

(A free translation of the original in Portuguese)

Neogrid Participações S.A.
Quarterly Information (ITR) at
March 31, 2022
and report on review of
quarterly information



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Neogrid Participações S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Neogrid Participações S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



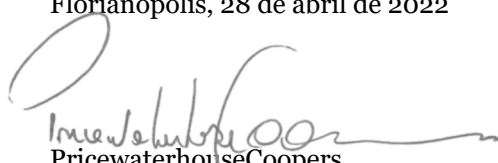
Neogrid Participações S.A.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended March 31, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

Florianópolis, 28 de abril de 2022



PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Leandro Sidney Camilo da Costa
Contador CRC 1SP236051/O-7

Joinville, May 2nd, 2022 – Neogrid Participações S.A. ("Neogrid" or "Company"; B3: NGRD3), developer of solutions to solve key supply chain challenges through Software as a Service, data and technology, announces its first quarter 2022 results ("1Q22"). The financial information presented below, except where indicated, is in accordance with IFRS (International Financial Reporting Standards) accounting standards and Reais (R\$).

"Dear Shareholders,

Since March 1st, when I joined the Neogrid team, I have been working intensively on understanding our business and on the growth levers we have.

I've had a lot of good surprises. Our huge addressable market; several solutions with high value generation endorsed by amazing customers worldwide; assertive investments in recent acquisitions; the quality of the company's governance and especially a team engaged and passionate about our purpose.

However, like every organization with a history of more than 20 years, we bring with us the effects of hits and mistakes. With numerous acquisitions, we today have a broad portfolio that serves different market profiles, segments, geographies and customers, a dispersion that in some respects dilutes our investment capacity, focus, competitiveness and productivity.

I found and organized a team dedicated and focused on looking at our assets, to find the best opportunities and reposition our strategy to ensure a sustainable development of Neogrid's business. We will focus on what we do with excellence, leveraging our R&D investment and synergies between our applications to achieve higher levels of growth than we have in our history, in the medium and long term. With so many opportunities, we can rather dismiss some strategies without losing our ambition and growth potential.

Our distribution strategy will also be the target of evolution. We need and will have a more robust partnership strategy, increasing our ability to sell, deliver and retain customers.

Our organic growth will be more robust with these steps: Simplify approach and offering, strengthen our coverage.

These course corrections, added to a year that brings challenges such as inflation, retraction of some markets, war over talent and currency devaluation that penalizes our international revenue, will generate a period of results below what we would like, but I am confident that it is a necessary step to unlock the potential of our business.

We will further qualify our team; we will strengthen our communication with customers and with you, our shareholder to move aligned and celebrating results of each stage of this construction.

Thank you all for the unconditional support I found in those early days. I am sure that we will build a very prosperous history from the work and delivery of everyone, our customers and the market can rely on Neogrid to leverage its operations. Thank you. "

Jean Klaumann (CEO)

Neogrid posts revenue of R\$64.9 million in 1Q22 (+11.3%), Net Income(Cash) of R\$12.7 million (+57%) and operating cash generation of R\$5.8 million

Financial and Operational Highlights



- Neogrid Anniversary:** 23 years of history connecting industry, retail and distributor so that consumers have everything they need and whenever they need it.
- Profitability:** In the first quarter of 2022, the margins have the effects of the consolidation of the results of the acquired, which are companies in a high growth stage at the expense of profitability, combined with R&D investments, the results were as follows:
- Net revenue:** R\$64.9 million in 1Q22 (+11.3% vs. 1Q21), with 96.9% revenue recurrence (+0.2 p.p. vs. 1Q21).
- Net cash income:** The Company posted R\$12.7 million in 1Q22 (+57.0% vs. 1Q21), with margins of 19.5% in 1Q22 (+5.7 p.p.).
- M&A:** The Company's Board of Directors approved the incorporation of Lett and Arker in April/2022 and May/2022, respectively.
- Cash:** Operating generation of R\$5.8 million in 1Q22 (-5.2% vs. 1Q21), a conversion that represents a multiple of 0.7x EBITDA (0.4x in 1Q21).
- EBITDA:** R\$7.8 million in 1Q22 (-45.5% vs. 1Q21), accompanied by an EBITDA margin of 12.0% (-12.6p.p. vs. 1Q21).

The Net Income, which has the effects of capital gains amortization and APV of investments, was R\$3.9 million in 1Q22 (-37.8% vs. 1Q21), accompanied by a net margin of 6.1% (-4.8p.p. vs. 1Q21).

About Neogrid: Founded in 1999, Neogrid is a Software Company as a Service ("SaaS"), data and technology that solves the main challenges of the B2B environment. With solutions that integrate and synchronize the operations of industries, distributors and retailers, ensures that products are well distributed, sized and allocated, increasing the efficiency of our customers, reducing high costs with waste and shortages and excesses of inventory, releasing working capital. The Neogrid network connects thousands of companies and other supply chain participants on its platform. Currently, there are more than 37,000 industries, 5,000 distributors and 250 large retail chains (representing thousands of physical stores), distributed throughout the country and internationally. With state-of-the-art technology, the Neogrid platform captures, organizes and analyzes massive volumes of data that are translated into user-friendly interfaces that intelligently support and automate business decision-making. To this end, the platform uses the latest technology tools for storing and querying large volumes of data ("bigdata") on the market, machine learning systems, application programming interfaces ("APIs") integration, and a 100% agnostic cloud infrastructure that currently uses Microsoft Azure services.

1.0 Recent Events

The main events of 1Q22, as well as subsequent events, are detailed below:

Social: Neogrid's work of transformation, innovation, diversity and inclusion was highlighted in the ranking of the most agile companies in the "Teams" category.

For this reason, **WE ARE AGILE TRENDS!**

We earned the seal of the Brazil Agility Award 2022 with the case "Diversity & Inclusion: An approach to UX and active listening and speech power".



New CTO: The Company announced the election of Mr. Carlos Pereira as the new Chief Technology Officer with office on April 18, 2022. Senior executive of technology with more than 25 years of experience in the area, Carlos has as a highlight in his professional career activities as director of services, R&D and operations in the TOTVS group, CTO of Senior Systems, and in his most recent experience acted as senior executive of technology of Mercado Livre

Integration of acquired companies: On March 31, 2022, the Company's Board of Directors approved the execution of the process of incorporation of its indirect subsidiaries Lett, as of April 1, 2022, and Arker, as of May 1, 2022, By its direct subsidiary Neogrid Informática Ltda.



Annual Shareholders Meeting: Approval of the allocation of net income calculated in the 2021 fiscal year, in the amount of R\$ 14,609,649.55, as follows: (i) allocation of R\$ 730,482.48, equivalent to 5% of net income, for the constitution of the legal reserve; (ii) **distribution to the Company's shareholders of R\$ 3,469,791.77**, equivalent to 25% of adjusted net income, as mandatory dividends; (iii) retention of R\$ 10,409,375.30, for execution of capital budget approved herein.

