolidated | | |
|---|-----|----------------------|----------------------------|----------------------|
| | | At 12/31/2019 | Increase of Capital | Fair value |
| Other investments | | | | At 12/31/2020 |
| Tech Inovações Tecnológ. para a Agrop. S.A. | (a) | 10,416 | - | (139) |
| Agrosmart S.A. | (b) | 11,103 | - | 620 |
| Ambar Living S.A. | (c) | - | 1,000 | - |
| Business Global Consult. Em Agroneg. Ltda | (d) | - | 1,000 | - |
| Pharmalog S.A. | (e) | - | 1,000 | - |
| | | 21,519 | 3,000 | 481 |
| | | | | 25,000 |

The participation in other investments is described in Note 2.2 (d).

The gain (loss) arising from the fair value of investments (fair value) was recognized under "other operating revenues (expenses)" caption.

- Tech Inovações Tecnológicas para a Agropecuária. S.A. (@Tech), a company that is engaged in the rendering of technological services through a platform that supports beef and cattle farming. In April 2021, F.I.P. made an additional capital contribution to this investee in the amount of R\$ 1,038.
- Agrosmart S.A., company that is engaged in the provision of technological services through a digital agriculture platform.
- Ambar Living S.A. develops and provides intelligent technology solutions to optimize all stages of construction work. In May 2021, F.I.P. made a new contribution totaling R\$ 1,000.
- Business Global Consultoria em Agronegócio Ltda., companies that develop and provide solutions to control soil fertilization, allowing the user to configure the fertilization system, monitor and control the dosage of inputs.
- Pharmalog S.A. develops and provides transportation monitoring solutions for thermolabile medicines (sensitive to temperature). In 2021, capital contributions totaling R\$ 1,500 were made.
- As of March 24, 2021, FIP made an investment of R\$ 1,000 in the company Encontre Um Nerd S.A.. (Eunerd) is mainly engaged in the provision of information technology services to companies using BPO (Business Process Outsourcing) and RPA (Robot Process Automation) tools.

14. INVESTMENTS IN JOINT VENTURE

Parent company

| | | Equity in net income of subsidiaries | |
|--|--------------|---|----------------------|
| At 12/31/2020 | | At 12/31/2020 | At 12/31/2021 |
| Provision for unsecured liability | | | |
| BR Code Desenvolvimento de Software S.A. | (457) | (18) | (475) |
| | (457) | (18) | (475) |

Consolidated

| Joint Venture | | At 12/31/2020 | Equity in net income of subsidiaries | Equity valuation adjustment | Dividends | At 12/31/2021 |
|----------------------|-----|----------------------|---|--|------------------|----------------------|
| PBG Rwanda Limited | (a) | 3,120 | (3,169) | 51 | - | 2 |
| PBG Uruguay S.A. | (b) | 35,418 | 5,472 | 2,467 | (5,417) | 37,940 |
| | | 38,538 | 2,303 | 2,518 | (5,417) | 37,942 |

| | At 12/31/2020 | Equity in net income of subsidiaries | At 12/31/2021 |
|---|----------------------|---|----------------------|
| <u>Provision for unsecured liability</u> | | | |
| BR Code Desenvolvimento de Software S.A. | (457) | (18) | (475) |
| | (457) | (18) | (475) |

The interest in joint ventures is presented in note 2.2 (b).

- a) PBG Rwanda Limited, headquartered in Rwanda, it was established in partnership with BGH Group. Its main activity is the production and sale of educational devices, computer equipment under the Positivo BGH brand. The functional currency of the jointly controlled company is the Rwanda franc.
- b) PBG Uruguay S.A., headquartered in Uruguay, it was established in partnership with the BGH Group and its functional currency is the United States dollar. The company promotes the import and export of electronic components, computer equipment, cell phones and smartphones.

The Company's interest in assets, liabilities, shareholders' equity and profit or loss of joint ventures are as follows:

| | Assets | Liabilities | Shareholders' equity (unsecured liability) | Net revenue | Net income (loss) |
|--|---------------|--------------------|---|--------------------|------------------------------|
| December 31, 2021 | | | | | |
| Informática Faguina S.A. | 132,084 | 142,957 | (10,873) | 49,649 | 1,150 |
| BR Code Desenvolvimento de Software S.A. | 154 | 629 | (475) | - | (18) |
| PBG Rwanda Limited | 594 | 2,582 | (1,988) | 3,982 | (5,174) |
| PBG Uruguay S.A. | 73,917 | 35,977 | 37,940 | 114,746 | 5,472 |
| December 31, 2020 | | | | | |
| Informática Faguina S.A. | 19,953 | 33,583 | (13,630) | 18,512 | (6,767) |
| BR Code Desenvolvimento de Software S.A. | 154 | 611 | (457) | - | 2 |
| PBG Rwanda Limited | 15,239 | 12,119 | 3,120 | 13,312 | (2,918) |
| PBG Uruguay S.A. | 51,002 | 15,584 | 35,418 | 32,322 | (2,404) |

15. PROPERTY, PLANT AND EQUIPMENT

| | | Parent company | | | | | | |
|-------------------------------------|-----|----------------|-----------|----------|------------|-----------|---------|------------|
| | | 12/31/2019 | Additions | Transfer | 12/31/2020 | Additions | Low | 12/31/2021 |
| Cost | | | | | | | | |
| Machinery and equipment | | 35,334 | 1,068 | - | 36,402 | 2,762 | - | 39,164 |
| Leasehold improvements | | 18,015 | 164 | - | 18,179 | 342 | (22) | 18,499 |
| Hardware | | 4,646 | 2,518 | 802 | 7,966 | 3,877 | - | 11,843 |
| Furniture and fittings | | 3,348 | 207 | - | 3,555 | 751 | - | 4,306 |
| Industrial facilities | | 28,740 | 3,179 | - | 31,919 | 6,267 | (196) | 37,990 |
| Buildings | (b) | 2,000 | - | - | 2,000 | - | (2,000) | - |
| Right of use | (a) | 45,312 | 5,984 | - | 51,296 | 2,947 | - | 54,243 |
| Other property, plant and equipment | | 1,486 | 1 | (1,165) | 322 | - | (30) | 292 |
| | | 138,881 | 13,121 | (363) | 151,639 | 16,946 | (2,248) | 166,337 |
| Depreciation | | | | | | | | |
| Machinery and equipment | | (27,910) | (1,792) | - | (29,702) | (1,756) | - | (31,458) |
| Leasehold improvements | | (11,928) | (1,620) | - | (13,548) | (1,080) | 19 | (14,609) |
| Hardware | | (2,913) | (1,291) | 363 | (3,841) | (1,491) | - | (5,332) |
| Furniture and fittings | | (2,102) | (298) | - | (2,400) | (241) | - | (2,641) |
| Industrial facilities | | (9,436) | (2,387) | - | (11,823) | (2,852) | 190 | (14,485) |
| Buildings | (b) | (467) | - | - | (467) | - | 467 | - |
| Right of use | (a) | (7,552) | (8,675) | - | (16,227) | (9,115) | - | (25,342) |
| Other property, plant and equipment | | (35) | (6) | - | (41) | (3) | 30 | (14) |
| | | (62,343) | (16,069) | 363 | (78,049) | (16,538) | 706 | (93,881) |
| Net amount | | 76,538 | (2,948) | - | 73,590 | 408 | (1,542) | 72,456 |

| | | Consolidated | | | | | | |
|-------------------------------------|-----|--------------|-----------|----------|------------|-----------|---------|------------|
| | | 12/31/2019 | Additions | Transfer | 12/31/2020 | Additions | Low | 12/31/2021 |
| Cost | | | | | | | | |
| Machinery and equipment | | 36,724 | 2,918 | - | 39,642 | 9,750 | - | 49,392 |
| Leasehold improvements | | 19,179 | 249 | - | 19,428 | 342 | (22) | 19,748 |
| Hardware | | 4,871 | 2,519 | 802 | 8,192 | 4,195 | - | 12,387 |
| Furniture and fittings | | 3,696 | 253 | - | 3,949 | 973 | - | 4,922 |
| Industrial facilities | | 36,354 | 3,246 | - | 39,600 | 7,914 | (196) | 47,318 |
| Buildings | (b) | 2,000 | - | - | 2,000 | - | (2,000) | - |
| Right of use | (a) | 50,033 | 6,413 | - | 56,446 | 4,280 | - | 60,726 |
| Other property, plant and equipment | | 1,486 | 1 | (1,165) | 322 | 27 | (30) | 319 |
| | | 154,343 | 15,599 | (363) | 169,579 | 27,481 | (2,248) | 194,812 |
| Depreciation | | | | | | | | |
| Machinery and equipment | | (28,085) | (1,944) | - | (30,029) | (2,330) | - | (32,359) |
| Leasehold improvements | | (12,224) | (1,733) | - | (13,957) | (1,197) | 19 | (15,135) |
| Hardware | | (2,953) | (1,347) | 363 | (3,937) | (1,578) | - | (5,515) |
| Furniture and fittings | | (2,247) | (329) | - | (2,576) | (285) | - | (2,861) |
| Industrial facilities | | (11,274) | (3,152) | - | (14,426) | (3,687) | 190 | (17,923) |
| Buildings | (b) | (467) | - | - | (467) | - | 467 | - |
| Right of use | (a) | (8,339.00) | (9,509) | - | (17,848) | (10,263) | - | (28,111) |
| Other property, plant and equipment | | (36) | (5) | - | (41) | (3) | 30 | (14) |
| | | (65,625) | (18,019) | 363 | (83,281) | (19,343) | 706 | (101,918) |
| Net amount | | 88,718 | (2,420) | - | 86,298 | 8,138 | (1,542) | 92,894 |

As of December 31, 2021 and 2020, the Company does not pledge property, plant and equipment items as collateral.

During 2021, the Company carried out a review of the useful lives of its property, plant and equipment and did not identify any necessary changes.

a) Lease liabilities

Changes in the balances of lease liabilities are as follows:

| | Lease liabilities | |
|-------------------------------------|--------------------------|---------------------|
| | Parent company | Consolidated |
| Opening balance- 12/31/2020 | 37,373 | 41,131 |
| Additions | 1,765 | 3,113 |
| Payments | (10,496) | (11,887) |
| Interest incurred | 2,986 | 3,283 |
| Closing balance - 12/31/2021 | 31,628 | 35,640 |
| Current | 7,874 | 9,115 |
| Non Current | 23,754 | 26,525 |

According to CVM guidelines, in its CIRCULAR LETTER/CVM/SNC/SEP/ 1/2020, a company that chooses to report the impacts of IFRS 16/CPC06 (R2) in its financial statements in a manner different from that recommended by technical areas of the CVM (nominal flow vs. nominal discount rate) must present the minimum inputs so that users of the financial statements can arrive at this information. Therefore, the Company chose to disclose these minimum inputs so that users can arrive at this information. Inputs are as follows:

- Nominal discount rate applied – 10.86% p.a.
- Inflation component to be used in the projection of flows (IPCA price index) – 8.50% p.a.

The amortization schedule of lease liability balances is presented in the table below:

| Year | December 31, 2021 | |
|-------------|--------------------------|---------------------|
| | Parent company | Consolidated |
| 2022 | 7,874 | 9,115 |
| 2023 | 8,647 | 9,983 |
| 2024 | 9,548 | 10,984 |
| 2025 | 4,081 | 4,081 |
| 2026 | 1,478 | 1,477 |
| | 31,628 | 35,640 |

The table below shows the potential right of recoverable PIS and Cofins embedded in the lease consideration, according to the periods foreseen for payment:

| | Payments | Nominal | Present value |
|----------------|-----------------|----------------|----------------------|
| Parent company | 38,402 | 3,552 | 2,926 |
| Consolidated | 42,881 | 3,966 | 3,297 |

b) Buildings

On April 14, 2021, the Company sold a property located in the city of Ilhéus, State of Bahia, in the amount of R\$ 5,000. The transaction generated a capital gain in the amount of R\$ 3,458.

16. INTANGIBLE ASSETS

| | Parent company | | | | |
|------------------------|----------------------|-----------------------|----------------------|------------------------|----------------------|
| | 12/31/2019 | Additions | 12/31/2020 | Additions | 12/31/2021 |
| Cost | | | | | |
| Developed projects (a) | 130,633 | 15,548 | 146,181 | 5,636 | 151,817 |
| Software | 7,458 | 4,265 | 11,723 | 6,113 | 17,836 |
| Use licenses | 7 | - | 7 | - | 7 |
| | <u>138,098</u> | <u>19,813</u> | <u>157,911</u> | <u>11,749</u> | <u>169,660</u> |
| Amortization | | | | | |
| Developed projects | (86,807) | (24,099) | (110,906) | (21,083) | (131,989) |
| Software | (3,802) | (2,861) | (6,663) | (3,221) | (9,884) |
| Use licenses | (4) | (2) | (6) | (1) | (7) |
| | <u>(90,613)</u> | <u>(26,962)</u> | <u>(117,575)</u> | <u>(24,305)</u> | <u>(141,880)</u> |
| Net amount | <u>47,485</u> | <u>(7,149)</u> | <u>40,336</u> | <u>(12,556)</u> | <u>27,780</u> |

| | Consolidated | | | | |
|----------------------------|-----------------------|-----------------------|----------------------|------------------------|----------------------|
| | 12/31/2019 | Additions | 12/31/2020 | Additions | 12/31/2021 |
| Cost | | | | | |
| Developed projects (a) | 132,332 | 17,715 | 150,047 | 9,888 | 159,935 |
| Software | 7,833 | 4,406 | 12,239 | 6,155 | 18,394 |
| Use licenses | 12 | - | 12 | - | 12 |
| Gains from Investments (b) | 19,403 | - | 19,403 | - | 19,403 |
| Goodwill in subsidiary (b) | 43,109 | - | 43,109 | - | 43,109 |
| | <u>202,689</u> | <u>22,121</u> | <u>224,810</u> | <u>16,043</u> | <u>240,853</u> |
| Amortization | | | | | |
| Developed projects | (88,506) | (24,099) | (112,605) | (21,191) | (133,796) |
| Software | (4,031) | (2,949) | (6,980) | (3,294) | (10,274) |
| Use licenses | (4) | (2) | (6) | (1) | (7) |
| Gains from Investments | (5,010) | (2,386) | (7,396) | (2,386) | (9,782) |
| | <u>(97,551)</u> | <u>(29,436)</u> | <u>(126,987)</u> | <u>(26,872)</u> | <u>(153,859)</u> |
| Net amount | <u>105,138</u> | <u>(7,315)</u> | <u>97,823</u> | <u>(10,829)</u> | <u>86,994</u> |

The Company carried out a review of the useful lives of its intangible assets and did not identify any necessary changes.

a) Internally developed projects

Expenditures are used to improve existing products and develop new products and essentially comprising: direct and indirect labor, charges, software, consulting services, materials, infrastructure, travel, and other related items; such expenditures are segregated between additions to intangible assets and expense in the income (loss). Such expenditures result from the compliance with Law 8248/1991 and Law 13969/2019 mentioned in Note 8.