2.0 Key Indicators

3.1 Result Indicators

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

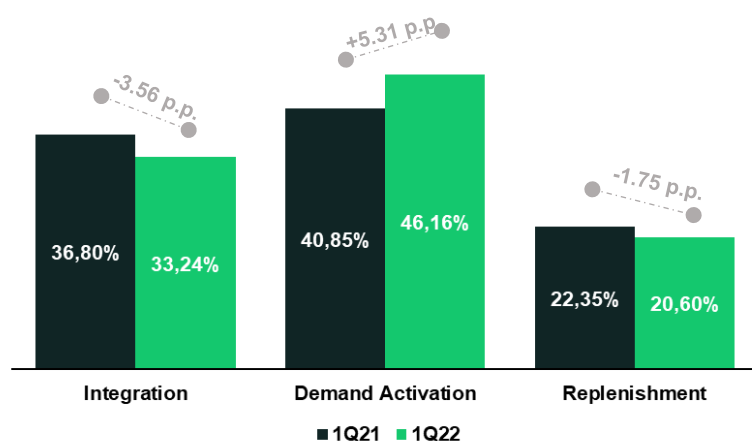
	1Q21	1Q22	Δ %
Net Revenue	58,354	64,923	11.3%
Recurring Net Revenue	56,400	62,899	11.5%
Net Revenue from Services	1,954	2,024	3.6%
% Recurring Revenue	96.7%	96.9%	0.2 p.p.
Net income	6,334	3,938	-37.8%
Net Margin (%)	10.9%	6.1%	(4.8 p.p.)
Ebitda	14,331	7,806	-45.5%
Ebitda Margin (%)	24.6%	12.0%	(12.5 p.p.)

2.1.1 Revenue

Net revenue recorded R\$ 64.9 million in 1Q22, an increase of 11.3%, with 96.9% recurrence of SaaS contracts, an increase of 0.2 p.p. compared to the same period in 2021. In 1Q22, the Company's revenue dynamics reflected a lower conversion of international contracts, since the average USD was 9% lower between periods, in addition to a less accelerated pace of sales in the first months of 2022, compared to the previous periods disclosed by the Company.

Neogrid maintains a robust business development plan, which includes sales increase through the acquisition of new customers and the exploration of the base with cross and up-sell, focus on delivery, onboarding and activation of new accounts and customer satisfaction to maintain high retention levels. During 1Q22 the Company found a challenging scenario motivated mainly by a worse macroeconomic performance, with impact on its customers and indirect effects for Neogrid, which to address these risks adopted a plan of operational improvements and strategic redirection, which should generate results for the medium and long term.

Breakdown of revenue, by solution group:



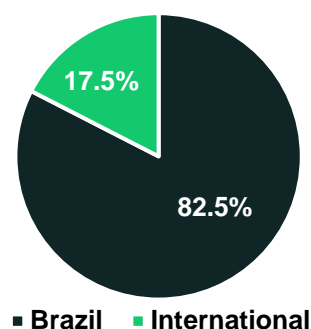
Integration, Demand Activation and Replenishment solutions accounted for 33.24%, 46.16% and 20.60%, respectively, of total net revenue for the first quarter of 2022.

Compared to the same period of 2021, the Demand Activation solution showed an increase in representativeness of 5.31 p.p. That is because, in addition to being a solution that has a higher average ticket, there was the incorporation of the products of the acquired companies.

The Integration solution presented a reduction of 3.56 p.p. mainly due to the offers of Fiscal EDI, which are more mature, the Mercantile EDI solution, which is the basis of data sharing on the platform, has not suffered reductions. Replenishment solutions showed a reduction of 1.75 p.p. because part of the contracts is international, with less conversion of the dollar.

Neogrid has an international presence, through its own offices and business partners delivers solutions for customer operations in more than 140 countries.

In 1Q22, the participation of international business in the Company's consolidated revenue was 17.5%, a lower lever due to the USD conversion. It is important to mention that Neogrid's strategic plan includes the development of international operations.



2.1.2 Profitability

The Company's profitability dynamics presented non-cash effects, mainly related to the activities of investments and acquisition of companies, operations that relates to Neogrid's growth and expansion strategy, in addition to increased personnel expenses from inflation adjustments (collective agreements) and increased nominal cost of the labor force from the competition for professionals in the market.

The Company recorded net income of R\$ 3.9 million in 1Q22 (-37.8% vs. 1Q21), accompanied by a net margin of 6.1% (-4.8 p.p. vs. 1Q21). Excluding the items mentioned above, such as capital gains amortization and the Adjustment to Present Value (APV) of investments, net income-cash was of R\$ 12.7 million in 1Q22 (+57.0% vs. 1Q21), accompanied by a net margin-cash of 19.5% (+5.7 p.p. vs. 1Q21).

EBITDA has the effects of R&D investments (see item 2.3.3), the consolidation of the results of the acquired companies and the increase in the cost of personnel in the period, in 1Q22 totaled R\$ 7.8 million (45.5% vs. 1Q21), and the EBITDA margin was 12.0% (-12.5 p.p. vs. 1Q21).

2.2 Gross Profit

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

	1Q21	1Q22	Δ %
(+) Net sales revenue	58,354	64,923	11.3%
(-) COGS	(18,844)	(24,167)	28.2%
(=) Gross profit	39,510	40,756	3.2%
Gross Margin (%)	67.7%	62.8%	(4.9 p.p.)

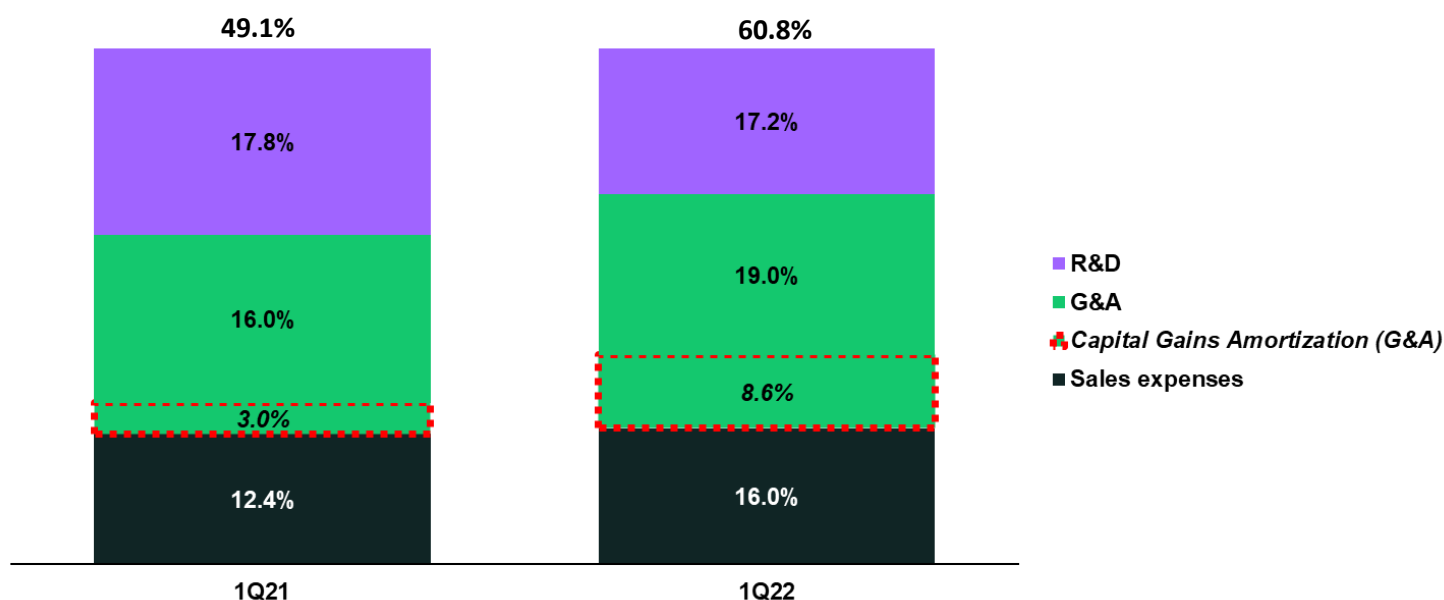
In 1Q22, the Costs of Services Provided totaled R\$ 24.2 million (+28.2% vs. 1Q21), and gross margin was 62.8% (-4.9p.p.). The increase in costs in the period is mainly the result of the increase in the cost of personnel in the period, as mentioned in item 2.1.2, in addition to the consolidation of the results of the acquired companies, the impacts of which did not occur in 1Q21.

2.3 Operating Income and Expenses

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

	1Q21	1Q22	Δ %
Operating income (expenses)	(28,999)	(39,693)	36.9%
Sales expenses	(7,253)	(10,378)	43.1%
G&A	(9,313)	(12,302)	32.1%
Capital Gains Amortization (G&A)	(1,726)	(5,597)	224.3%
R&D	(10,372)	(11,146)	7.5%
Stock Options	(214)	(41)	-80.8%
Other operating net income / (expenses)	(121)	(229)	89.3%
Operating income / (loss)	10,511	1,063	-89.9%
Operating income / (loss) - Adjusted¹	12,237	6,660	-45.6%

¹ Adjusted by the non-cash effect of Capital Gains Amortization



In 1Q22, operating income was R\$6.7 million (-45.6% vs. 1Q21). This reduction occurred mainly due to the variations mentioned below:

2.3.1 Sales Expenses

The Company's sales expenses totaled R\$ 10.4 million in 1Q22 (+43.1% vs. 1Q21). In 1Q22 sales expenses accounted for 16.0% of total net revenue (+3.6 p.p vs. 1Q21). The increase occurred mainly due to the consolidation of the results of the acquired companies, effects that did not occur in 1Q21, and higher personnel cost.

2.3.2 General and Administrative Expenses (Ex-Amortization)

General and administrative expenses recorded R\$ 12.3 million in 1Q22 (+32.1% vs. 1Q21). In 1Q22, general and administrative expenses represented 19.0% of total net revenue (+3 p.p vs. 1Q21). The increase occurred mainly due to the consolidation of the results of the acquired companies, and higher personnel cost.

2.3.3 Research and Development

Research and development expenses totaled R\$ 11.1 million in 1Q22 (+7.5% vs. 1Q21), representing 17.2% of total net revenue (-0.6 p.p. vs. 1Q21). R&D investments are targeted at maintenance, platform support, product development and innovation. Currently, due to Neogrid's vast and diverse product portfolio, it is necessary to maintain a high level of R&D investments.

In addition, we invest in data security and governance projects, resulting in a high level of cyber security for prevention and defense against possible attacks on the technology and data structure.

2.4 Financial Result

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

Financial Result	1Q21	1Q22	Δ %
Operating profit / (loss)	10,511	1,063	-89.9%
Financial Income	1,622	9,306	473.7%
Financial expenses	(3,935)	(3,647)	-7.3%
Adjustment to present value of investment	-	(2,394)	100.0%
Financial Results	(2,313)	3,265	-241.2%

Financial result totaled a net revenue in 1Q22 of R\$ 3.3 million against a net expense in 1Q21 of R\$ 2.3 million. The generation of financial revenue is mainly the result of the increase in Selic (Basic Tax Rate) which was 2.75% at the end of 1Q21 and increased to 11.75% at the end of 1Q22 and generates effects according to the balance of investments and loans/financing position in which Neogrid presents net cash. In these financial results, we also highlight the value of the adjustment to present value of the future payments of the companies acquired in the period, an effect that did not occur in the first quarter of 2021.

2.5 Indebtedness and Cash

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

Indebtedness and Liquidity	1Q21	2Q21	3Q21	4Q21	1Q22	Δ %
(+) Cash and Equivalents	115,708	102,453	101,093	96,456	96,504	-16.6%
(+) Short-term financial investments	234,536	233,520	223,899	214,496	196,783	-16.1%
(=) Cash and cash equivalents	350,244	335,973	324,992	310,952	293,287	-16.3%
(-) Liabilities - Short Term	(26,417)	(26,279)	(26,757)	(26,487)	(26,557)	0.5%
(-) Liabilities - Long Term	(75,643)	(69,239)	(63,460)	(57,029)	(50,368)	-33.4%
(=) Cash (debt) net	248,184	240,455	234,775	227,436	216,362	-12.8%

The Company's cash position is R\$ 293.3 million at the end of 1Q22, resulting in net cash of R\$ 216.4 million. It is noteworthy that during the 2021 fiscal year there was the liquidation of a credit line, as well as strong investments in technology, as mentioned earlier, however, the Company continues to present a robust cash position, resulting from funds raised in the IPO not yet allocated, as well as the generation of recurring operating cash.

2.6 Cash Flow

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

	1Q21	1Q22	Δ %
Net income before taxes	8,195	3,597	-56.1%
Non-cash items	6,084	410	(93.3%)
Change in working capital	(8,177)	1,781	(121.8%)
Cash generated from operations	6,103	5,788	-5.2%
Operating Cash Conversion (FCFF / Ebitda)	0.4x	0.7x	
Payment of interest on loans / financ., leases and contingencies	(1,672)	(2,178)	30.3%
Payment of dividends	-	-	100.0%
Income tax and social contribution paid	-	(1,179.00)	0.0%
Net cash provided by (used in) operating activities	4,431	2,431	-45.1%
Net cash provided by (used in) financing activities	(21,074)	(16,930)	-19.7%
Net cash provided by (used in) investing activities	17,933	14,547	-18.9%
Cash and cash equivalents at the beginning of the year	114,417	96,456	(15.7%)
Cash and cash equivalents at the end of the year	115,707	96,504	(16.6%)

Operating cash generation was R\$ 5.8 million in 1Q22 (-5.2% vs. 1Q21), with an operating cash conversion level in 2022 of 0.7x Free Cash Flow / EBITDA (0.4x in 1Q21).

3.0 Social

Neogrid is now part of the Ranking of the 20 most agile companies in Brazil!

The Agility Brazil Award is the main recognition to companies that practice agility and have obtained consistent results, contributing to the development of the Brazilian market. The largest agility conference in Brazil took place between April 11th and 14th, 2022 and brought lectures, debates and workshops with topics of practical application. The event had 3,000 participants from 400 companies that gathered 160 cases of agility.

The Company participated in the Agile Trends Teams category addressing the theme "Diversity & Inclusion: an approach to UX - Active listening and speech power". By bringing together 30 Neogrid employees, representatives of different flags of Diversity and Inclusion, it was possible to manage 180 ideas in the search for the resolution of 3 major questions: **(i)** How to start listening to what society does not hear? **(ii)** How to recognize everyday attitudes and actions that offend people and inhibit empathy? And **(iii)** How to look at our share of society, formed by the people who work at Neogrid, and understand its particularities? This work generated a biweekly debate movement within the Company, called Clan, to discuss the 180 ideas brought by our employees.



4.0 Capital Markets

Neogrid made its IPO on December 15th, 2020, in the amount of R\$4.50 per share, resulting in an issue of 108.1 million shares, of which 80% refer to the primary issue totaling a gross capital increase of R\$337.5 million. The Free Float is 43.7%.