The amortization of the investments was substantially set at no more than four years based on the recoverability history of the projects, and is recorded in the cost of products sold and operating expenses account.

b) Goodwill – Boreo Comércio de Equipamentos Ltda.

In December 2009, the subsidiary Smart Tecnologia Ltda. (former corporate name Positivo Informática da Bahia Ltda.) completed the acquisition of Boreo Comércio de Equipamentos Ltda., generating goodwill of R\$ 14,173, recorded in the books of the acquirer and based on expected future earnings.

The recoverable value of goodwill is determined based on its value in use derived from cash flow projections, based on a financial budget of five years approved by management and discount rate of 12.39% p.a.

Goodwill and surplus - ACC Brasil Indústria e Comércio de Computadores Ltda.

In December 2018, the subsidiary Positivo Smart Ltda. acquired 80% of the company ACC Brasil Indústria e Comércio de Computadores Ltda. The best estimate of the purchase price, based on the expected future earnings of the acquired company, is R\$ 44,193. The transaction generated a goodwill based on expected future earnings arising from the synergies from the acquisition and surplus related to the intangible assets in the amount of R\$ 28,936 and R\$ 19,403, respectively. The discount rate used to measure the cash flows arising from the acquisition was 12.39% p.a. and has the purpose of evaluating the recoverable value.

The Company reviewed the discount rates used to measure the cash flows resulting from the acquisitions, as well as assessed the recoverability of the goodwill recorded in the acquisitions of the investments and did not find the need to record losses due to impairment of these assets in the financial statements of December 31, 2021.

17. SUPPLIERS

| | | Parent company | | Consolidated | |
|----------------------------------|-----|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Suppliers – foreign market | | 583,104 | 262,240 | 853,785 | 325,041 |
| Suppliers – domestic market | | 129,528 | 151,887 | 174,306 | 166,258 |
| Suppliers – Agreement (national) | (a) | 106,435 | 40,164 | 106,435 | 40,164 |
| Copyrights and licenses payable | (b) | 51,580 | 30,672 | 51,688 | 30,747 |
| | | 870,647 | 484,963 | 1,186,214 | 562,210 |

The average payment term for suppliers as of December 31, 2021 is 122 days (108 days as of December 31, 2020). The adjustment to present value of trade payables is calculated to show the obligation present in future cash flows. The Company considers the payment term of each credit sale and calculates the discount of this transaction by using the CDI (Interbank Certificate of Deposit) rate as reference.

- a) Balances referring to the Company's structured operations with its suppliers, called forfaiting. The Company has agreements with certain financial institutions that allow the financing of suppliers in its supply chain. Under the terms established with the institutions, suppliers may choose to receive payment of their invoices in advance through the financial agent. Under the terms of the agreement, a financial institution agrees to pay the amounts due in advance to a participating supplier and receives the settlement of the trade note from the Company at a later date. The main goal of this program is to allow willing

suppliers to sell their receivables owed by the Company to a bank to advance the receipt originally provided in the contracts.

In the opinion of the Company's Management, the agreements do not significantly change the payment terms beyond the normal terms agreed with other suppliers that do not anticipate their securities. There is no additional interest or any extension of the payment term for the Company over the amounts owed to suppliers. Therefore, the Company does not derecognize the liabilities to which this modality of agreement applies, as there was no legal write-off and the original liability was not substantially modified when the supplier will enter into the agreement. The amounts prepaid by suppliers continue to be recorded by the Company as accounts payable, because the nature and function of the financial liability remain the same.

Thus, payments made to the bank on the original maturity date of securities are included in operating cash flows since they continue to be part of the Company's operating cycle and their main nature remains as payments for input purchase.

- b) Copyrights and use licenses payable represent an obligation for the purchase of software licenses from Microsoft Corporation. These licenses are supported by license agreements entered into between the parties and are renewed periodically.

18. LOANS AND FINANCING

| At amortized cost Current Liabilities | | Average contractual rate (p.y.) | Average swap rate in % CDI | Maturity | Guarantees | Parent company | | Consolidated | |
|--|-----|---------------------------------------|-------------------------------|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Debentures | (a) | 4.55% + CDI | - | Up 2/10/2025 | Fiduciary Assignment | 78,208 | - | 78,208 | - |
| Working capital | | 1.80 + FX | 162.50% | 1/27/2021 | Promissory Note | - | 28,197 | - | 28,197 |
| Working capital | | 3.48 + FX | 100.00% | 6/18/2022 | Promissory Note | 22,494 | - | 22,494 | - |
| Working capital | | 4.25% + CDI | - | 11/26/2022 | Promissory Note | 50,231 | - | 50,231 | - |
| Working capital | | 136.51% CDI | - | Up 8/20/2021 | Promissory Note | - | 6,671 | - | 6,671 |
| Working capital | | 3.58% + CDI | - | Up 8/18/2022 | Promissory Note | 30,793 | 20,352 | 30,793 | 20,352 |
| Working capital | | 200.29% CDI | - | Up 5/26/2023 | Promissory Note | 55,000 | 127,170 | 55,000 | 127,170 |
| Working capital | | 3.90% + CDI | - | 1/11/2021 | Promissory Note | - | 181,093 | - | 181,093 |
| Working capital | | 3.80 + CDI | - | Up 10/20/2025 | Promissory Note | 54,504 | 20,062 | 54,504 | 20,062 |
| Working capital | (a) | 2.40% + CDI | - | Up 12/20/2025 | Promissory Note | 38,314 | - | 38,314 | - |
| Working capital | | 4.50% + CDI | - | Up 11/16/2023 | Promissory Note | - | - | 480 | 2,672 |
| Working capital | | 5.96% | - | Up 11/26/2023 | Promissory Note | - | - | 9,644 | 21,403 |
| FINEP | (b) | 5% + TR | - | Up 6/15/2025 | Letter of guarantee | 9,635 | 9,748 | 9,635 | 9,748 |
| FINEP | (b) | 3.00 + TR | - | Up 12/15/2028 | Letter of guarantee | 4,624 | 289 | 4,624 | 289 |
| FINEP | (b) | 10.50 + TR | - | Up 12/15/2028 | Letter of guarantee | 13,032 | 898 | 13,032 | 898 |
| BNDES | | TJLP + 3% | - | Up 12/15/2021 | Letter of guarantee | - | 7,980 | - | 7,980 |
| FINIMP | | 2.72% + FX | 145.90% | 5/24/2021 | Promissory Note | - | 10,780 | - | 10,780 |
| FINIMP | | 3% + FX | 100.00% | Up 6/1/2022 | Promissory Note | 33,237 | - | 33,237 | - |
| FINIMP | | 1.89 + FX | 331.72% | 2/24/2021 | Promissory Note | - | 24,058 | - | 24,058 |
| Non-current liabilities | | | | | | 390,072 | 437,298 | 400,196 | 461,373 |
| Debentures | (a) | 4.55% + CDI | - | Up 2/10/2025 | Fiduciary Assignment | 168,750 | - | 168,750 | - |
| BNDES | | TJLP + 3% | - | Up 12/15/2021 | Letter of guarantee | - | 7,563 | - | 7,563 |
| Working capital | | 3.80 + CDI | - | Up 10/20/2025 | Promissory Note | 58,817 | 86,037 | 58,817 | 86,037 |
| Working capital | (a) | 2.40% + CDI | - | Up 12/20/2025 | Promissory Note | 112,500 | - | 112,500 | - |
| Working capital | | 200.29% CDI | - | Up 5/26/2023 | Promissory Note | 11,905 | 69,034 | 11,905 | 69,034 |
| Working capital | | 4.50% + CDI | - | Up 11/16/2023 | Promissory Note | - | - | 9,167 | 7,333 |
| FINEP | (b) | 3.00 + TR | - | Up 12/15/2028 | Letter of guarantee | 27,526 | 21,851 | 27,526 | 21,851 |
| FINEP | (b) | 10.50 + TR | - | 12/15/2028 | Letter of guarantee | 79,133 | 62,238 | 79,133 | 62,238 |
| FINEP | (b) | 5.00 + TR | - | 6/15/2025 | Letter of guarantee | 23,098 | 32,338 | 23,098 | 32,338 |
| Working capital | | 5.96% | - | Up 11/26/2023 | Promissory Note | - | - | 9,510 | 15,167 |
| Total loans and financing | | | | | | 871,801 | 716,359 | 900,602 | 762,934 |
| R.R - Referential rate | | | | | | | | | |

There are no covenants that linked to compliance with financial and non-financial indicators in the loans and financing of the Company and its subsidiaries, except debentures and working capital contract, whose conditions are described in the item (a) as follows:

The financial instruments contracted to cover the exchange-rate changes on loans in foreign currency are presented in Note 32.b.

a) Debentures and working capital

Debentures

The Company carried out the 2nd issuance of simple and non-convertible debentures, with real guarantee, in a single series, in the total amount of R\$ 300,000, with guarantee provided through fiduciary assignment in a restricted account, with a minimum monthly flow of a subsequent installment of the nominal unit value.

The funds were raised on March 10, 2021 and used to extend the Company's debt profile, within the scope of the ordinary management of its businesses. The debentures have a maturity of four years, and amortized in sixteen consecutive quarterly installments as from the date of their issue. In the year ended December 31, 2021, the Company paid the amount of R\$ 73,867 comprising principal and remuneration interest.

The following covenants are defined for the issuer to meet every six months, based on the Company's consolidated financial statements:

i) Net Debt/EBITDA ratio

Net Debt/EBITDA ratio must be equal to or lower than 3.0 (three) times, considering the following:

- Net debt: Short- and long-term loans are considered, less cash and cash equivalents receivable and/or payable from swap derivative transactions (loan agreement hedge), as consolidated data of the Issuer's financial statement; and
- EBITDA: It comprises the accumulated income (loss) for the last four quarters, which consists of the profit (loss) for the year or period, plus the net financial income (loss), equity income (loss), income tax and social contribution on net income, as well as depreciation and amortization.

Working capital

During the current year, the Company entered into a working capital contract in the amount of R\$ 150,000, with a 4-year term. This contract includes financial covenants following the same methodology applied to the debenture contract above, that is, the Net Debt/EBITDA ratio must be equal to or less than 3.0 (three) times.

The next analysis of both contracts aforementioned, in relation to compliance with the covenants will be carried out for the base date of June 30, 2022. As of December 31, 2021, the Company was complying with the limit index set forth by the covenants clause.

b) FINEP

In 2018, the Company approved a loan agreement with FINEP in the amount of R\$ 125,100, whose funds were invested in innovation plans, with research and development activities in the areas of industrial automation, educational technology and innovation center

associated with new products. This credit facility was fully used with amounts obtained in installments up to the end of 2021.

Changes in loans and financing are as follows:

| | Note | Parent company | | Consolidated | |
|--------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 12/31/2021 | 12/31/2020 | 12/31/2021 | 12/31/2020 |
| Opening balance | | 716,359 | 663,896 | 762,934 | 712,124 |
| New borrowings | | 689,110 | 651,535 | 689,110 | 698,105 |
| New borrowings - noncash transaction | 35 | 39,939 | - | 39,939 | - |
| Interest on borrowings | | 81,115 | 55,822 | 85,917 | 58,474 |
| Exchange rates/exchange hedge | | (24,227) | (10,227) | (24,227) | (10,227) |
| Amortization | | (569,976) | (609,365) | (588,090) | (658,452) |
| Payment of interest | | (60,519) | (35,302) | (64,981) | (37,090) |
| Closing balance | | 871,801 | 716,359 | 900,602 | 762,934 |

Maturity dates of long-term loans are as follows:

| December, 31 2021 | | |
|-------------------|----------------|----------------|
| Year | Parent company | Consolidated |
| 2023 | 194,909 | 195,389 |
| 2024 | 144,147 | 144,627 |
| 2025 | 89,202 | 97,410 |
| 2026 | 18,013 | 18,013 |
| > 2026 | 35,458 | 44,967 |
| Total | 481,729 | 500,406 |

19. PROVISIONS

| | | Parent company | | Consolidated | |
|--|-----|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Current | | | | | |
| Provision for guarantee and technical support | (a) | 45,760 | 44,942 | 50,282 | 49,974 |
| Provision for cooperative advertising | (b) | 14,933 | 14,532 | 15,595 | 15,025 |
| Provision for commissions | (c) | 18,370 | 16,756 | 23,757 | 20,568 |
| Provision for rebates | (d) | 23,146 | 20,082 | 23,581 | 20,082 |
| Provision for royalties | (e) | 6,982 | 2,282 | 7,160 | 2,516 |
| Provision for investment in research and development | (f) | 24,816 | 19,122 | 30,271 | 21,277 |
| Other provision | | 4,017 | 6,427 | 7,434 | 11,920 |
| | | 138,024 | 124,143 | 158,080 | 141,362 |
| Non-Current | | | | | |
| Provision for guarantee and technical support | (a) | 46,211 | 19,306 | 46,211 | 19,306 |
| | | 184,235 | 143,449 | 204,291 | 160,668 |

a) Provision for guarantees and technical support

With basis on the number of computers in warranty and the term of each granted warranty, and also taking into account the recent history of service frequency per machine, and the average cost of technical assistance service, the amount of the provision that will be required to cover the total assumed obligation in relation to the equipment items in warranty on the respective base dates.

b) Provision for cooperative advertising

The amounts accrued as cooperative advertising money are calculated with basis on agreed-upon percentages and refer to allowances for promotional insertions and exhibition of Company's products. The percentages of this fund are individually negotiated with each client.

c) Provision for commissions

The provision for commissions is calculated based on the individual percentage of commission recorded in the sales orders.

d) Provision for rebates

The amounts provided for rebates are calculated based on historical percentages and other factors, negotiated individually with each client. These are funds intended for price repositioning, fostering retail sales.

e) Provision for royalties

The amounts provisioned as royalties are calculated based on contractual percentages established with the supplier and which generally affect the billing of products that use the technologies or brands.

f) Provision for investments in R&D

In order to be entitled to certain tax benefits, the Company is required to invest part of its revenue from the sale of IT goods and services in research and development projects. The Company recognizes the tax benefits upon sale, as a contra entry to the obligation generated.

20. DEFERRED REVENUE

Refers to the investment grant portion to be allocated to profit or loss over the next years, as mentioned in Note 8. As a result of the enjoyment of ICMS tax benefits on December 31, 2021, the Company recorded in its Parent company and consolidated financial statements, in liabilities, under "Deferred revenue", the amount of R\$ 4,759 (R\$ 7,492 as of December 31, 2020) and R\$ 5,753 (R\$ 7,492 as of December 31, 2020), respectively. This amount will be appropriated to Income by virtue of the amortization of the related assets and compliance with the obligations required as a counterpart to the referred tax benefit, as provided for in the rules established in Technical Pronouncement CPC 7 and disclosed in Note 16.a.