Buyback Plan

According to a relevant fact disclosed on January 18, 2022, Neogrid has already rebought part of the shares in B3's regular trading session, observing the limit of 8.5 million. The share repurchase program aims to maximize the generation of shareholder value through an efficient management of the Company's capital structure, acquiring common shares of its own issue.

Glossary

ARR: Annual Recurring Revenue is the result of the annualization of recurring revenue for the last month of the reporting period.

B2B: Business-to-business, are companies that sell products or provide services to other companies.

Big Data: Analysis and processing of large volumes of data of great variety.

Inorganic Growth: Growth obtained from revenue stemming from acquired.

Cross-Sell: cross-selling, is the sale of a complementary solution to the offer that the customer has already acquired.

Cyber Security: Security and protection in cyber environments.

Data Lake: The data lake, is a system or repository of stored data.

Data Scientist: The data scientist, is a professional who applies skills in mathematics, programming, statistics, machine learning and troubleshooting to capture, clean, prepare and align data.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization, is the result of the formula: Net revenue - operating costs and expenses + depreciation and amortization.

FCFF: Free Cash Flow to Firm, or operating cash generation for the Company.

Free Float: Portion of the shares of a Company that are in circulation.

GPTW: Great Place to Work is a global consultancy that supports organizations to achieve better results through a culture of trust, high performance and innovation.

Integration, Demand Activation and Replenishment: Nomenclatures applied to the solution groups that make up Neogrid's portfolio, details in <https://ri.neogrid.com/sobre-a-neogrid/as-solucoes-neogrid/>.

IPO: Initial public offering.

M&A: Merger and Acquisition.

Machine Learning: a method of data analysis that automates the construction of analytical models, based on the idea that systems can learn from data, identify patterns and make decisions with minimal human intervention.

R&D: Research and Development.

Proceeds: Resources obtained from the IPO.

Roadmap: Map that organizes software development goals.

SaaS: Software As a Service.

Scale-ups: The Company that grow in a scalable way and sustain this long-term growth.

Selic (Special System of Liquidation and Custody): is the basic interest rate of the Brazilian economy. It is the main monetary policy instrument used by the Central Bank (BC) to control inflation.

Trade Promotion Management (TPM): Process and technologies that assist companies in the management of their commercial promotion activities.

Up-Sell: Sale of a superior solution or increase of the solution already purchased.

User Friendly: User Friendly interface to facilitate user navigation.

Company Data / Capital Composition

Quantity of shares (unit)	Current Quarter 03/31/2022
Paid-in Capital	
Ordinary - Paid-in Capital	238,662,330
Preferred - Paid-in Capital	0
Total - Paid-in Capital	238,662,330
In Treasury	
Ordinary - In Treasury	4,947,341
Preferred - In Treasury	0
Total - In Treasury	4,947,341

Individual Financial Statements / Assets Balance Sheet

(Thousand Reais)

Account Code	Account Description	Current Quarter 03/31/2022	Previous Year 12/31/2021
1	Total Assets	524,899	540,870
1.01	Current Assets	231,557	272,147
1.01.01	Cash and Cash Equivalents	48,305	56,744
1.01.02	Financial Investments	181,795	214,496
1.01.02.03	Financial Investments Valued at Amortized Cost	181,795	214,496
1.01.03	Accounts Receivable	3	33
1.01.03.02	Other Accounts Receivable	3	33
1.01.06	Recoverable Taxes	1,042	845
1.01.07	Prepaid Expenses	53	29
1.01.08	Others Current Assets	359	0
1.01.08.03	Others	359	0
1.02	Non-Current Assets	293,342	268,723
1.02.01	Long-Term Assets	34,000	6,000
1.02.01.10	Other Non-Current Assets	34,000	6,000
1.02.01.10.03	Advance for Future Capital Increase	34,000	6,000
1.02.02	Investments	259,342	262,723
1.02.02.01	Ownership Interest	259,342	262,723
1.02.02.01.02	Interest in Subsidiaries	259,342	262,723

Individual Financial Statements / Liabilities Balance Sheet

(Thousand Reais)

Account Code	Account Description	Current Quarter 03/31/2022	Previous Year 12/31/2021
2	Total Liabilities	524,899	540,870
2.01	Current Liabilities	28,631	28,563
2.01.01	Social and labor obligations	95	50
2.01.01.01	Social Obligations	95	50
2.01.02	Suppliers	223	342
2.01.02.01	National suppliers	223	342
2.01.03	Tax Obligations	218	162
2.01.03.01	Federal Tax Obligations	218	162
2.01.04	Loans and Financing	24,265	24,270
2.01.04.01	Loans and Financing	24,265	24,270
2.01.04.01.01	In National Currency	24,265	24,270
2.01.05	Other Obligations	3,470	3,470
2.01.05.02	Others	3,470	3,470
2.01.05.02.02	Minimum Mandatory Dividend Payable	3,470	3,470
2.01.06	Provisions	360	269
2.01.06.02	Other provisions	360	269
2.02	Non-current Liabilities	38,460	44,424
2.02.01	Loans and Financing	38,460	44,424
2.02.01.01	Loans and Financing	38,460	44,424
2.02.01.01.01	In National Currency	38,460	44,424
2.03	Shareholders' Equity	457,808	467,883
2.03.01	Realized Share Capital	440,108	440,108
2.03.01.01	Subscribed share capital	469,908	469,908
2.03.01.02	Expenses with share issues	-29,800	-29,800
2.03.02	Capital reserves	-20,499	-12,037
2.03.02.04	Options Granted	5,591	5,550
2.03.02.05	Treasury shares	-10,074	-1,571
2.03.02.07	Special Reserve for Goodwill on Merger	-16,016	-16,016
2.03.04	Profit Reserves	34,441	34,441
2.03.04.01	Legal Reserve	2,629	2,629
2.03.04.05	Profit Retention Reserve	31,812	31,812
2.03.05	Accumulated Profits/Losses	3,916	0
2.03.07	Cumulative Conversion Adjustments	-158	5,371

Individual Financial Statements / Income Statement

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period 01/01/2022 to 03/31/2022	Accumulated of the Previous Period 01/01/2021 to 03/31/2021
3.04	Operating expenses/income	745	6,937
3.04.02	General and administrative expenses	-1,364	-942
3.04.05	Other operating expenses	-41	-214
3.04.06	Equity income	2,150	8,093
3.05	Income (loss) before financial income and taxes	745	6,937
3.06	Financial income (loss)	3,788	-603
3.06.01	Financial income	6,160	1,436
3.06.02	Financial expenses	-2,372	-2,039
3.07	Income (loss) before income tax	4,533	6,334
3.08	Income and social contribution taxes	-595	0
3.08.01	Current	-595	0
3.09	Net income (loss) of continued operations	3,938	6,334
3.11	Net Income/loss for the period	3,938	6,334
3.99	Earnings per Share - (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	ON	0.0167	0.0268
3.99.02	Diluted Earnings per Share		
3.99.02.01	ON	0.0167	0.0266

Individual Financial Statements / Comprehensive Income Statement

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period	Accumulated of the Previous Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
4.01	Net Income for the Period	3,938	6,334
4.02	Other Comprehensive Results	-5,529	2,155
4.03	Comprehensive Income for the Period	-1,591	8,489