21. OTHER ACCOUNTS PAYABLE

| | | Parent company | | Consolidated | |
|--|-----|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Advances from clients | | 14,701 | 14,140 | 17,936 | 18,441 |
| Prepaid revenues | | 686 | 1,275 | 726 | 1,349 |
| Accounts payable for acquisition of subsidiary | (a) | - | - | 26,799 | 36,808 |
| Curitiba tax recovery program (REFIC) | (b) | - | 18,227 | - | 18,227 |
| Legal fees | (c) | - | 9,832 | - | 9,832 |
| Share repurchase | | 4,166 | 2,782 | 4,819 | 3,797 |
| Accounts payable | | 19,553 | 46,256 | 50,280 | 88,454 |
| Current | | 19,455 | 45,569 | 32,751 | 59,942 |
| Non Current | | 98 | 687 | 17,529 | 28,512 |

a) Represent the amounts to pay by subsidiary Positivo Smart Tecnologia Ltda. to the non-controlling shareholders of ACC Brasil Indústria e Comércio de Computadores Ltda. for the acquisition of 80% of this investee's shares. This acquisition amounting to R\$ 10,009 was paid in the year ended December 31, 2021. The amounts are updated annually based on the investee's annual financial statements. Pursuant to the contractual clauses.

The balance payable have the following settlement schedule:

| Consolidated | |
|--------------|---------------|
| year | Amount R\$ |
| 2022 | 9,374 |
| 2023 | 6,689 |
| 2024 | 6,535 |
| 2025 | 4,201 |
| | 26,799 |

b) On December 7, 2020, Supplementary Law 125/2020 was enacted, which introduced the Tax Recovery Program for the Municipality of Curitiba (REFIC). Given the understanding adopted by STF in ADIs 5659 and 1,945 regarding the taxation of ISS, based on the risk assessment of its internal and external legal advisors, the Company included the debts subject to administrative and judicial proceedings related to the period between 1998 and 2015 in REFIC, in the form of cash payment, with a 100% reduction in interest and fine. The amounts were fully paid-up in 2021, for the amount of R\$ 18,227.

c) Amounts referring to successful fees in lawsuits, whereas the amount in 2020 mainly arises from the lawsuit described in Note 8(c).

22. INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of income tax and social contribution on net income:

| | Parent company | | Consolidated | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Income before tax and social contribution | 200,258 | 266,870 | 208,237 | 272,389 |
| Combined current rate | 34% | 34% | 34% | 34% |
| Expected income tax and social contribution in relation to current rate | (68,088) | (90,736) | (70,801) | (92,612) |
| Exclusion - equity in net income of subsidiaries | 28,039 | 8,005 | 1,414 | 382 |
| Financial Credit - Law 13969/2019 | 26,438 | 13,465 | 29,667 | 18,391 |
| Provisions and other (additions) exclusions from the calculation basis | 93,521 | 31,206 | 97,939 | 26,280 |
| Leases | (546) | (340) | (564) | (372) |
| Tax losses and temporary differences for which deferred taxes were not recorded | (79,364) | (49,116) | (51,634) | (40,233) |
| IRPJ/CSLL calculated | - | (87,516) | 6,021 | (88,164) |
| Tax incentive - R&D Law 11.196/05 | - | 11,617 | - | 11,617 |
| Tax expense calculated | - | (75,899) | 6,021 | (76,547) |
| Current income tax and social contribution | - | (14,359) | (4,712) | (15,139) |
| Deferred income tax and social contribution | - | (61,540) | (629) | (61,408) |
| | - | (75,899) | (5,341) | (76,547) |

23. PROVISION FOR TAX, LABOR AND CIVIL RISKS

The Company has contingencies that are being discussed in court, including tax, labor and civil lawsuits. The Company's management believes that the outcome of these lawsuits will not have an effect significantly different from the amount provided for, which corresponds to the amounts of lawsuits considered "probable losses".

Refer basically to:

| Nature | Parent company and Consolidated | | | |
|--------------|---------------------------------|------------|----------|---------------|
| | Provisions | | | |
| | 12/31/2020 | Reductions | Payments | 12/31/2021 |
| Civil | 7,914 | 4,539 | (2,663) | 9,790 |
| Tax | 13,229 | 5,989 | (795) | 18,423 |
| Labor | 18,766 | 960 | (2,370) | 17,356 |
| Total | 39,909 | 11,488 | (5,828) | 45,569 |
| Current | 5,412 | | | 5,985 |
| Non Current | 34,497 | | | 39,584 |

Civil

The Company is a party to lawsuits of a commercial nature relating to consumers' complaints about products and services provided by the Company. There are no individually relevant lawsuits.

Tax

Administrative proceedings and lawsuits challenging the legality or constitutionality of taxes and contributions of a municipal, state and federal nature. There are no individually relevant lawsuits.

Labor

Lawsuits in which the employment relationship is discussed. There are no individually relevant lawsuits.

Possible loss

The amounts of contingencies considered as possible losses by the Company's legal advisors and no provision was formed in accordance with accounting practices adopted in Brazil:

| | Parent company Consolidated | |
|----------------------------|--|------------------------------|
| | December 31, 2021 | December 31, 2020 |
| Tax | | |
| Tax and contributions (a) | 341,148 | 300,032 |
| Civil | | |
| Public Organization and | | |
| Private Companies (b) | 15,724 | 81,765 |
| Consumers | 1,535 | 1,852 |
| | 358,407 | 383,649 |

a) Taxes and contributions (principal amounts total R\$ 293,206 in 2021 (R\$ 254,160 in 2020):

(i) Import tax (II) and IPI – Tax assessment notice claiming Import Duty and Federal VAT differences, arising from the discussion on the difference in the rate levied on the import of signal capture boards and video cards.

(ii) Import tax (II) and IPI - Tax assessment notice relating to differences of Import and Excise taxes, arising from the reclassification of the MCN on imports of LCD screens carried out by the Company's branch located in Ilhéus, State of Bahia, in the last three years. This reclassification arose from the change in tax classification criteria by the Federal Revenue Service.

(iii) IPI – Tax lawsuits discussing the levy of IPI on the resale of imported products via Trading.

(iv) II – Use of a favorable injunction in a proceeding discussing the application of a fixed CRA to calculate the import tax in Manaus Free Trade Zone;

(v) PIS and Cofins – Tax lawsuits claiming the disallowance of PIS and Cofins credits recognized by the Company and PER/DCOMP not ratified.

(vi) IRPJ – Annulment Action, with request for advance relief, for acknowledgement of the lack of IRPJ debt and existence of the credit right relating to the negative accumulated IRPJ balance.

b) Civil (public agencies - principal amounts total R\$ 10,909 in 2021 (R\$ 73,680 in 2020).

(i) Brazilian Mail and Telegraph Company – Ordinary action filed to avoid the inclusion in SICAF, CADIN and similar lists, suspend the payment of fines and annul penalties (delays of technical support calls).

(ii) City Government of São Paulo – Lawsuit filed to suspend the collection of administrative fine due to alleged delay in the delivery of IT equipment to contracting party.

(iii) State of Pernambuco – Ordinary action to annul the bid process 046/2011 from the Education Department of Pernambuco.

24. SHAREHOLDERS' EQUITY

a) Share Capital

The Company's capital as of December 31, 2021 and 2020, net of share issue expenditure amounted to R\$ 721,670.

The breakdown of capital, as well as the distribution of shares is as follows:

| | Capital | |
|----------------------------------|------------------------------|------------------------------|
| | December 31, 2021 | December 31, 2020 |
| Capital | 742,700 | 742,700 |
| Expenses with issuance of shares | (21,030) | (21,030) |
| | 721,670 | 721,670 |

| Stockholders | Number of shares (in units) | |
|--|--|------------------------------|
| | December 31, 2021 | December 31, 2020 |
| Controlling shareholders | 63,431,794 | 62,093,094 |
| Non-controlling shareholders, related parties and officers | 26,100 | 2,500 |
| Treasury shares | 2,022,008 | 1,402,408 |
| Outstanding shares | 76,320,098 | 78,301,998 |
| | 141,800,000 | 141,800,000 |

Based on the Minutes of the Shareholders' Meeting held on October 4, 2019, the Company is authorized to increase its capital, regardless of amendment to the bylaws and Shareholders' resolution, upon determination of the Board of Directors, up to the limit of the Company's authorized capital of 71,000,000 new common shares, with no par value.

The Company's direct controlling shareholders are as follows:

| | Number of common shares (in units) | |
|--|---------------------------------------|-------------------|
| | December 31, | December 31, |
| | 2021 | 2020 |
| Direct controlling stockholders | | |
| Hélio Bruck Rotenberg | 15,418,919 | 13,418,619 |
| Cixares Líbero Vargas | 12,418,618 | 12,418,618 |
| Isabela Cesar Formighieri Mocelin | 3,736,207 | 3,806,207 |
| Daniela Cesar Formighieri Rigolino | 3,696,506 | 3,806,206 |
| Sofia Guimarães Von Ridder | 3,589,540 | 4,139,540 |
| Samuel Ferrari Lago | 4,139,540 | 4,139,540 |
| Paulo Fernando Ferrari Lago | 4,139,540 | 4,139,540 |
| Rodrigo Cesar Formighieri | 3,320,306 | 3,806,206 |
| Lucas Raduy Guimarães | 4,414,539 | 4,139,539 |
| Giem Raduy Guimarães | 4,418,540 | 4,139,540 |
| Thais Susana Ferrari Lago | 4,139,539 | 4,139,539 |
| | 63,431,794 | 62,093,094 |

b) Capital reserve - Tax incentives and Stock option

| | Consolidated | |
|-----------------------------------|----------------|----------------|
| | December 31, | December 31, |
| | 2021 | 2020 |
| Investment subvention reserve (i) | 118,132 | 118,132 |
| Stock option benefit reserve (ii) | 1,807 | 1,279 |
| | 119,939 | 119,411 |

(i) Government grant reserve

Refers to tax incentives enjoyed by the Company, which were accounted for in this item until December 31, 2007. After the Law 11638/07, these benefits started to be recorded under "Profit reserves" caption.

This capital reserve may be used to take-over capital and/or absorb losses as long as the balance does not exceed the amount of profit reserves.

(ii) Call option granted under the employee stock option plan

Call options granted under the employee stock option plan do not grant voting rights or dividends. Further details on the employee stock option plan is described in Note 33.

c) Profit reserve

| | Parent company Consolidated | |
|---------------------------|--------------------------------|----------------|
| | December 31, | December 31, |
| | 2021 | 2020 |
| Tax Incentive reserve (i) | 341,208 | 201,035 |
| Legal reserve (ii) | 20,211 | 10,198 |
| | 361,419 | 211,233 |

(i) Grant reserve to tax incentives

As mentioned in Note 8, the amounts recorded in this account relate to the ICMS tax incentive, in conformity with State Decree 5375/2002 (the effective period of Article 3 runs through to July 31, 2011), and State Decree 1922/2011 effective from August 1, 2011. Pursuant to income tax legislation, this tax incentive reserve can only be used to capital

increase and loss absorption, and cannot be distributed as dividends since it relates to a benefit granted by the State to the Company for a specific activity.

(ii) Legal reserve

The purpose of the legal reserve is to guarantee that the capital is paid up and it is used solely to offset losses and increase capital.

The legal reserve must be recorded annually, and the balance of this reserve plus the amount of capital reserves cannot exceed 30% of capital. The Company must allocate a portion of 5% of net income for the year to form this reserve, and said portion may not exceed 20% of capital.

d) Equity valuation adjustment

The Company recognizes in this caption the effect from exchange-rate changes on investments in foreign subsidiaries and gain (loss) on cash flow hedge transactions. For exchange-rate changes, the accrued effect is reversed to profit or loss for the year either as gain or loss only in case of disposal or write-off of the investment. Cash flow hedge transactions will be transferred to income (loss) for the year if an ineffective portion is identified and/or upon the end of the hedge relationship, as Note 32.

e) Treasury shares

To comply with the stock option plan for executives, the Company, as of December 31, 2021, holds a total of 2,022,008 treasury shares (1,402,408 at December 31, 2020), purchased under the repurchase program, at an average price of R\$ 10.45 in amount of R\$ 21,128 (as of December 31, 2020, the total acquisition amount was R\$ 13,325 based on the remaining treasury shares).

f) Dividends

According to the minutes of the Annual and Extraordinary Meeting held on March 25, 2008, the Company may draw up half-yearly or interim balance sheets; decide on the distribution of dividends debited from the profit account determined on those balance sheets; declare interim dividends debited from the retained earnings account or profit reserves existing on those balance sheets or the last annual balance sheet; may pay or credit interest on own capital, ad referendum of the Annual General Meeting that reviewed the financial statements related to the fiscal year in which such interest was paid or credited; interim dividends and interest on own capital must always be imputed to the mandatory dividend.

During the year ended December 31, 2020, the Company recognized the amount of R\$ 48,055 of dividends. The dividends were approved at the Annual General Meeting of April 30, 2021, and paid in three installments, without inflation adjustment during 2021. Additionally, there was a payment in the amount of R\$ 4,032 to non-controlling shareholders.

During the year ended December 31, 2021, the Company recognized the amount of R\$ 47,561 of dividends to be distributed. The amount will be submitted to approval at the Ordinary General Meeting and corresponds to the statutory minimum mandatory dividend

of 25%, calculated on net income for the year after deducting the amount allocated to the legal reserve described in Note 24 (c).

g) Appropriation of profit

Any accumulated losses will be deducted from the net income for the year before any interest. Management profit-sharing will be calculated on the remaining profit, up to the maximum legal limit, as set forth in Article 152, paragraph 1 of Law 6404/76, after an appropriation to the legal reserve of 5%, whose allocated installment will not exceed 20% of capital.

25. NET REVENUE

The analysis of Company's revenue in the years ended December 31, 2021 and 2020 is as follows:

| | Parent company | | Consolidated | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Revenue from sale of products | 3,601,637 | 2,251,952 | 3,827,333 | 2,481,962 |
| Revenue from services | 89,976 | 75,488 | 159,246 | 103,478 |
| Gross revenue | 3,691,613 | 2,327,440 | 3,986,579 | 2,585,440 |
| Less: | | | | |
| Sales tax | (732,403) | (430,110) | (779,923) | (492,296) |
| Investment subsidy | (a) 381,625 | 225,522 | 403,391 | 226,757 |
| Returns and rebates | (136,999) | (66,319) | (153,013) | (62,769) |
| Allowance for joint advertising and rebate | (b) (93,524) | (64,910) | (91,547) | (64,959) |
| Net revenue | 3,110,312 | 1,991,623 | 3,365,487 | 2,192,173 |

a) Details on the amounts recognized as an investment grant are described in note 8.(a).

b) Further information on the amounts recognized as cooperative advertising funds (VPC) and rebates are described in note 19.(b) and 19.(d).

26. EXPENSES PER TYPE

The Company presented the statement of income using a classification of operating expenses based on their function. Information on the nature of these expenses recognized in the statement of income is as follows:

| | Parent company | | Consolidated | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Raw materials and consumables used | (2,390,202) | (1,559,017) | (2,480,105) | (1,669,707) |
| Personnel expenses | (201,949) | (141,344) | (246,160) | (160,301) |
| General expenses | (38,944) | (39,883) | (55,250) | (45,744) |
| Expenses with outsourced services | (40,042) | (63,553) | (42,318) | (72,752) |
| Commission expenses | (46,146) | (32,701) | (54,885) | (42,105) |
| Depreciation and amortization | (39,135) | (40,906) | (42,344) | (46,102) |
| Provision for guarantee and technical support | (96,586) | (56,491) | (97,345) | (58,238) |
| Other operating expenses, net | (98,222) | (55,023) | (105,674) | (58,179) |
| | (2,951,226) | (1,988,918) | (3,124,081) | (2,153,128) |
| Cost of sales and services rendered | (2,466,596) | (1,609,151) | (2,596,881) | (1,743,427) |
| Sales expenses | (350,916) | (253,994) | (363,763) | (272,919) |
| General and administrative expenses | (133,714) | (125,773) | (163,437) | (136,782) |
| | (2,951,226) | (1,988,918) | (3,124,081) | (2,153,128) |

27. INFORMATION BY BUSINESS SEGMENT

To manage its business and make decisions, the Company uses information that focuses on product and service sales channels, which are the basis on which it reports primary information by segment. The Company's main operating segments are: retail sales, sales to government entities and sales of servers. The reportable segment information of these units are as follows:

Revenue and results of main segments:

| | Consolidated | | | |
|---|--------------------------|-------------------|----------------|----------------------------|
| | December 31, 2021 | | | |
| | Retail | Government | Servers | Reportable segments |
| Net sales | 1,572,134 | 1,143,312 | 115,917 | 2,831,363 |
| Cost of products sold and services rendered | (1,168,021) | (936,828) | (97,750) | (2,202,599) |
| Gross income | 404,113 | 206,484 | 18,167 | 628,764 |
| Operating expenses | (254,422) | (129,458) | (1,886) | (385,766) |
| Income (loss) before financial income (loss) | 149,691 | 77,026 | 16,281 | 242,998 |
| Net financial income (loss) | (64,539) | (23,946) | 113 | (88,372) |
| Income before tax effects | 85,152 | 53,080 | 16,394 | 154,626 |
| Income tax and social contribution (current and deferred) | - | - | (1,631) | (1,631) |
| Net income for the year | 85,152 | 53,080 | 14,763 | 152,995 |

| | Consolidated | | | |
|---|--------------------------|-------------------|----------------|------------------------------|
| | December 31, 2020 | | | |
| | Retail | Government | Servers | Segmentos reportáveis |
| Net sales | 1,176,139 | 472,770 | 239,957 | 1,888,866 |
| Cost of products sold and services rendered | (909,688) | (422,972) | (196,726) | (1,529,386) |
| Gross income | 266,451 | 49,798 | 43,231 | 359,480 |
| Operating expenses | (197,854) | (80,443) | (21,854) | (300,151) |
| Income (loss) before financial income (loss) | 68,597 | (30,645) | 21,377 | 59,330 |
| Net financial income (loss) | (39,746) | 20,152 | 5,188 | (14,406) |
| Income before tax effects | 28,851 | (10,493) | 26,565 | 44,924 |
| Income tax and social contribution (current and deferred) | - | - | (634) | (634) |
| Net income (loss) for the year | 28,851 | (10,493) | 25,931 | 44,290 |

The reconciliation between the revenues of reportable segments and the Company and its subsidiaries' total revenue is as follows:

| | Consolidated | |
|-------------------------------|--------------------------|--------------------------|
| | December 31, 2021 | December 31, 2020 |
| Net revenue from sales | | |
| Reportable segments | 2,831,363 | 1,888,866 |
| Others operating activities | 534,124 | 303,307 |
| | 3,365,487 | 2,192,173 |

The reconciliation between the total net income of reportable segments and the net income of the Company and its subsidiaries is as follows:

| | Consolidated | |
|--------------------------------|---------------------|---------------------|
| | December 31, | December 31, |
| | 2021 | 2020 |
| Net income for the year | | |
| Reportable segments | 152,995 | 44,290 |
| Others operating activities | 49,901 | 151,552 |
| | 202,896 | 195,842 |

The revenue from the segments presented above does not include revenues from subsidiaries. The accounting policies for the reportable segments are the same as those applicable to the Company. The segment profit corresponds to the result earned by each segment after the allocation of all revenues, costs and expenses. The reportable segments do not include the equity gain or loss, as well as other revenues and expenses.

a) Revenue from main products and services

| | Consolidated | |
|----------------------------|---------------------|---------------------|
| | December 31, | December 31, |
| | 2021 | 2020 |
| Products | | |
| Notebooks | 1,822,213 | 1,015,669 |
| Desktops | 358,985 | 378,960 |
| Electronic voting machines | 61,165 | - |
| Tablets | 376,952 | 77,541 |
| Mobile telephones | 296,348 | 287,830 |
| Servers and Storage | 115,917 | 239,957 |
| Smart Home | 25,759 | 30,754 |
| Others | 308,148 | 161,462 |
| | 3,365,487 | 2,192,173 |

b) Assets and liabilities by segment

Although the Company's assets and liabilities are allocated to certain segments, they are not managed independently as they relate mainly to the production of IT equipment and mobile for the designated sales segments.

c) Geographical information

In the year ended December 31, 2021, the Company and its subsidiaries recognized R\$ 55,546 of sales in the foreign market (R\$ 45,977 in 2020). The remaining sales occurred in the Brazilian territory.

d) Information on main clients

Five Company's customers accounted for approximately 41% of total net revenue in the year ended December 31, 2021 (35% in 2020).

28. FINANCIAL INCOME (LOSS)

| | Parent company | | Consolidated | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Financial revenues | | | | |
| Adjustment to present value – trade accounts receivable | 13,995 | 17,195 | 15,287 | 19,558 |
| Yield from investments | 9,762 | 8,313 | 11,257 | 9,093 |
| Other financial revenues | 16,741 | 30,989 | 17,162 | 31,105 |
| | 40,498 | 56,497 | 43,706 | 59,756 |
| Financial expenses | | | | |
| Interest on borrowings and leases | (84,101) | (55,822) | (89,200) | (58,474) |
| Interest paid and discounts given | (6,879) | (4,024) | (8,687) | (4,287) |
| Adjustment to present value - suppliers | (22,762) | (13,081) | (26,673) | (16,409) |
| Taxes on financial transactions | (1,957) | (4,541) | (1,962) | (4,545) |
| Bank and stock expenses | (23,497) | (12,257) | (26,585) | (13,930) |
| Other finance expenses | (5,661) | (2,650) | (5,661) | (2,931) |
| | (144,857) | (92,375) | (158,768) | (100,576) |
| Total financial income and expenses | (104,359) | (35,878) | (115,062) | (40,820) |
| Exchange-rate change | | | | |
| Gain from foreign exchange hedge | 65,328 | 96,775 | 65,329 | 96,775 |
| Loss from foreign exchange hedge | (29,118) | (27,508) | (29,132) | (27,508) |
| Gain from changes in exchange rates | 36,763 | 63,570 | 53,928 | 100,803 |
| Loss from changes in exchange rates | (48,588) | (83,942) | (69,975) | (134,537) |
| | 24,385 | 48,895 | 20,150 | 35,533 |
| Net financial income | (79,974) | 13,017 | (94,912) | (5,287) |

29. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of common shares in power of the shareholders, excluding common shares purchased by the Company and held as treasury shares.

Diluted earnings per share are calculated based on the adjustment of profit attributable to the Company's shareholders, as well as the weighted average number of total shares held by shareholders (outstanding), so as to reflect the effects of all dilutive common shares.

| | Consolidated | |
|---|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 |
| Basic | | |
| Basic numerator | | |
| Net profit allocated to common shares | 200,258 | 190,971 |
| Basic denominator | | |
| Weighted average number of common shares (in thousands) | 140,167 | 136,178 |
| Earnings per share - Basic | 1.4287 | 1.4024 |
| Diluted | | |
| Diluted numerator | | |
| Net Profit allocated to common shares | 200,258 | 190,971 |
| Diluted denominator | | |
| Weighted average number of common shares (in thousands) | 140,690 | 136,359 |
| Earnings per share - Diluted | 1.4234 | 1.4005 |

The weighted average number of common shares used to calculate basic earnings per share reconciles with the weighted average number of common shares used to calculate diluted earnings per share as follows:

| | Consolidado | |
|--|------------------------------|------------------------------|
| | December 31, 2021 | December 31, 2020 |
| Basic | | |
| Weighted average number of common shares of the Company | 141,800 | 137,445 |
| Weighted average number of treasury common shares | (1,633) | (1,267) |
| Weighted average number of common shares used in the calculation of basic earnings per share | 140,167 | 136,178 |
| Diluted | | |
| Weighted average number of common shares of the Company | 141,800 | 137,445 |
| Weighted average number of treasury common shares | (1,633) | (1,267) |
| Weighted average number of options | 523 | 181 |
| Weighted average number of common shares used in the calculation of diluted earnings per share | 140,690 | 136,359 |

30. FINANCIAL RISK MANAGEMENT

30.1. Financial risk factors

The Company's activities expose it to various financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Company manages the global risks relating to the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Company uses derivative financial instruments to hedge certain risk exposure, without the purpose of speculation to leverage its financial income (loss). The quantitative information regarding each type of risk arising from financial instruments is described in the sections below, which represent the concentrations of risk monitored by the Company's management.

Risk management is carried out by the Company's treasury department, following guidelines determined by the Company's Executive Board and Board of Directors. There has been no change in risk management policies since the publication of the latest financial statements.

a) Market risk

i. Currency risk

The Company mainly operates in the domestic market, but carries out significant imports of input materials from the foreign market, being therefore exposed to foreign exchange risk basically with regard to the USD. The main transactions are related to accounts payable to foreign suppliers (Note 17) and working capital loan operations (Note 18).

| December 31, 2021 | | | | |
|---|------------------|------------------|------------------|------------------|
| | Parent company | | Consolidated | |
| | Foreign currency | BRL | Foreign currency | BRL |
| Assets | | | | |
| Trade and other receivables USD | | | | |
| Accounts Receivable | 1,102 | 6,150 | 1,102 | 6,150 |
| Advances to suppliers | 21,425 | 119,561 | 33,101 | 184,720 |
| Liabilities | | | | |
| Suppliers - Foreign Market | | | | |
| USD | (113,732) | (634,684) | (162,257) | (905,473) |
| Loans | | | | |
| USD | (9,987) | (55,731) | (9,987) | (55,731) |
| Derivative financial instruments | | | | |
| Swap - USD | 9,987 | 55,731 | 9,987 | 55,731 |
| NDFs - USD | 63,680 | 355,366 | 63,680 | 355,366 |
| Net exposure 1 | (27,525) | (153,607) | (64,374) | (359,237) |
| Government projects | | | | |
| USD | (92,335) | (515,275) | (92,335) | (515,275) |
| Net exposure 2 | (119,860) | (668,882) | (156,709) | (874,512) |
| December 31, 2020 | | | | |
| | Parent company | | Consolidated | |
| | Foreign currency | BRL | Foreign currency | BRL |
| Assets | | | | |
| Trade and other receivables | | | | |
| USD | 1,759 | 9,140 | 2,771 | 14,402 |
| Liabilities | | | | |
| Suppliers - Foreign Market | | | | |
| USD | (55,178) | (286,746) | (67,128) | (348,843) |
| Loans | | | | |
| USD | (6,704) | (34,838) | (6,704) | (34,838) |
| Euros (converted to Dollar) | (5,426) | (28,197) | (5,426) | (28,197) |
| Derivative financial instruments | | | | |
| Swap - USD | 6,704 | 34,838 | 6,704 | 34,838 |
| Swap - Euros (converted to USD) | 5,426 | 28,197 | 5,426 | 28,197 |
| NDFs - USD | 128,009 | 665,224 | 128,009 | 665,224 |
| Net exposure 1 | 74,590 | 387,618 | 63,652 | 330,783 |
| Government projects | | | | |
| USD | (33,517) | (174,178) | (33,517) | (174,178) |
| Net exposure 2 | 41,073 | 213,440 | 30,135 | 156,605 |

Foreign exchange rate: As of December 31, 2021, US\$ 1.00 is equivalent to R\$ 5.5805 (R\$ 5.1967 on December 31, 2020).

Net exposure 1 - refers to an exposure in foreign currency, considering the foreign exchange assets and liabilities held by the Company and accounted for in the balance sheet, less derivative financial instruments contracted to hedge these liabilities.

Net exposure 2 - refers to an exposure in foreign currency, considering the foreign exchange assets and liabilities held by the Company and accounted for in the balance sheet and the future commitments arising from the Government Projects, net of derivative financial instruments contracted to hedge these liabilities. Government Projects refer to the Company's winning bids to provide equipment in the next months. For this reason, the Company calculates the exposure to which it will be exposed with the acquisition of inputs abroad in order to meet these commitments.

ii. Cash flow or fair value risk associated to the interest rate

The Company has no significant interest-earning assets, except the balance of interest earning bank deposits. The Company's interest rate risk arises from long-term loans, as detailed in Note 18. Loans issued at floating rates expose the Company to cash flow interest rate risk. Loans at fixed rates expose the Company to fair value risk associated to interest rate. As of December 31, 2021 and December 31, 2020, the Company's loans at floating rates were denominated in reais and USD. The sensitivity analysis with the projected scenarios and related impacts on shareholders' equity and results are presented in item "d" of this Note.

b) Credit risk

The credit risk is managed on a corporation basis. Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposure to clients in the Government and retail segments. For banks and other financial institutions, only independent rated parties usually classified as first-tier entities are accepted. The financial institutions with which the Company operates, are assessed by the rating agencies rating as having a low risk. For the clients, the credit analysis area evaluates the quality of the client's credit, taking into consideration financial position, past experience and other factors, as detailed in Note 6, which also discloses the client's credit risk. Individual risk limits are determined with basis on internal or external classifications in accordance with limits determined by the Executive Board. The use of credit limits is regularly monitored. Sales to retail clients are settled in cash.

No credit limit was exceeded during the year, and Management does not expect any loss from default by these counterparties in amounts higher than those already provided for.

c) Liquidity risk

The final responsibility for the liquidity risk management lies with the Board of Directors, which prepared an appropriate liquidity risk management model to manage funding requirements and short-, medium- and long-term liquidity. The Company manages liquidity risk by maintaining proper reserves, bank credit facilities and credit facilities to raise loans as it considers adequate, through continuous monitoring of foreseen and actual cash flows and through combination of financial assets and liabilities' maturity profiles.