Individual Financial Statements / Cash Flow Statement - Indirect Method

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period 01/01/2022 to 03/31/2022	Accumulated of the Previous Period 01/01/2021 to 03/31/2021
6.01	Net cash from operating activities	-3,783	-4,077
6.01.01	Cash provided by operating activities	-771	-1,557
6.01.01.01	Income (loss) before income tax	4,533	6,334
6.01.01.06	Equity income or loss	-2,150	-8,093
6.01.01.08	Granting of Shares	41	214
6.01.01.10	Interest and Exchange and Monetary Variations, Net	1,973	1,193
6.01.01.11	Income from financial investments	-5,168	-1,205
6.01.02	Changes in assets and liabilities	-475	-1,306
6.01.02.02	Recoverable Taxes	-197	-168
6.01.02.04	Other assets	-352	1,723
6.01.02.05	Social and Labor Obligations	45	0
6.01.02.06	Accounts Payable	-118	-367
6.01.02.08	Taxes to Pay	56	-155
6.01.02.09	Other trade payables	91	-2,339
6.01.03	Other	-2,537	-1,214
6.01.03.01	Interest paid	-1,942	-1,214
6.01.03.02	Income Tax and Social Contribution Paid	-595	0
6.02	Net cash used in investing activities	9,869	17,872
6.02.05	Capital increase/reduction in affiliates	-28,000	0
6.02.12	Short-term financial investments	37,869	17,872
6.03	Net cash provided by (used in) financing activities	-14,525	-17,998
6.03.01	Payment of loans and financing	-6,000	-17,999
6.03.06	Related parties	0	1
6.03.07	Sales of shares	565	0
6.03.08	Purchase of shares	-9,090	0
6.05	Increase/(decrease) in cash and cash equivalents	-8,439	-4,203
6.05.01	Opening balance of cash and cash equivalents	56,744	65,836
6.05.02	Closing balance of cash and cash equivalents	48,305	61,633

Individual Financial Statements / Statement of Changes in Equity - 01/01/2022 to 03/31/2022

(Thousand Reais)

Account Code	Account Description	Capital	Capital Reserves, Options Awarded and Treasury Shares	Earnings Reserve	Profits (losses) accumulated	Other Comprehensive Income	Shareholder's Equity
5.01	Opening Balances	440,108	-12,037	34,441	0	5,371	467,883
5.03	Adjusted Opening Balances	440,108	-12,037	34,441	0	5,371	467,883
5.04	Capital Transactions with Partners	0	-8,462	0	-22	0	-8,484
5.04.03	Recognized Granted Options	0	41	0	0	0	41
5.04.04	Treasury Shares Acquired	0	-9,090	0	0	0	-9,090
5.04.05	Treasury Shares Sold	0	587	0	-22	0	565
5.05	Total Comprehensive Income	0	0	0	3,938	-5,529	-1,591
5.05.01	Net Income for the Period	0	0	0	3,938	0	3,938
5.05.02	Other Comprehensive Income	0	0	0	0	-5,529	-5,529
5.05.02.04	Foreign exchange variation of subsidiary located abroad	0	0	0	0	-5,529	-5,529
5.07	Closing Balances	440,108	-20,499	34,441	3,916	-158	457,808

Individual Financial Statements / Statement of Changes in Equity - 01/01/2021 to 03/31/2021

(Thousand Reais)

Account Code	Account Description	Capital	Capital Reserves, Options Awarded and Treasury Shares	Earnings Reserve	Profits (losses) accumulated	Other Comprehensive Income	Shareholder's Equity
5.01	Opening Balances	440,108	-12,794	22,819	0	3,536	453,669
5.03	Adjusted Opening Balances	440,108	-12,794	22,819	0	3,536	453,669
5.04	Capital Transactions with Partners	0	214	0	0	0	214
5.04.03	Recognized Granted Options	0	214	0	0	0	214
5.05	Total Comprehensive Income	0	0	0	6,334	2,155	8,489
5.05.01	Net Income for the Period	0	0	0	6,334	0	6,334
5.05.02	Other Comprehensive Income	0	0	0	0	2,155	2,155
5.05.02.04	Foreign exchange variation of subsidiary located abroad	0	0	0	0	2,155	2,155
5.07	Closing Balances	440,108	-12,580	22,819	6,334	5,691	462,372

Individual Financial Statements / Statement of Added Value

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period 01/01/2022 to 03/31/2022	Accumulated of the Previous Period 01/01/2021 to 03/31/2021
7.02	Inputs acquired from third-parties	-615	-412
7.02.02	Materials, energy, third party services and other	-574	-199
7.02.04	Others	-41	-213
7.03	Gross value added	-615	-412
7.05	Net value added produced	-615	-412
7.06	Value added received in transfer	8,310	9,529
7.06.01	Equity income	2,150	8,093
7.06.02	Financial income	6,160	1,436
7.07	Total value added to be distributed	7,695	9,117
7.08	Distribution of value added	7,695	9,117
7.08.01	Personnel	790	744
7.08.01.01	Direct remuneration	790	744
7.08.02	Taxes, fees and contributions	595	0
7.08.02.01	Federal	595	0
7.08.03	Remuneration of third party capital	2,372	2,039
7.08.03.01	Interest	2,372	2,039
7.08.04	Remuneration of own capital	3,938	6,334
7.08.04.03	Retained earnings	3,938	6,334

Consolidated Financial Statements / Assets Balance Sheet

(Thousand Reais)

Account Code	Account Description	Current Quarter 03/31/2022	Previous Year 12/31/2021
1	Total Assets	739,900	769,767
1.01	Current Assets	354,362	376,389
1.01.01	Cash and Cash Equivalents	96,504	96,456
1.01.02	Financial Investments	196,783	214,496
1.01.02.01	Financial Investments Valued at Fair Value Through Profit or Loss	196,783	214,496
1.01.02.01.03	Financial Investments Valued at Amortized Cost	196,783	214,496
1.01.03	Accounts Receivable	51,080	55,684
1.01.03.01	Trade Receivables	50,608	54,948
1.01.03.02	Other Accounts Receivable	472	736
1.01.06	Recoverable Taxes	4,063	3,901
1.01.06.01	Current Taxes Recoverable	4,063	3,901
1.01.07	Prepaid Expenses	5,526	5,320
1.01.08	Others Current Assets	406	532
1.01.08.03	Others	406	532
1.02	Non-Current Assets	385,538	393,378
1.02.01	Long-Term Assets	1,249	355
1.02.01.04	Accounts Receivable	128	96
1.02.01.04.02	Other Accounts Receivable	128	96
1.02.01.08	Prepaid Expenses	354	259
1.02.01.09	Receivables from related parties	767	0
1.02.01.09.04	Credits to Other Related Parties	767	0
1.02.02	Investments	6,731	7,034
1.02.02.01	Ownership Interest	6,731	7,034
1.02.02.01.01	Investments in Associates	6,731	7,034
1.02.03	Property, Plant and Equipment	11,292	12,498
1.02.03.01	Fixed Assets in Operation	4,243	4,081
1.02.03.02	Rental Right of Use	7,049	8,417
1.02.04	Intangibles Assets	366,266	373,491
1.02.04.01	Intangibles Assets	82,774	88,521
1.02.04.02	Goodwill	283,492	284,970

Consolidated Financial Statements / Liabilities Balance Sheet**(Thousand Reais)**