The tables below detail the remaining contractual maturity of the Company's non-derivative financial liabilities. Tables were prepared in accordance with the undiscounted of financial liabilities based on the nearest date on which the Company shall settle the respective obligations.

Financial assets

Positivo Tecnologia S.A. and subsidiaries

| Parent company | | | | | |
|--|---------------------|---------------------|--------------------------|----------------|------------------|
| Effective interest rate - weighted average | Less than one month | One to three months | Three months to one year | Up On de year | Total |
| % of CDI | R\$ | R\$ | R\$ | R\$ | R\$ |
| December 31, 2021 | | | | | |
| Cash and banks | 40,234 | - | - | - | 40,234 |
| Financial investments at floating interest rates | 94.99 | 246,918 | - | - | 246,918 |
| Derivative financial instruments | | 2,754 | 658 | 1,070 | 4,482 |
| Trade accounts receivable | 100.58 | 331,296 | 290,520 | 65,883 | 687,699 |
| Related parties | | - | - | 196,153 | 196,153 |
| | | <u>621,202</u> | <u>291,178</u> | <u>263,106</u> | <u>1,175,486</u> |
| December 31, 2020 | | | | | |
| Cash and banks | 12,450 | - | - | - | 12,450 |
| Financial investments at floating interest rates | 101.43 | 488,284 | - | - | 488,284 |
| Derivative financial instruments | | 4,474 | - | - | 4,474 |
| Trade accounts receivable | 101.16 | 219,016 | 331,153 | 45,330 | 595,499 |
| Related parties | | 14,490 | - | 52,143 | 66,633 |
| | | <u>738,714</u> | <u>331,153</u> | <u>97,473</u> | <u>1,167,340</u> |

| Consolidated | | | | | |
|--|---------------------|---------------------|--------------------------|----------------|------------------|
| Effective interest rate - weighted average | Less than one month | One to three months | Three months to one year | Up On de year | Total |
| % of CDI | R\$ | R\$ | R\$ | R\$ | R\$ |
| December 31, 2021 | | | | | |
| Cash and banks | 63,908 | - | - | - | 63,908 |
| Financial investments at floating interest rates | 94.99 | 295,099 | - | - | 295,099 |
| Derivative financial instruments | | 2,754 | 658 | 1,070 | 4,482 |
| Trade accounts receivable | 100.58 | 358,596 | 372,176 | 96,720 | 827,492 |
| Related parties | | - | - | 14,502 | 14,502 |
| | | <u>720,357</u> | <u>372,834</u> | <u>112,292</u> | <u>1,205,483</u> |
| December 31, 2020 | | | | | |
| Cash and banks | 53,446 | - | - | - | 53,446 |
| Financial investments at floating interest rates | 101.43 | 490,716 | - | - | 490,716 |
| Derivative financial instruments | | 4,474 | - | - | 4,474 |
| Trade accounts receivable | 101.16 | 245,494 | 448,154 | 59,422 | 753,070 |
| Related parties | | - | - | 20,410 | 20,410 |
| | | <u>794,130</u> | <u>448,154</u> | <u>79,832</u> | <u>1,322,116</u> |

Financial liabilities

| Parent company | | | | | | |
|--|---------------------|---------------------|--------------------------|-------------------|-----------------|------------------|
| Effective interest rate - weighted average | Less than one month | One to three months | Three months to one year | One to five years | Over five years | Total |
| % of CDI | R\$ | R\$ | R\$ | R\$ | R\$ | R\$ |
| December 31, 2021 | | | | | | |
| Suppliers | 100.94 | 307,512 | 374,934 | 193,488 | - | 875,934 |
| Loans adjusted to floating interest rates | 147.75 | 8,616 | 71,789 | 370,187 | 495,751 | 978,222 |
| Related parties | | - | 9,810 | - | 5,627 | 15,437 |
| Leases | 255.60 | 866 | 1,791 | 8,013 | 27,729 | 38,399 |
| Other non-current liabilities | | - | - | - | 98 | 98 |
| | | <u>316,994</u> | <u>458,324</u> | <u>571,688</u> | <u>529,205</u> | <u>1,908,090</u> |
| December 31, 2020 | | | | | | |
| Suppliers | 101.30 | 223,229 | 192,787 | 72,886 | - | 488,902 |
| Loans adjusted to floating interest rates | 314.79 | 253,362 | 40,049 | 159,753 | 266,787 | 758,982 |
| Derivative financial instruments | | 2,354 | 3,905 | 2,468 | - | 8,727 |
| Related parties | | - | 7,477 | - | - | 7,477 |
| Leases | 191.48 | 911 | 1,823 | 8,203 | 32,321 | 43,258 |
| Other non-current liabilities | | - | - | - | 687 | 687 |
| | | <u>479,856</u> | <u>246,041</u> | <u>243,310</u> | <u>299,795</u> | <u>1,308,033</u> |

| Consolidated | | | | | | | |
|---|---|-------------------------|-------------------------|------------------------------|-----------------------|---------------------|-----------|
| | Effective interest rate - weighted average % of CDI | Less than one month R\$ | One to three months R\$ | Three months to one year R\$ | One to five years R\$ | Over five years R\$ | Total R\$ |
| December 31, 2021 | | | | | | | |
| Suppliers | 100.94 | 473,585 | 466,954 | 251,515 | - | - | 1,192,054 |
| Loans adjusted to floating interest rates | 147.75 | 8,776 | 72,122 | 390,128 | 513,936 | 31,879 | 1,016,841 |
| Related parties | - | - | 745 | - | 3,440 | - | 4,185 |
| Leases | 255.60 | 990 | 2,040 | 9,132 | 30,715 | - | 42,877 |
| Other non-current liabilities | - | - | - | - | 17,529 | - | 17,529 |
| | | 483,351 | 541,861 | 650,775 | 565,620 | 31,879 | 2,273,486 |
| December 31, 2020 | | | | | | | |
| Suppliers | 101.30 | 282,966 | 203,003 | 80,439 | - | - | 566,408 |
| Loans adjusted to floating interest rates | 314.79 | 254,503 | 42,337 | 178,934 | 293,740 | 39,031 | 808,545 |
| Derivative financial instruments | - | 2,354 | 3,905 | 2,468 | - | - | 8,727 |
| Related parties | - | - | 1,213 | - | 4,393 | - | 5,606 |
| Leases | 191.48 | 1,002 | 2,004 | 9,017 | 35,579 | - | 47,602 |
| Other non-current liabilities | - | - | - | - | 28,512 | - | 28,512 |
| | | 540,825 | 252,462 | 270,858 | 362,224 | 39,031 | 1,465,400 |

d) Additional sensitivity analysis required by CVM

Impacts that would be generated by changes in relevant risk variables to which the Company is exposed at the end of the period. The variables significant risk to the Company, taking into consideration a period of up to 12 months for this analysis, are its exposure to foreign currency fluctuations, mainly the U.S. Dollar, and its exposure to interest rate fluctuation. Management believes that the probable scenario reflects the Central Bank of Brazil's expectations of USD exchange rates and the CDI interest rate for the period ended December 31, 2021. Other risk factors were considered as irrelevant for financial instruments' result.

| Consolidated | | | | | | | |
|---|-------------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Equity balances | | | | | | | |
| December 31, 2021 | | | | | | | |
| | Assets/Liabilities(R\$) | Nocional (USD) | Probable | 25% | 50% | -25% | -50% |
| Derivative financial instruments Interest rate swap | | | | | | | |
| Foreign currency loans | | | | | | | |
| US\$ to R\$ (CDI) | 1,862 | 9,987 | (8,106) | (10,133) | (12,159) | (6,080) | (4,053) |
| Loans | | | | | | | |
| In US\$ | (55,731) | (9,987) | | | | | |
| Loans | | | | | | | |
| In CDI | (844,871) | n/a | (271,472) | (339,340) | (407,208) | (203,604) | (135,736) |
| Net exposure | | | <u>(279,578)</u> | <u>(349,473)</u> | <u>(419,367)</u> | <u>(209,684)</u> | <u>(139,789)</u> |
| Derivative financial instruments | | | | | | | |
| FForward exchange contracts - held for trading | | | | | | | |
| R\$ to US\$ - NDF's and Options | 2,620 | 63,680 | (2,754) | 85,911 | 174,580 | (91,406) | (180,068) |
| Other financial liabilities | | | | | | | |
| Other financial liabilities Foreign currency suppliers | | | | | | | |
| US\$ to R\$ | (905,473) | (162,257) | 9,667 | (123,487) | (256,642) | 142,822 | 275,977 |
| Net exposure 1 | | | <u>(98,577)</u> | <u>(37,576)</u> | <u>(82,062)</u> | <u>51,416</u> | <u>95,909</u> |
| Foreign currency suppliers - government projects | | | | | | | |
| US\$ to R\$ | (515,275) | (92,335) | 1,046 | (127,512) | (256,070) | 129,604 | 258,162 |
| Net exposure 2 | | | <u>7,959</u> | <u>(165,088)</u> | <u>(338,132)</u> | <u>181,020</u> | <u>354,071</u> |
| Impact on results - sensitivity analysis - future maturity | | | <u>(271,619)</u> | <u>(514,561)</u> | <u>(757,499)</u> | <u>(28,664)</u> | <u>214,282</u> |

Net exposure 1 - refers to an exposure in foreign currency, considering the foreign exchange liabilities held by the Company and accounted for in the balance sheet, net of derivative financial instruments contracted to hedge these liabilities.

Net exposure 2 - refers to an exposure in foreign currency, considering the foreign exchange liabilities held by the Company and accounted for in the balance sheet and the future commitments arising from the Government Projects, net of derivative financial instruments contracted to hedge these liabilities. Government Projects refer to the Company's winning bids to provide computers in the next months. For this reason, the Company calculates the

exposure to which it will be exposed with the acquisition of inputs abroad in order to meet these commitments.

30.2. Financial risk factors

The Company's objectives in managing its capital are to safeguard its business continuity capacity to offer return to shareholders and benefits to the other shareholders besides maintaining an optimal capital structure to reduce this cost.

To maintain or adjust the Company's capital structure, Management may - or propose to, in cases that must be approved by shareholders - review dividend payment policy, return capital to shareholders, issue new shares or sell assets to reduce, for example, indebtedness level.

| | Parent company | | Consolidated | |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| Net debt | | | | |
| Debt | | | | |
| Third-party loans | 871,801 | 716,359 | 900,602 | 762,934 |
| Swap derivative instruments | (1,862) | (4,474) | (1,862) | (4,474) |
| Cash and cash equivalents | (287,152) | (500,734) | (359,007) | (544,162) |
| Net debt (a) | 582,787 | 211,151 | 539,733 | 214,298 |
| Debt | | | | |
| Third-party loans | 871,801 | 716,359 | 900,602 | 762,934 |
| Swap derivative instruments | (1,862) | (4,474) | (1,862) | (4,474) |
| Derivative - NDF | (2,620) | 8,727 | (2,620) | 8,727 |
| Cash and cash equivalents | (287,152) | (500,734) | (359,007) | (544,162) |
| Net debt (b) | 580,167 | 219,878 | 537,113 | 223,025 |
| Shareholders' equity | 1,171,831 | 1,021,914 | 1,181,661 | 1,033,138 |
| Net debt ratio (a) | 0.50 | 0.21 | 0.46 | 0.21 |
| Net debt ratio (b) | 0.50 | 0.22 | 0.45 | 0.22 |

- The net debt is defined as short- and long-term loans, less cash and receivable and/or payable from swap derivative transactions (loan agreement hedge).
- The debt is defined as short- and long-term loans, less cash and cash equivalents and decreased and/or increased by the gain and/or loss on swap derivative transactions (hedge of loan agreements) and other derivative transactions, represented by option contracts and NDF (hedge of accounts payable).

30.3. Fair value estimate

The Company assumes that the book balances presented under "Trade accounts receivable," "Related parties," "Trade accounts payable" captions are close to their fair values. For disclosure purposes, financial liabilities' fair value is estimated by discounting future contract cash flows at interest rate prevailing in the market, which is available to the Company for similar financial instruments. The amounts of the financial liabilities recognized at amortized cost approximate their fair values and are immaterial for disclosure.

The fair value of derivatives is calculated using observable market input assumptions. When this information is not available, the Company uses a discounted cash flow analysis, using the yield curve, applicable with the duration of the instruments for derivatives without options. The exchange futures contracts are measured based on exchange rates and yield curves based on the

quotation and considering the same terms and maturities of contracts. Swaps are measured at the present value of estimated future cash flows and discounted based on the applicable yield curves, based on the quotation of interest rates.

For the Company's derivative financial instruments (forward currency contracts and cross-currency interest rate swaps) fair value measurements of Level 2 are used, through variables other than quoted prices included in Level 1, which are observable for the asset or liability directly (that is, as prices) or indirectly (that is, based on prices).

31. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables do not include information on the fair value of assets and liabilities not measured at fair value since their book values are a reasonable approximation of their fair values.

Financial assets

| | Parent company | | | Consolidated | | | |
|---|--|--|-----------------------------------|--|--|-----------------------------------|----------------------------|
| | Assets measured at fair value through profit or loss | Assets measured at fair value through other comprehensive income | Assets measured at amortized cost | Assets measured at fair value through profit or loss | Assets measured at fair value through other comprehensive income | Assets measured at amortized cost | Fair value hierarchy level |
| December 31, 2021 | | | | | | | |
| Assets per balance sheet | | | | | | | |
| Investments | - | - | - | 37,294 | - | - | 3 |
| Derivative financial instruments | 2,620 | 1,862 | - | 2,620 | 1,862 | - | 2 |
| Trade accounts receivable and other accounts receivable excluding prepayments | - | - | 740,588 | - | - | 883,084 | - |
| Advances to suppliers on account of future supplies of inventories | - | - | 119,561 | - | - | 184,720 | - |
| Related parties | - | - | 196,153 | - | - | 14,502 | - |
| Cash and cash equivalents | 287,152 | - | - | 359,007 | - | - | 1 |
| | 289,772 | 1,862 | 1,056,302 | 398,921 | 1,862 | 1,082,306 | |
| December 31, 2020 | | | | | | | |
| Assets per balance sheet | | | | | | | |
| Investments | - | - | - | 22,000 | - | - | 3 |
| Derivative financial instruments | - | 4,474 | - | - | 4,474 | - | 2 |
| Trade accounts receivable and other accounts receivable excluding prepayments | - | - | 629,019 | - | - | 788,223 | - |
| Advances to suppliers on account of future supplies of inventories | - | - | 81,108 | - | - | 102,360 | - |
| Related parties | - | - | 66,633 | - | - | 20,410 | - |
| Cash and cash equivalents | 500,734 | - | - | 544,162 | - | - | 1 |
| | 500,734 | 4,474 | 776,760 | 566,162 | 4,474 | 910,993 | |

Financial liabilities

| | Parent company | | | Consolidated | | | |
|---|---|---|--|---|---|--|----------------------------|
| | Liabilities measured at fair value through profit or loss | Liabilities measured at fair value through other comprehensive income | Liabilities measured at amortized cost | Liabilities measured at fair value through profit or loss | Liabilities measured at fair value through other comprehensive income | Liabilities measured at amortized cost | Fair value hierarchy level |
| December 31, 2021 | | | | | | | |
| Liabilities as per balance sheet | | | | | | | |
| Loans | - | - | 871,801 | - | - | 900,602 | 2 |
| Leases | - | - | 31,628 | - | - | 35,640 | 2 |
| Trade and other payables, excluding legal obligations | - | - | 890,200 | - | - | 1,236,494 | - |
| Related parties | - | - | 15,437 | - | - | 4,185 | - |
| | - | - | 1,809,066 | - | - | 2,176,921 | |
| December 31, 2020 | | | | | | | |
| Liabilities as per balance sheet | | | | | | | |
| Derivative financial instruments | 8,727 | - | - | 8,727 | - | - | 2 |
| Loans | - | - | 716,359 | - | - | 762,934 | 2 |
| Leases | - | - | 37,373 | - | - | 41,131 | 2 |
| Trade and other payables, excluding legal obligations | - | - | 531,219 | - | - | 650,664 | - |
| Related parties | - | - | 7,477 | - | - | 5,606 | - |
| | 8,727 | - | 1,292,428 | 8,727 | - | 1,460,335 | |

32. DERIVATIVE FINANCIAL INSTRUMENTS

| | Parent company and Consolidated | | | | |
|----------------------------|---------------------------------|-------------------|----------------|---------------------|----------------|
| | Nocional (USD) | | 12/31/2021 | | 12/31/2020 |
| | December 31, 2021 | December 31, 2020 | Current assets | Current liabilities | Current assets |
| Forward currency (NDF) (a) | 63,680 | 128,009 | 2,620 | - | - |
| Interest rate swap (b) | 9,987 | 12,130 | 1,862 | - | 4,474 |
| | 73,667 | 140,139 | 4,482 | - | 4,474 |
| | | | | | 8,727 |

The Company operates with derivative financial instruments exclusively to hedge against certain exposure to risks, and therefore without any speculative purpose.

a) Forward exchange contracts

To protect itself against the volatility of the liability exposures in U.S. Dollars, due to the total exposure (cash flows), up to December 31, 2021, the Company entered into NDF contracts, in U.S. Dollars, in the following amounts and conditions:

| Contracting period | Maturity date | Leveraged amount USD thousands | Average target price |
|--------------------|------------------|--------------------------------|----------------------|
| Dec/20 to Dec/21 | Jan-22 | 33,217 | 5.5042 |
| Jun/21 to Dec/21 | Feb-22 | 8,381 | 5.5105 |
| Aug/21 to Dec/21 | Mar-22 | 5,370 | 5.6127 |
| Aug/21 to Dec/21 | Apr-22 | 5,516 | 5.6748 |
| Aug/21 to Dec/21 | May-22 | 1,682 | 5.7453 |
| Aug/21 to Dec/21 | Jun-22 | 7,279 | 5.8146 |
| Aug/21 to Dec/21 | Jul/22 to Dec/22 | 2,235 | 5.8237 |
| | | 63,680 | 5.6123 |

During the year ended December 31, 2021, the Company recognized R\$ 36,210 as a net gain in the income (loss) for the year, referring to settled and outstanding contracts (gain of R\$ 69,267 as of December 31, 2020).

Derivative instruments designed for hedge accounting to hedge against highly probable future transactions.

As of April 1, 2021, the Company made the formal designation of its operations subject to hedge accounting for derivative financial instruments of forward contracts (NDF) to hedge against highly probable future transactions involving purchases of input in foreign currency.

When applying the hedge accounting methodology, the Company designates, at the beginning of the operation, the relationship between the hedged items and the hedging instruments, in accordance with the risk management objectives and the hedging strategies.

The Company identifies its exposures arising from projections of future purchases of inputs, and then contracts derivative financial instruments (Forward Contracts - NDFs) to hedge the identified risks. When designating hedge accounting, the Company associates these purchase projections to the contracted financial instruments.

The recognition of hedge accounting has prospective effects; that is, as of the date of designation of the hedge for hedge accounting purposes. Thus, in the cash flow hedge, the hedged item will be considered part of a hedge relationship (hedge accounting) as of the date of designation. This also applies to the change in the fair value of the hedge instrument attributable to the hedged risk, which will start to be accounted for in shareholders' equity only as of the date of designation.

When the hedged item is a recognized liability, only the hedge cost will be recorded in shareholders' equity. Therefore, it should be written-off as the liability is settled.

The discontinuation of hedge accounting is prospective, so every component of the NDF fair value accounted for in the hedge reserve, considered effective, will be kept in shareholders' equity, unless the partial or total purchase of the inventory is no longer expected.

The Company will carry out effectiveness tests periodically to determine which part of changes in the fair value of the contracted hedge instruments must have a contra entry in shareholders' equity and which part must have a contra entry in the income (loss) for the year.

Instrument designated as cash flow hedge – parent company / consolidated

| | Subject to hedge | Reference currency (Notional) | Reference value (Notional) | USD | Fair value | Consolidated | |
|--|------------------|-------------------------------|----------------------------|--------|------------|-------------------------|---------------------------------|
| | | | | | | Other income | |
| | | | | | | Accumulated gain (loss) | Income gain (loss) for the year |
| NDF - hedge of accounts payable - US\$/R\$ | Currency | BRL | 344,624 | 61,755 | 2,843 | (2,155) | (2,155) |

b) Interest rate swap - CDI x USD

The swap interest rates are settled according to the maturity of the contract. The interest rate of swaps corresponds to the rate of interbank deposit certificate. As of December 31, 2021, the contracted average rate of CDI was 127.35% (253.50% as of December 31, 2020). The Company will settle the contracts for the net value of the difference between interest rates and exchange-rate change.

Derivatives designated for hedge accounting

Beginning June 1, 2015, the Company formally designated for hedge accounting the derivatives used to hedge foreign currency-denominated loans, comprising all swap contracts, including the following information:

- Hedge relationship;
- The Company's risk management purpose and strategy related to the hedge;
- Identification of financial instrument;
- Coverage object or transaction;
- Nature of risk to be covered;
- Description of coverage relation;
- Correlation between hedging and coverage object, when applicable; and
- Prospective demonstration of hedge effectiveness.

As of December 31, 2021, the outstanding position of the derivatives designated as cash flow hedge is broken down as follows:

Instrument designated as cash flow hedge – parent company / consolidated

| | Subject to hedge | Reference currency (Notional) | Reference value (Notional) | USD | Fair value | Consolidated | |
|--------------------------|------------------|-------------------------------|----------------------------|-------|------------|-------------------------|---------------------------------|
| | | | | | | Other income | |
| | | | | | | Accumulated gain (loss) | Income gain (loss) for the year |
| Currency Swap - US\$/R\$ | Currency | BRL | 55,731 | 9,987 | 1,862 | (1,738) | 3,043 |

The market value calculation method adopted by the Company consists of calculating the future value based on the contractual conditions and determining the present value based on the market curves reported by BM&FBOVESPA.

The Company designates as cash flows hedge those derivative financial instruments used to offset fluctuations arising from exchange rate exposure, stated at the market value of the contracted debts, other than the functional currency.

Changes in the fair value of derivatives designated as cash flow hedge are recognized in shareholders' equity as "Other comprehensive income" and reclassified to profit or loss for the periods in which the hedged transaction is carried out.

When a hedge instrument fails to meet the criteria for hedge accounting, the accumulated gain or loss in shareholders' equity will be fully reversed to the profit or loss if the planned operation is also recognized in the profit or loss.

As of December 31, 2021, instruments designated as cash flow hedge totaled US\$ 9,987 relating to a notional amount of R\$ 55,731. In the year ended December 31, 2021, a net gain of R\$ 3,043 (a net loss of R\$ 720 in 2020) was recognized in "Other comprehensive income", and a net gain of R\$ 2,988 (net gain of R\$ 157,485 in 2020) was recognized in the financial income (loss). Agreements will be settled on the respective maturity dates, subject to the following amounts, terms and conditions in the year ended December 31, 2021:

| Contracting period | Maturity date | Hedge | December 31, 2021 | |
|--------------------|-------------------|--------|-----------------------|----------------|
| | | | Notional amount (USD) | USD contracted |
| Nov/21 e Dec/21 | May/22 and Jun/22 | 4131 | 4,031 | 5.5868 |
| Jun/21 | Jun/22 | FINIMP | 5.956 | 5.0500 |
| | | | 9,987 | 5.2667 |

33. STOCK OPTION PLAN

On November 3, 2006, the Company's shareholders approved at the Extraordinary General Meeting the general conditions of the Company's Stock Option Plan (the Plan), as detailed below.

The Plan established that the Company's management, employees and service providers ("Beneficiaries") may be beneficiaries of the Plan. It was also determined that the options granted will not exceed 3.5% (three point five percent) of the total capital of the Company existing on the

date of their concession, plus the existing shares had all of the options granted under the terms of the Plan been exercised. Once the options have been exercised by the Beneficiary, the corresponding shares are issued by means of a capital increase. Treasury stock options may also be offered.

The plan must be managed by the Board of Directors or, at the board's discretion, by a committee comprised by three members, being at least one of them a member (holder or alternate) of the Board of Directors. The Board of Directors or the Committee, as the case may be, will have broad powers, respecting the terms of the Plan and, in the case of the Committee, the guidelines of the Company's Board of Directors for the organization and management of the Plan and the granting of options, and may also, at any time: (i) alter or terminate the Plan; (ii) establish the regulations applicable to omitted cases; (iii) extend (but never anticipate) the deadline for exercising the options in force; and (iv) anticipate the grace period for exercising the options in effect.

The Board of Directors or the Committee, as the case may be, may periodically create Company Stock Option Programs ("Programs"), whereby the following will be defined: (i) the beneficiaries; (ii) the total number of shares of the Company covered by the approval; (iii) purchase price; (iv) the initial grace period during which the option cannot be exercised; (v) the periods and deadlines for exercising the option, as well as the dates on which the rights arising from the option will expire, subject to the assumptions provided for in the Plan; (vi) any restrictions on the shares received for exercising the option; and (vii) provisions on penalties.

When options are granted under the Plan, each Beneficiary must enter into with the Company a Call Option Agreement, which contains the specific and individual conditions of each grant, such as number of shares the Beneficiary is entitled to acquire upon the option vesting, the strike price, and the term in which options can be vested.

As of December 31, 2021, the Company has five outstanding plans, totaling 1,400,000 options, which are stated below:

| Program | Batch | Grant date | Exercise from | Option price (R\$) | Number of options | Option exercise - 2021 | Number of options open on 12/31/2021 | Strike price | Price adjusted by the IGPM index until 12/31/2021 | Total option amount | Apropriated expenses 2021 | Total reserve |
|----------|-------|------------|---------------|--------------------|-------------------|------------------------|--------------------------------------|--------------|---|---------------------|---------------------------|---------------|
| 2017 | 2 | 6/30/2017 | 2020 | 1.7721 | 144,462 | (144,462) | - | 3.10 | 5.26 | 256 | - | - |
| 2017 | 3 | 6/30/2017 | 2021 | 1.4895 | 229,613 | (229,613) | - | 3.10 | 5.26 | 342 | - | - |
| 2018-I | 2 | 3/6/2018 | 2020 | 0.6827 | 85,137 | (78,187) | 6,950 | 3.45 | 5.73 | 135 | - | 11 |
| 2018-I | 3 | 3/6/2018 | 2021 | 0.7763 | 204,638 | (195,588) | 9,050 | 3.45 | 5.73 | 183 | - | 8 |
| 2019-II | 1 | 4/24/2019 | 2021 | 0.9462 | 24,000 | (24,000) | - | 2.29 | 3.46 | 23 | - | - |
| 2019-II | 2 | 4/24/2019 | 2022 | 0.9540 | 42,000 | - | 42,000 | 2.29 | 3.46 | 40 | (15) | 39 |
| 2019-II | 3 | 4/24/2019 | 2023 | 0.9741 | 54,000 | - | 54,000 | 2.29 | 3.46 | 52 | (14) | 39 |
| 2019-III | 1 | 8/2/2019 | 2021 | 2.2950 | 12,000 | (12,000) | - | 2.52 | 3.74 | 27 | - | - |
| 2019-III | 2 | 8/2/2019 | 2022 | 2.6635 | 21,000 | - | 21,000 | 2.52 | 3.74 | 56 | (23) | 56 |
| 2019-III | 3 | 8/2/2019 | 2023 | 2.8840 | 27,000 | - | 27,000 | 2.52 | 3.74 | 78 | (23) | 55 |
| 2020-I | 1 | 2/4/2020 | 2022 | 1.9248 | 12,000 | - | 12,000 | 9.60 | 13.86 | 23 | (12) | 23 |
| 2020-I | 2 | 2/4/2020 | 2023 | 2.6173 | 21,000 | - | 21,000 | 9.60 | 13.86 | 55 | (19) | 36 |
| 2020-I | 3 | 2/4/2020 | 2024 | 3.1760 | 27,000 | - | 27,000 | 9.60 | 13.86 | 86 | (22) | 42 |
| 2020-II | 1 | 4/30/2020 | 2022 | 3.1216 | 18,000 | - | 18,000 | 3.28 | 4.64 | 56 | (34) | 57 |
| 2020-II | 2 | 4/30/2020 | 2023 | 3.5927 | 31,500 | - | 31,500 | 3.28 | 4.64 | 113 | (42) | 70 |
| 2020-II | 3 | 4/30/2020 | 2024 | 3.8974 | 40,500 | - | 40,500 | 3.28 | 4.64 | 158 | (43) | 72 |
| 2020-III | 1 | 7/9/2020 | 2022 | 1.7918 | 56,000 | - | 56,000 | 5.44 | 7.56 | 112 | (98) | 98 |
| 2020-III | 2 | 7/9/2020 | 2023 | 2.3198 | 98,000 | - | 98,000 | 5.44 | 7.56 | 253 | (135) | 135 |
| 2020-III | 3 | 7/9/2020 | 2024 | 2.7364 | 126,000 | - | 126,000 | 5.44 | 7.56 | 384 | (147) | 147 |
| 2020-III | 1 | 7/29/2020 | 2022 | 0.9585 | 60,000 | - | 60,000 | 5.44 | 7.39 | 143 | (49) | 66 |
| 2020-III | 2 | 7/29/2020 | 2023 | 1.3584 | 105,000 | - | 105,000 | 5.44 | 7.39 | 57 | (66) | 92 |
| 2020-III | 3 | 7/29/2020 | 2024 | 1.6789 | 135,000 | - | 135,000 | 5.44 | 7.39 | 227 | (74) | 102 |
| 2020-IV | 1 | 12/17/2020 | 2022 | 0.9637 | 32,000 | - | 32,000 | 5.06 | 6.02 | 31 | (31) | 31 |
| 2020-IV | 2 | 12/17/2020 | 2023 | 1.3766 | 56,000 | - | 56,000 | 5.06 | 6.02 | 77 | (39) | 39 |
| 2020-IV | 3 | 12/17/2020 | 2024 | 1.7133 | 72,000 | - | 72,000 | 5.06 | 6.02 | 123 | (42) | 42 |
| 2021-I | 1 | 1/21/2021 | 2023 | 0.7433 | 14,000 | - | 14,000 | 4.89 | 5.61 | 10 | (5) | 5 |
| 2021-I | 2 | 1/21/2021 | 2024 | 1.0163 | 24,500 | - | 24,500 | 4.89 | 5.61 | 25 | (9) | 9 |
| 2021-I | 3 | 1/21/2021 | 2025 | 1.2533 | 31,500 | - | 31,500 | 4.89 | 5.61 | 39 | (9) | 9 |
| 2021-II | 1 | 5/1/2021 | 2023 | 6.7585 | 56,000 | - | 56,000 | 11.29 | 12.10 | 378 | (152) | 152 |
| 2021-II | 2 | 5/1/2021 | 2024 | 7.5200 | 98,000 | - | 98,000 | 11.29 | 12.10 | 737 | (185) | 185 |
| 2021-II | 3 | 5/1/2021 | 2025 | 8.0988 | 126,000 | - | 126,000 | 11.29 | 12.10 | 1,020 | (187) | 187 |
| | | | | | 2,083,850 | (683,850) | 1,400,000 | | | | | |
| | | | | | | | | | | 5,299 | (1,475) | 1,807 |