Account Code	Account Description	Current Quarter 03/31/2022	Previous Year 12/31/2021
2	Total Liabilities	739,900	769,767
2.01	Current Liabilities	123,088	127,873
2.01.01	Social and labor obligations	16,743	16,257
2.01.01.01	Social Obligations	16,743	16,257
2.01.02	Suppliers	11,576	8,096
2.01.02.01	National suppliers	11,576	8,096
2.01.03	Tax Obligations	5,447	9,519
2.01.03.01	Federal Tax Obligations	5,447	9,519
2.01.04	Loans and Financing	29,189	29,554
2.01.04.01	Loans and Financing	26,557	26,487
2.01.04.01.01	In National Currency	26,557	26,487
2.01.04.03	Lease Financing	2,632	3,067
2.01.05	Other Obligations	51,004	54,814
2.01.05.02	Others	51,004	54,814
2.01.05.02.02	Minimum Mandatory Dividend Payable	3,470	3,470
2.01.05.02.04	Obligations for Acquisition of Investments	38,180	41,343
2.01.05.02.05	Other liabilities	9,354	10,001
2.01.06	Provisions	9,129	9,633
2.01.06.02	Other provisions	9,129	9,633
2.02	Non-current Liabilities	158,597	174,026
2.02.01	Loans and Financing	53,290	60,603
2.02.01.01	Loans and Financing	50,368	57,029
2.02.01.01.01	In National Currency	50,368	57,029
2.02.01.03	Lease Financing	2,922	3,574
2.02.02	Other Obligations	40,143	46,534
2.02.02.02	Others	40,143	46,534
2.02.02.02.03	Obligations for Acquisition of Investments	40,126	46,330
2.02.02.02.04	Other liabilities	17	204
2.02.03	Deferred Taxes	64,245	66,419
2.02.03.01	Deferred Income Tax and Social Contribution	64,245	66,419
2.02.04	Provisions	919	470
2.02.04.01	Civil and Labor and Social Security Tax Provisions	491	470
2.02.04.01.02	Social Security and Labor Provisions	491	470
2.02.04.02	Other provisions	428	0
2.02.04.02.04	Provisions for Losses on Investments	428	0
2.03	Shareholders' Equity	458,215	467,868
2.03.01	Realized Share Capital	440,108	440,108
2.03.01.01	Subscribed share capital	469,908	469,908
2.03.01.02	Expenses with share issues	-29,800	-29,800
2.03.02	Capital reserves	-20,499	-12,037
2.03.02.04	Options Granted	5,591	5,550
2.03.02.05	Treasury shares	-10,074	-1,571
2.03.02.08	Special Reserve for Goodwill on Merger	-16,016	-16,016
2.03.04	Profit Reserves	34,441	34,441
2.03.04.01	Legal Reserve	2,629	2,629
2.03.04.05	Profit Retention Reserve	31,812	31,812
2.03.05	Accumulated Profits/Losses	3,916	0
2.03.07	Cumulative Conversion Adjustments	-158	5,371
2.03.09	Participation of Non-Controlling Shareholders	407	-15

Consolidated Financial Statements / Income Statement

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period	Accumulated of the Previous Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
3.01	Income from sales of goods and/or services	64,923	58,354
3.02	Cost of goods and/or services sold	-24,167	-18,844
3.03	Gross income	40,756	39,510
3.04	Operating expenses/income	-40,424	-29,002
3.04.01	Sales expenses	-10,378	-7,253
3.04.02	General and administrative expenses	-29,045	-21,411
3.04.05	Other operating expenses	-270	-335
3.04.06	Equity income	-731	-3
3.05	Income (loss) before financial income and taxes	332	10,508
3.06	Financial income (loss)	3,265	-2,313
3.06.01	Financial income	9,306	1,622
3.06.02	Financial expenses	-6,041	-3,935
3.07	Income (loss) before income tax	3,597	8,195
3.08	Income and social contribution taxes	152	-1,861
3.08.01	Current	-1,179	0
3.08.02	Deferred	1,331	-1,861
3.09	Net income (loss) of continued operations	3,749	6,334
3.11	Net Income/loss for the period	3,749	6,334
3.11.01	Attributed to Controlling Company Partners	3,938	6,334
3.11.02	Attributed to Non-Controlling Partners	-189	0

Consolidated Financial Statements / Comprehensive Income Statement

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period	Accumulated of the Previous Period
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
4.01	Net Income for the Period	3,749	6,334
4.02	Other Comprehensive Results	-5,529	2,155
4.03	Comprehensive Consolidated Income for the Period	-1,780	8,489
4.03.01	Attributed to Controlling Company Partners	-1,591	8,489
4.03.02	Attributed to Non-Controlling Partners	-189	0

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period 01/01/2022 to 03/31/2022	Accumulated of the Previous Period 01/01/2021 to 03/31/2021
6.01	Net cash from operating activities	2,431	4,432
6.01.01	Cash provided by operating activities	4,007	14,279
6.01.01.01	Income (loss) before income tax	3,597	8,195
6.01.01.02	Depreciation and amortization	7,285	3,823
6.01.01.04	Loss (gain) on Asset write-off	-10	-12
6.01.01.05	Provision for impairment of trade receivables	1,006	-458
6.01.01.06	Equity income or loss	731	3
6.01.01.07	Provision for Contingencies	21	175
6.01.01.08	Granting of Shares	41	214
6.01.01.10	Interest and Exchange and Monetary Variations, Net	-3,264	3,544
6.01.01.12	Income from financial investments	-5,400	-1,205
6.01.02	Changes in assets and liabilities	1,781	-8,175
6.01.02.01	Accounts Receivable	3,334	-10,619
6.01.02.02	Recoverable Taxes	-162	-196
6.01.02.04	Other assets	53	-1,314
6.01.02.05	Social and Labor Obligations	486	-1,271
6.01.02.06	Accounts Payable	3,480	8,042
6.01.02.07	Deferred Revenues	-647	1,403
6.01.02.08	Taxes to Pay	-4,265	-428
6.01.02.09	Other trade payables	-498	-3,792
6.01.03	Other	-3,357	-1,672
6.01.03.01	Interest paid	-2,178	-1,516
6.01.03.02	Income Tax and Social Contribution Paid	-1,179	0
6.01.03.03	Contingencies Payments	0	-156
6.02	Net cash used in investing activities	14,547	17,933
6.02.03	Increase in Intangibles	-11	-671
6.02.04	Value on Sale of Fixed Assets	25	685
6.02.06	Increase in Property, Plant and Equipment	-463	-43
6.02.07	Payment of obligations for acquisition of investments	-8,117	0
6.02.10	Related parties	0	90
6.02.12	Short-term financial investments	23,113	17,872
6.03	Net cash provided by (used in) financing activities	-16,930	-21,074
6.03.01	Payment of loans and financing	-6,617	-18,433
6.03.02	Purchase of shares	-9,090	0
6.03.03	Sales of shares	565	0
6.03.04	Payment of leasing installments	-1,021	-1,327
6.03.06	Related parties	-767	-1,314
6.05	Increase/(decrease) in cash and cash equivalents	48	1,291
6.05.01	Opening balance of cash and cash equivalents	96,456	114,417
6.05.02	Closing balance of cash and cash equivalents	96,504	115,708

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2022 to 03/31/2022

(Thousand Reais)

Account Code	Account Description	Capital	Capital Reserves, Options Awarded and Treasury Shares	Earnings Reserve	Profits (losses) accumulated	Other Comprehensive Income	Shareholder's Equity	Participation of Non- Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	440,108	-12,037	34,441	0	5,371	467,883	-15	467,868
5.03	Adjusted Opening Balances	440,108	-12,037	34,441	0	5,371	467,883	0	467,883
5.04	Capital Transactions with Partners	0	-8,462	0	-22	0	-8,484	0	-8,484
5.04.03	Recognized Granted Options	0	41	0	0	0	41	0	41
5.04.04	Treasury Shares Acquired	0	-9,090	0	0	0	-9,090	0	-9,090
5.04.05	Treasury Shares Sold	0	587	0	-22	0	565	0	565
5.05	Total Comprehensive Income	0	0	0	3,938	-5,529	-1,591	-189	-1,780
5.05.01	Net Income for the Period	0	0	0	3,938	0	3,938	-189	3,749
5.05.02	Other Comprehensive Income	0	0	0	0	-5,529	-5,529	0	-5,529
5.05.02.04	Foreign exchange variation of subsidiary located abroad	0	0	0	0	-5,529	-5,529	0	-5,529
5.06	Internal Changes in Shareholders' Equity	0	0	0	0	0	0	611	611
5.06.04	Non-controlling interest arising from a business combination	0	0	0	0	0	0	611	611
5.07	Closing Balances	440,108	-20,499	34,441	3,916	-158	457,808	407	458,215

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2021 to 03/31/2021

(Thousand Reais)

Account Code	Account Description	Capital	Capital Reserves, Options Awarded and Treasury Shares	Earnings Reserve	Profits (losses) accumulated	Other Comprehensive Income	Shareholder's Equity	Participation of Non- Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening Balances	440,108	-12,794	22,819	0	3,536	453,669	0	453,669
5.03	Adjusted Opening Balances	440,108	-12,794	22,819	0	3,536	453,669	0	453,669
5.04	Capital Transactions with Partners	0	214	0	0	0	214	0	214
5.04.03	Recognized Granted Options	0	214	0	0	0	214	0	214
5.05	Total Comprehensive Income	0	0	0	6,334	2,155	8,489	0	8,489
5.05.01	Net Income for the Period	0	0	0	6,334	0	6,334	0	6,334
5.05.02	Other Comprehensive Income	0	0	0	0	2,155	2,155	0	2,155
5.05.02.04	Foreign exchange variation of subsidiary located abroad	0	0	0	0	2,155	2,155	0	2,155
5.07	Closing Balances	440,108	-12,580	22,819	6,334	5,691	462,372	0	462,372

Consolidated Financial Statements / Statement of Added Value

(Thousand Reais)

Account Code	Account Description	Accumulated of the Current Period 01/01/2022 to 03/31/2022	Accumulated of the Previous Period 01/01/2021 to 03/31/2021
7.01	Revenues	70,104	63,924
7.01.01	Sales of goods, products and services	70,958	63,523
7.01.02	Other revenues	152	-57
7.01.04	Reversal/Allowance for doubtful accounts	-1,006	458
7.02	Inputs acquired from third-parties	-14,632	-15,399
7.02.01	Cost of products, goods and services sold	-7,579	-6,755
7.02.02	Materials, energy, third party services and other	-6,672	-8,580
7.02.04	Others	-381	-64
7.03	Gross value added	55,472	48,525
7.04	Retentions	-7,285	-3,823
7.04.01	Depreciation and amortization	-7,285	-3,823
7.05	Net value added produced	48,187	44,702
7.06	Value added received in transfer	8,575	1,619
7.06.01	Equity income	-731	-3
7.06.02	Financial income	9,306	1,622
7.07	Total value added to be distributed	56,762	46,321
7.08	Distribution of value added	56,762	46,321
7.08.01	Personnel	40,738	28,891
7.08.01.01	Direct remuneration	28,713	19,118
7.08.01.02	Benefits	6,663	4,371
7.08.01.03	Government Severance Indemnity Fund for Employee (FGTS)	1,629	1,244
7.08.01.04	Others	3,733	4,158
7.08.02	Taxes, fees and contributions	5,883	7,030
7.08.02.01	Federal	4,560	6,054
7.08.02.03	Municipal	1,323	976
7.08.03	Remuneration of third party capital	6,392	4,066
7.08.03.01	Interest	6,041	3,935
7.08.03.02	Rentals	351	131
7.08.04	Remuneration of own capital	3,749	6,334
7.08.04.03	Retained earnings	3,749	6,334

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

1.1 Operational context

Neogrid Participações S.A. ("Neogrid Participações" or "Company"), is a publicly held corporation, with its principal offices in the city of Joinville, State of Santa Catarina, is engaged in investing in other companies or partnerships, businesses and undertakings of any nature, as long as pursuant to the provisions in its Bylaws. The Company has shares traded on the São Paulo Stock Exchange (B3 S.A. – Brazil).

The Company and its subsidiaries (jointly, "the Group") has the objective of development, licensing and implementation of customized software for the management and synchronization of supply chains; the corresponding provision of related technical advisory and training services; and the provision of technical IT support services, installation, configuration and maintenance of software and databases.

Neogrid Participações has the following subsidiaries and associates:

			Subsidiaries			
Corporate name	Domicile	Note	Direct interest		Indirect interest	
			03/31/2022	12/31/2021	03/31/2022	12/31/2021
Neogrid Informática Ltda	BRA	(a)	100.00%	100.00%		
Neogrid Netherlands B.V.	HOL	(b)			100.00%	100.00%
Neogrid North America LLC.	EUA	(c)	100.00%	100.00%		
Neogrid Europe Ltd	UK	(d)			100.00%	100.00%
Smarket Solutions Software de Apoio a Gestão Ltda	BRA	(e)				100.00%
Arker Tecnologia e Desenvolvimento de Software Ltda	BRA	(f)			100.00%	100.00%
Lett Serviços de Informação S.A.	BRA	(g)			100.00%	100.00%
Predify Tech Ltda	BRA	(h)			51.10%	51.10%

			Associate			
Corporate name	Domicile	Note	Direct interest		Indirect interest	
			03/31/2022	12/31/2021	03/31/2022	12/31/2021
GRG Inovações e Tecnologia S.A. (1)	BRA	(i)			24.14%	24.14%

(1) GRG Inovações e Tecnologia S.A. is affiliate of Neogrid Informática Ltda

(a) Neogrid Informática Ltda ("Neogrid Informática")

Neogrid Informática is engaged in the development, licensing and implementation of customized software for the management and synchronization of the supply chain; the provision of related technical advisory and training services; the provision of technical IT support services, installation, configuration and maintenance of software and databases; and participation in other commercial or civil companies, whether in Brazil or abroad, as partner, shareholder or quota holder.

(b) Neogrid Netherlands B.V. ("Netherlands")

Company based in the Netherlands, previously acting as a holding company of "Neogrid Netherlands B.V". After the incorporation of Neogrid Netherlands BV, Neogrid Netherlands Holding BV changed its name to Neogrid Netherlands BV, becoming an operating company.

(c) Neogrid North America LLC. ("Neogrid N.A.")

Company based in the USA with subsidiary in United Kingdom, providing Supply Chain Synchronization (SCS) solutions worldwide.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

(d) Neogrid Europe Ltd (“Neogrid UK”)

Company based in the United Kingdom, which provides Supply Chain Synchronization (SCS) solutions worldwide.

(e) Smarket Solutions Software de Apoio a Gestão Ltda (“Smarket”)

Company based in Florianópolis, which operates in the field of development, commercialization and implementation of management software and creation of offers and trade. Smarket was merged into its parent company Neogrid Informática on January 1, 2022.

(f) Arker Tecnologia e Desenvolvimento de Software Ltda (“Arker”)

Company based in São Paulo, which operates in the development and licensing of Trade Promotion Management software.

(g) Lett Serviços de Informação S.A. (“Lett”)

Company based in Belo Horizonte, which operates in the development and licensing of Digital Trade Marketing software.