- The market value of the option on December 31, 2021 is R\$ 10.90 (share price in the stock market at that date);

- The price adjusted at IGPM rate is the amount that the beneficiary would pay to exercise the right of each option on the closing date of these financial statements;
- The appropriate expense is the amount recognized in the statement of income for the period based on share-based remuneration plans. As of December 31, 2021, the Company recognized the amount of R\$ 1,475 (R\$ 431 as of December 31, 2020) as expenses related to plans in the income (loss) for the year;

During the year ended December 31, 2021, 683,850 options were exercised, with 374,075 referring to the 2017 programs, 273,775 referring to the 2018 programs and 36,000 referring to the 2019 programs, resulting in an inflow into the Company's cash for the year in the amount R\$ 3,371, using the corresponding treasury shares. Consequently, the treasury shares and the corresponding options reserve were derecognized, in the amounts of R\$ 6,829 and R\$ 947, respectively, with a net effect on the profit reserve in the amount of R\$ 2,511.

34. INSURANCE - CONSOLIDATED

As of December 31, 2021, the insurance contracts established by the Company's management to cover potential claims and civil liability can be summarized as follows:

| Line | Coverage per event | Value at risk | Effectiveness |
|-------------------------|---|---------------|--------------------------|
| Specified and All Risks | Property damage, Inventories and Lost Profits | 849,742 | 5/1/2021 to 5/1/2022 |
| Specified and All Risks | Credit Insurance - Sale of computer equipment | 92,613 | 10/1/2021 to 9/30/2023 |
| Court bond | Judicial and/or administrative proceedings under discussion | 677 | 8/7/2021 to 8/7/2024 |
| Court bond | Judicial and/or administrative proceedings under discussion | 4,516 | 6/6/2019 to 6/6/2022 |
| Court bond | Judicial and/or administrative proceedings under discussion | 9,783 | 12/11/2019 to 12/11/2023 |
| Court bond | Judicial and/or administrative proceedings under discussion | 8,246 | 6/14/2020 to 6/15/2023 |
| Court bond | Judicial and/or administrative proceedings under discussion | 65,332 | 4/22/2020 to 4/7/2025 |
| Court bond | Judicial and/or administrative proceedings under discussion | 27,873 | 5/7/2020 to 4/16/2023 |
| Court bond | Judicial and/or administrative proceedings under discussion | 5,553 | 4/16/2020 to 4/16/2023 |
| Court bond | Judicial and/or administrative proceedings under discussion | 65,893 | 7/13/2021 to 7/13/2023 |
| Civil liability | Managers' civil liability and environmental damage | 150,000 | 10/30/2021 to 10/30/2022 |
| Civil liability | Managers' civil liability | 5,000 | 4/30/2021 to 4/30/2022 |
| Specified and All Risks | Public sector - service provision | 12,052 | 11/3/2020 to 2/3/2024 |
| Specified and All Risks | Public sector - service provision | 19,637 | 12/22/2020 to 3/22/2024 |
| Specified and All Risks | Public sector - service provision | 7,565 | 12/28/2020 to 6/27/2022 |
| Specified and All Risks | Public sector - service provision | 8,625 | 4/14/2021 to 6/18/2024 |
| Specified and All Risks | Public sector - service provision | 14,948 | 4/14/2021 to 2/3/2024 |
| Specified and All Risks | Public sector - service provision | 24,547 | 4/15/2021 to 3/22/2024 |
| Specified and All Risks | Public sector - service provision | 4,941 | 9/9/2021 to 12/9/2022 |
| Specified and All Risks | Public sector - service provision | 19,141 | 10/27/2021 to 1/27/2023 |
| Specified and All Risks | Public sector - service provision | 7,192 | 11/29/2021 to 2/20/2023 |

35. TRANSACTIONS NOT INVOLVING CASH

In the year ended December 31, 2021, the Company raised R\$ 39,939 from credit facilities for import financing (FINIMP). In this modality, the financing is raised from a credit institution and the funds are transferred directly to the supplier abroad, thus having no direct impact on the Company's cash.

36. SUBSEQUENT EVENTS

Debentures

As of January 11, 2022, the Company's Board of Directors approved the 3rd issue of simple debentures, not convertible into shares with real guarantee in single series, totaling up to

R\$ 350,000. The debentures will have a maturity of four years, and amortized in seven consecutive semi-annual installments as from the date of their issue and first payment in February 2023. Interest will be paid semiannually, always in February and August, with the first payment in August 2022.

The proceeds from the issuance will be used to extend the Company's debt profile, within the scope of the ordinary management of its businesses.

The general conditions of the Issuance and Guarantee are indicated in the minutes of the Meeting of the Company's Board of Directors on this date, which is available at the Company's and CVM's website.

The debentures issue process was completed on February 14, 2022, at the amount and under the conditions approved by the Board of Directors.

Capital contribution in subsidiary

On March 17, 2022, the Board of Directors authorized the capital contribution to the investees Boreo Indústria de Componentes Ltda. and Positivo Distribuição e Comércio Ltda., in the amounts of R\$ 35,000 and R\$ 30,000 respectively, using credits that the Company had with these subsidiaries.



POSITIVO TECNOLOGIA S.A.

2021 MANAGEMENT REPORT

Message to shareholders,

If we can choose a single word for 2021, it would be “diversification”. Positivo Tecnologia has never been so diversified, both in products and related segments, reflected in the strong results delivered each quarter. We are proud to say that we are again a growth company, based on years of experience developing hardware technology and a team dedicated to always delivering the best products and services to our customers.

Thus, we ended 2021 with an operational result even higher than in 2020, which shows the success of the strategy adopted and advancing in the transformation and diversification process of Positivo Tecnologia’s revenues. The continued strong demand for hardware and services in all the Company’s operating segments and the maturation of our ‘Growth Avenues’ allowed us to end the period with record revenues totaling R\$4 billion, up by 54% over the last twelve months. Attentive to the market’s needs and opportunities, innovation and dexterity made revenue diversification part of the Company’s daily routine, becoming important growth vectors.

Despite all challenges during the year, such as logistics and shortages in supplies, due to the global Covid-19 pandemic, we continued to grow and improve our profitability, ending 2021 with recurring EBITDA totaling R\$345 million, up by 112% YoY, and Recurring Net Income totaling R\$203 million, up by 255% in twelve months.

In the Consumer Business Unit, we made important advances throughout the year, such as the partnership to manufacture laptops under the Compaq brand and the partnership with Transsion Holding to sell Infinix smartphones in Brazil, a sales hit at its launch. At Casa Inteligente, we continued to increase our customer base and build important corporate partnerships, thus strengthening the brand’s penetration in the market.

An important milestone in 2021 was the growth of the Corporate Business Unit, increasing its share of our revenue. We had record equipment sales, both for large corporations and small and medium-sized companies, and we also increased our market share in this segment. The HaaS (Hardware as Service) business has achieved unprecedented demand and already represents around 40% of sales revenue for large companies. Also noteworthy was the R-HaaS, with sales and rental of used and refurbished equipment, which gained traction throughout the year and represents an important contribution to promoting the culture of the circular economy.

Another Growth Avenue worth highlighting in the year is Payment Solutions. With the end of the exclusivity period with Cielo, we started to gain scale in Smart Payment Solutions, serving a significant addressable market that encompasses all acquirers and sub-acquirers in the country. In November, we announced a partnership with Nexgo to produce and supply new POS models aimed at companies of all sizes, reinforcing our position in this market and expanding our ability to generate business.

In Public Institutions Unit, we continued with growing results, delivering up to December a Gross Revenue 134% higher than the same period of the previous year. Regarding the projects already won (contracted and to be contracted), we totaled more than R\$2.0 billion for the coming periods (excluding the electronic ballot boxes that will be delivered in 2022), in addition to recognizing a very heated pipeline in new bids to be disputed by the sector. Also, in December, we won a new bid to supply another 176,000 electronic ballot boxes for the 2024 elections.

Additionally, we are very happy to announce that our Public Meeting with Analysts and Investors (Investor Day) was among the top 10 best-rated meetings by investment analysts (APIMEC Brasil) in 2021. This award recognizes the companies that best communicated with the market and rewards the effort and dedication of our Investor Relations team to bring the Company and its executives closer to investors, shareholders, analysts and other stakeholders. This progress of the Company’s results, combined with strong governance and proactive communication with the market, led to higher liquidity of our shares throughout the year and we became listed on the IBOV index in January this year.

We start 2022 with the activities on a new Growth Avenue, Positivo Tech Services, which provides advanced support to public organizations and companies throughout Brazil, with technical support for computers, laptops and

tablets of all market brands. The Company is the only 100% Brazilian company to offer this service besides its brands, something unprecedented in the country.

We remain confident about 2022 and the coming years, and the reason for this optimism is mainly due to the revenue expansion in the Corporate segment. Combined with the strong pipeline in Public Institutions and more Growth Avenues, we can more than offset the drop estimated by the IDC in the Consumer Computers market, around 10 to 15% in volume (Brazil) for 2022.

We continue to work on building strong foundations to remain one of Brazil's leading companies in hardware technology, and, once again, we thank our employees, shareholders, investors, customers and partners for their trust.

Alexandre Dias
Chairman of the Board of Directors























Hélio Bruck Rotenberg
CEO

2021 HIGHLIGHTS

- 👍 **Record Gross Revenue reached R\$4 billion in the year**, strong growth for the second consecutive year: +54% vs. 2020 and +79% vs. 2019.
- 👍 **Annual EBITDA reaching R\$345 million: +112% vs 2020** and +145% vs 2019.
- 👍 **Recurring Net Income** reaching **R\$203 million** in the year, **+255% vs. 2020** and +873% vs. 2019.
- 👍 **Diversified revenues** and **matured growth avenues**, with more representation of the payment solutions and services segments in the Corporate Unit, reaffirming the change in the portfolio mix and increased profitability in the year.
- 👍 **Debt extension and greater participation in the capital market** through the issuance of **debentures** in the amount of **R\$350 million in February/22**.
- 👍 **Upgraded the corporate rating** by the agencies S&P and Fitch Ratings.
- 👍 **The Company's shares (POSI3) were listed at IBOV in January 2022**, reflecting the increase in the share's liquidity in the last 12 months.

OUR BUSINESS MODEL

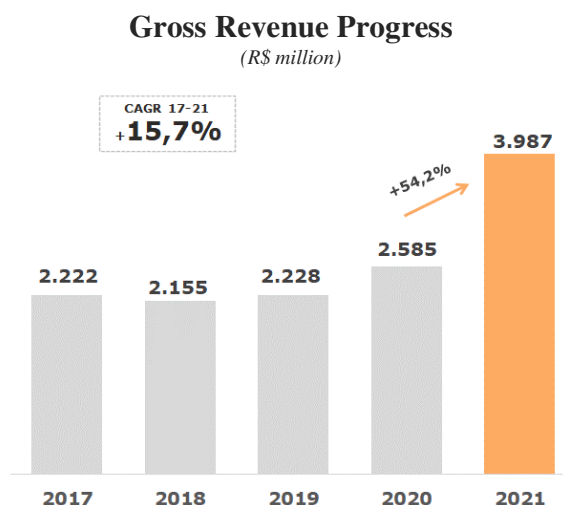
Positivo Tecnologia adopts a business organization that ensures a strong presence and strong market share, consolidating core skills to develop, produce and distribute hardware and services. As shown in the table below, to better understand the Company's business, the Business Units are illustrated by product lines:

| | | CONSUMER | CORPORATE | PUBLIC INSTITUTIONS |
|----------------|--|---|---|---|
| Core Business | Computers |  |  |  |
| | Mobile Phones |  |  |  |
| | Tablets |  |  |  |
| | Peripherals |  |  |  |
| Growth Avenues | Special Projects (electronic ballot boxes) | | |  |
| | Servers & Solutions | |  |  |
| | IoT – Smart Home |  |  | |
| | Educational Technology | |  |  |
| | Hardware as a Service - HaaS | |  |  |
| | Payment Solutions | |  | |

FINANCIAL PERFORMANCE ¹

The comments presented in this section refer to the consolidated numbers of Positivo Tecnologia S.A.

GROSS REVENUE

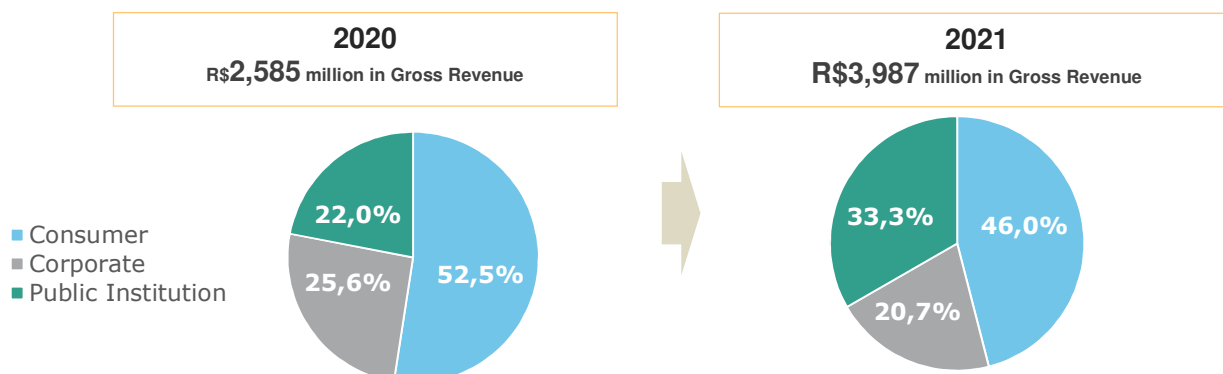


Gross Revenue in 2021 reached R\$3,987 million, 54.2% higher than the Gross Revenue reported in the same period in 2020.

The increase in Gross Revenue throughout 2021 is mainly due to (i) the strong demand from all of our Business Units and (ii) the growth of Growth Avenues, which increasingly add value to our core business as a source of recurring revenue and with healthy margins.

It is important to note that until 3Q21, the revenue from the Means of Payment segment was allocated within the Consumer Unit. However, as they are direct sales to acquirers and sub-acquirers, as of 4Q21, revenue from this Avenue will be allocated to the Consumer Unit. With the historical basis, Corporate Businesses are also being adjusted for comparative analysis purposes.

Gross Revenue Segmentation by Business Unit



¹ Todas as informações financeiras apresentadas neste Relatório da Administração contemplam as modificações contábeis introduzidas pela Lei nº 11.638/07 e pela Lei nº 11.941/09, bem como dos efeitos provenientes da adoção das Normas Internacionais de Relatório Financeiro (IFRS).

Our **retail sales unit (Consumer)**, which represents 46.0% of the Company's Gross Revenue, ended 2021 with revenues of R\$1,833 million, a 35.1% growth compared to the same period in 2020.

The **corporate sales unit (Corporate)** ended 2021 with a Gross Revenue of R\$826 million, 24.9% higher than in 2020. Besides the growing demand for computers by Brazilian companies, the annual growth of the Unit's Gross Revenue is explained by (i) the 422% increase in the gross revenue of the means of payment segment, as a result of the acquisition of new customers in the period, and (ii) the growing demand for HaaS, whose revenue from this segment was 104,5% higher than in 2020.

The **Public Institutions** Unit, boosted by more bids in the country and the need for public educational institutions to offer laptops and tablets to their students, ended in 2021, corresponding to a 33% share of the Company's total revenue. The Unit's annual Gross Revenue was 133.7% higher than in 2020. It should be noted that around R\$74 million of revenue from the 225,000 electronic ballot boxes project (2022 elections) was billed in 4Q21, with the remaining amount (around R\$850 million) expected to be carried out in the first half of 2022.

GROSS PROFIT

| GROSS MARGIN | | | |
|------------------------------------|--------------------|--------------------|--------------|
| R\$ thousands | 2021 | 2020 | Var. |
| Consolidated Gross Revenue | 3,986,579 | 2,585,440 | 54.2% |
| Discounts and Deductions | (621,092) | (393,267) | 57.9% |
| Consolidated Net Revenue | 3,365,487 | 2,192,173 | 53.5% |
| Raw Material and Labor | (2,584,513) | (1,733,160) | 49.1% |
| Services Provided by Third Parties | (219) | (1,845) | (88.1%) |
| Depreciation and Amortization | (12,149) | (8,422) | 44.3% |
| Cost of Goods Sold | (2,596,881) | (1,743,427) | 49.0% |
| Gross Profit | 768,606 | 448,746 | 71.3% |
| <i>Gross Margin</i> | 22.8% | 20.5% | 2.4 p.p. |

Net Revenue for the year was R\$3,365 million, an increase of 53.5% when compared to the same period of the previous year. In 2021, Gross Profit was R\$768.6 million (+71.3% YoY), and Gross Margin was 22.8%.

The improvement in the Gross Margin in the year reflects the better mix of products and services offered and the increase in the share of recurring revenue from Growth Avenues.

OPERATING EXPENSES

Values in thousands of reais, except percentages. Consolidated Results

| | 2021 | 2020 | Var. |
|-------------------------------------|-----------|-----------|---------|
| Gross Profit | 768.606 | 448.746 | 71,3% |
| Operating Revenues/Expenses | (465.457) | (171.070) | 172,1% |
| Selling Expenses | (363.763) | (272.919) | 33,3% |
| General and Administrative Expenses | (163.437) | (136.782) | 19,5% |
| Result from Equity Income | 4.158 | 1.124 | 269,9% |
| Other Operating Revenues/Expenses | 57.585 | 237.507 | (75,8%) |
| Operating Result (EBIT) | 303.149 | 277.676 | 9,2% |

In 4Q20, as already disclosed, we obtained R\$175.7 million in gains from the exclusion of ICMS from the PIS/COFINS calculation basis, reflected in the line 'Other Operating Revenues/Expenses'. Therefore, when we exclude this non-recurring revenue from 4Q20, the line 'Other Operating Income/Expenses' was up by 34% in 2021 vs. 2020.

With the gradual recovery of the economy, given the adverse effects of the global pandemic of Covid-19, added to the greater demand from the technology sector and the growing development of the Company's business, reflected in the increase in gross revenue of +54%, some lines of important expenses for our business, such as marketing, research and development and sales commissions, grew again, but at a lower rate than the growth in gross revenue. In addition, it is worth remembering that in 2020 we had a reduction in personnel expenses due to adherence to the reduction of working hours at the beginning of the pandemic (Law 14.020/2020).

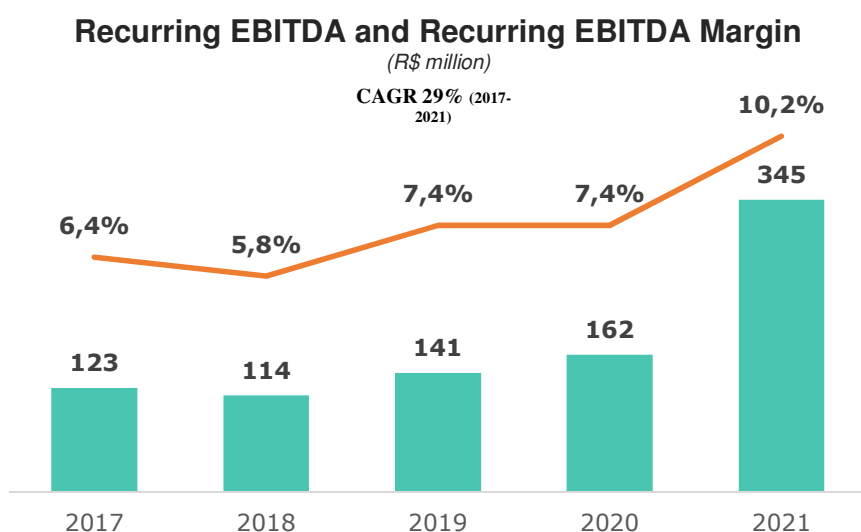
RECURRING EBITDA

| RECURRING EBITDA | | | |
|---|---------|-----------|-----------|
| | 2021 | 2020 | Var. |
| EBIT | 303,149 | 277,676 | 9.2% |
| Depreciation and Amortization | 42,344 | 46,102 | (8.2%) |
| Other Operating Revenues/Expenses | (3,458) | - | n/a |
| EBITDA | 342,035 | 323,778 | 5.6% |
| EBITDA Margin | 10.2% | 14.8% | -4.6 p.p. |
| Raw Materials Hedge | 2,835 | 14,429 | (80.4%) |
| Other Non-Operating Revenues (Expenses) | - | (175,733) | n/a |
| Recurring EBITDA | 344,870 | 162,474 | 112.3% |
| Recurring EBITDA Margin | 10.2% | 7.4% | 2.8 p.p. |

Note: As of April 1, 2021, the Company adopted hedge accounting

We ended the year with Recurring EBITDA of R\$344.8 million, +112.3% higher than the previous year, and with an EBITDA margin of 10.2%, an improvement of 2.8 p.p. compared to 2020.

Besides the raw material hedge adjustments, in 2020, as mentioned above, we presented non-recurring gains of R\$175.7 million obtained through the exclusion of ICMS from the PIS/COFINS calculation basis.



The consecutive annual growth in EBITDA, as illustrated above, reflects the excellent operating performance that the Company has been showing in recent periods, resulting from a robust operation supported by a diversified business model with quality products and services.

ROIC - Return on Invested Capital

ROIC

Amounts in thousands of reais, except percentages. Consolidated Results.

| | 2021 | 2020 | Var. |
|---|------------------|------------------|------------------|
| EBIT (LTM) | 303,149 | 277,676 | 9.2% |
| IR/CSLL (LTM) | (5,341) | (76,547) | (93.0%) |
| NOPAT (LTM) | 297,808 | 201,129 | 48.1% |
| Invested Capital | 1,639,010 | 1,139,378 | 43.9% |
| Average Invested Capital¹ | 1,389,194 | 928,052 | 49.7% |
| ROIC² | 21.4% | 21.7% | -0.3 p.p. |

¹ - Average capital employed in the period and the same period of the previous year. It considers working capital, permanent assets and other long-term assets net of deferred IR/CSLL.

² - NOPAT for the last 12 months divided by the average capital employed

Continuing with better communication with the market, we started to disclose our annualized ROIC. The methodology used considers the return on working capital, which best reflects the reality of the segment in which the Company operates. In 2021, annualized ROIC reached 21.4%, down 0.3 p.p. vs. 2020. This decrease is due to the higher level of inventories recorded at the end of 2021, necessary to ensure the strong growth projected for 2022, especially in the Public Institutions Business Unit.

FINANCIAL RESULT

| FINANCIAL RESULT | | | |
|---|------------------|-----------------|---------------|
| | 2021 | 2020 | Var. |
| Financial Revenues | 43,706 | 59,756 | (26.9%) |
| Financial Expenses | (158,768) | (100,576) | 57.9% |
| Financial Result Pre-Var. Foreign Exchange | (115,062) | (40,820) | 181.9% |
| Exchange Variation / Hedging | 20,150 | 35,533 | (43.3%) |
| Financial Result | (94,912) | (5,287) | NA |

Note: As of April 1, 2021, the Company adopted hedge accounting.

The Financial Result was a negative R\$38.9 million in 4Q21 vs. R\$24.3 million in 4Q20. In the year, we recorded a negative result of R\$94.9 million against R\$5.3 million in 2020. The fluctuation in the financial result in 2021 reflects the gradual increase in interest rates in the country over the period, in addition to the recognition of financial income with monetary restatement of R\$11.7 million in 2020 resulting from the recognition of gains from the exclusion of ICMS from the PIS/COFINS calculation basis and lower exchange rate gain recorded in 2021 vs. 2020.

We emphasize that the goal of the Company's Exchange Policy is to protect the operating result and reduce its volatility in the result, not allowing, under any circumstances, the contracting of derivative financial instruments for speculative purposes.

NET INCOME

| ADJUSTED NET INCOME | | | |
|--|----------------|----------------|---------------|
| | 2021 | 2020 | Var. |
| Net Income | 202,896 | 195,842 | 3.6% |
| Exclusion of ICMS from the PIS/COFINS calculation base | - | (218,501) | n/a |
| REFIC ISS Curitiba | - | 18,227 | n/a |
| Impairment of deferred taxes | - | 61,540 | n/a |
| Recurring Net Income | 202,896 | 57,108 | 255.3% |

We highlight that in 2020 the 4Q20 result was positively impacted by tax credits from litigation related to the unconstitutionality of the inclusion of ICMS in the PIS and COFINS calculation basis, the settlement of administrative proceedings in disputes related to ISS and the adoption of related accounting procedures to deferred taxes.

In this quarter, for a more assertive basis of comparison, we present the reconciliation of Net Income according to the adjustments reported in the 2020 Financial Statements. Thus, we ended the year 2021 with R\$ 202.9 million in Recurring Net Income, an expressive growth of 255.3% compared to 2020.

DIVIDENDS

Positivo Tecnologia's Bylaws determine that at least 25% of the accounting net income attributed to Company investors must be distributed as a mandatory annual dividend. During 2021, there were R\$ 48 million were paid in earnings, of which R\$ 0.34 per share, referring to the 2020 accrual.

INVESTMENTS

In 2021, the Company made investments of R\$57 million, comprising mainly mandatory investments in research and development, through the payment of capital in investees with the Company's Equity Investment Fund, in addition to disbursements to expand the production structure, adequacy and transfer of assembly lines and new product development projects.

CAPITAL MARKET

Positivo ended 2021 with Capital Stock of R\$722 million, as part of the Shareholders' Equity of R\$1.2 billion, divided between 141,800,000 common shares (POSI3), of which 53.8% are free float ("Free Float").

The Company's shares closed the year quoted at R\$10.90/share, with an appreciation of 120.4% in 2021. The daily average of shares traded on the stock exchange stood at 6.5 million in 2021, representing an average daily financial volume of R\$ 69 million.

At the end of 2021, the Company reached R\$1,454 million in market value, showing an appreciation of 120% in 12 months, when the Company's market value was R\$701 million. We calculate the market value by multiplying the company's total shares by the POSI3 share price on the reference date.

SHARES REPURCHASE PROGRAM

On December 10, 2021, the Board of Directors approved the termination of the Share Buyback Program issued by the Company approved at the Board of Directors' Meetings held on June 9, 2020 and June 10, 2021.

On the same date, the Board of Directors also approved the creation of a new Share Buyback Program with a term of 18 months. The new Program allows the repurchase of up to 4,000,000 common shares, nominative and without par value, issued by the Company itself, which, on the date of approval, represented 2.82% of the total shares issued by the Company and 5.26% of the total shares issued by the Company that are outstanding.

EMPLOYEES

As of December 31, 2021, Positivo Tecnologia had more than 4,000 employees, mainly located at the administrative headquarters located in Curitiba (PR), Manaus (AM) and Ilhéus (BA) where there are manufacturing units.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In accordance with CVM Instruction No. 381, the Company informs that in the fiscal year ended December 31, 2021, only the auditing services of the financial statements were provided by KPMG,

When contracting services not related to independent auditing, the Company adopts procedures that are based on applicable legislation and internationally accepted principles that preserve the auditor's independence. These

principles consist of: (i) the auditor should not audit his own work, and (ii) the auditor should not act managerially towards his client or promote the interests of his client.

ARBITRATION CLAUSE

The Company is bound to arbitration at the Market Arbitration Chamber, pursuant to the Arbitration Clause in the Bylaws.

DECLARATION OF THE BOARD OF EXECUTIVE OFFICERS

Pursuant to CVM Instruction 480/09, the Board of Executive Officers hereby declares that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and the financial statements for the fiscal year ended December 31, 2021.