(h) Predify Tech Ltda (“Predify”)

Company based in São Carlos, which operates in the field of software development for price monitoring, pricing management and dynamic pricing.

(i) GRG Inovações e Tecnologia S.A. (“Horus”)

Company based in Rio de Janeiro, which operates in the field of market intelligence, with a consumer data platform including prices, products, brands, categories, volume and presence at the point of sale.

Impacts caused by the COVID-19 pandemic

The Company continues to constantly monitor the possible impacts of the COVID-19 pandemic, managing all measures adopted since 2020, which include:

- (i) adoption of the practice of remote work for all its units, as well as evaluation and preparation of the gradual return in the hybrid and voluntary format of the employees to the offices, in safety, based on the guidelines of the health officials of the cities in which has units;
- (ii) promotion of actions aimed at comprehensive health management, including moments of labor gymnastics, meditation, telemedicine, among others;
- (iii) reduction of national and international travel, with a gradual resumption for specific audiences and respecting security measures.

We highlight that the Company did not adopt measures to reduce salaries and working hours for its employees in the period, nor did it promote reductions in teams outside the normal course of its operations.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

1.2 Basis of preparation

The Company's interim financial information, contained in the Quarterly Information Form - ITR for the quarter ended March 31, 2022, comprises the interim financial information, prepared in accordance with Technical Pronouncement "CPC 21 - Interim Statement", approved by the Securities ("CVM") and with the international accounting standard "IAS 34 - Interim Financial Reporting", issued by the International Accounting Standard Board (IASB).

The preparation of the interim financial information requires the use, by the Company's Management, of estimates and assumptions that affect asset and liability balances and other transactions. Since Management's judgment involves determining estimates related to the likelihood of future events, actual results may differ from those estimates.

All relevant information proper to the interim financial information, and only this, is being evidenced and corresponds to that used by the Company in its management.

The individual and consolidated interim financial information must be analyzed together with the complete financial statements for the year ended December 31, 2021.

Below we list the explanatory notes that were presented in the annual financial statements of December 31, 2021, which are not being included or presented in the same degree of detail in this individual and consolidated interim financial information, given the absence of material changes in this quarter:

- (i) Summary of the main accounting policies - note 2
- (ii) Consolidation - note 4
- (iii) Critical estimates and judgments - note 5

The issuance of these financial statements was authorized by the Board of Directors on April 28, 2022.

2. Changes in accounting policies and disclosures

There are no new standards and amendments issued by the IASB and CPC effective as of January 1, 2022, which in the opinion of the Management may have a significant impact on the result or on the shareholders' equity disclosed by the Company and its subsidiaries.

3. Financial risk management

3.1 Financial risk factors

The Company and its subsidiaries' activities expose them to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company and its subsidiaries' financial performance.

The Company and its subsidiaries have operations with financial instruments, such as financial investments, receivables and borrowings. The management of these instruments is made through operating strategies and internal controls, aimed at assuring liquidity, profitability and security. The control policy consists of ongoing monitoring of the contracted conditions in comparison with the existing

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

market conditions. The amounts of financial assets and liabilities in the interim financial statements at March 31, 2022 were determined in accordance with the accounting criteria and practices disclosed in specific notes.

(a) Market risk

Market risk is the risk that changes in market prices, such as exchange rates and interest rates, affect the gains of the Company and its subsidiaries or the value of their interests in financial instruments. The aim of market risk management is to manage and keep exposure to market risk within acceptable parameters, while optimizing the returns. All these transactions are carried out in accordance with the guidelines established by the Company's Management.

(i) Foreign exchange risk

Foreign exchange rate risks arise from the possibility of losses due to fluctuations in exchange rates, which increase liabilities from borrowings and purchase commitments in foreign currency or which reduce assets arising from receivables in foreign currency.

Some of the Company's subsidiaries operate internationally and are exposed to foreign exchange risk arising from exposures in certain currencies such as the US dollar (USD), British Pound (GBP) and Euro (EUR). The Company assures that its net exposure is maintained at an acceptable level in accordance with limits defined by Management.

The table below presents the impacts that would arise from changes in significant risk variables to which the Company is exposed at the end of the year. The relevant risk variables are the exposure to the fluctuation of foreign currencies, substantially the USD, GBP and EUR. Management considered for the probable scenario, the exchange rates forecasted by the Central Bank of Brazil for the year 2022 and stressed by factors of 10% and 20%.

The actual behavior of the balances of the corresponding accounts, shown in the sensitivity analysis, such as cash and cash equivalents, trade receivables and payables, may fluctuate due to the normal activities of the Company and its subsidiaries.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

	03/31/2022		12/31/2021		03/31/2022		12/31/2021		Risk	Probable	+10%	+20%	-10%	-20%					
Assets										R\$	5.20	R\$	5.72	R\$	6.24	R\$	4.68	R\$	4.16
Cash and Cash																			
Equivalents	USD	4,507	USD	3,703	R\$	21,353	R\$	20,665	Dollar										
Trade Receivables	USD	533	USD	424	R\$	2,524	R\$	2,366	Dollar										
Other Receivables	USD	3	USD	2	R\$	16	R\$	10	Dollar										
	USD	5,043	USD	4,129	R\$	23,893	R\$	23,041		R\$	2,331	R\$	4,953	R\$	7,575	R\$	(292)	R\$	(2,914)
Liabilities																			
Trade Payables	USD	375	USD	383	R\$	1,775	R\$	2,135	Dollar										
	USD	375	USD	383	R\$	1,775	R\$	2,135		R\$	175	R\$	370	R\$	565	R\$	(20)	R\$	(215)
Net Effect	USD	4,668	USD	3,746	R\$	22,118	R\$	20,906		R\$	2,156	R\$	4,583	R\$	7,010	R\$	(272)	R\$	(2,699)
Assets										R\$	6.84	R\$	7.52	R\$	8.21	R\$	6.16	R\$	5.47
Cash and Cash																			
Equivalents	GBP	-	GBP	-	R\$	-	R\$	-	GBP										
Trade Receivables	GBP	-	GBP	-	R\$	-	R\$	-	GBP										
Other Receivables	GBP	-	GBP	-	R\$	-	R\$	-	GBP										
	GBP	-	GBP	-	R\$	-	R\$	-		R\$	-	R\$	-	R\$	-	R\$	-	R\$	-
Liabilities																			
Trade Payables	GBP	-	GBP	-	R\$	-	R\$	-	GBP										
	GBP	-	GBP	-	R\$	-	R\$	-		R\$	-	R\$	-	R\$	-	R\$	-	R\$	-
Net Effect	GBP	-	GBP	-	R\$	-	R\$	-		R\$	-	R\$	-	R\$	-	R\$	-	R\$	-
Assets										R\$	5.77	R\$	6.35	R\$	6.92	R\$	5.19	R\$	4.62
Cash and Cash																			
Equivalents	EUR	972	EUR	938	R\$	5,108	R\$	5,928	Euro										
Trade Receivables	EUR	358	EUR	284	R\$	1,880	R\$	1,794	Euro										
Other Receivables	EUR	2	EUR	-	R\$	11	R\$	-	Euro										
	EUR	1,332	EUR	1,222	R\$	6,999	R\$	7,722		R\$	687	R\$	1,459	R\$	2,218	R\$	(86)	R\$	(845)
Liabilities																			
Trade Payables	EUR	9	EUR	8	R\$	47	R\$	53	Euro										
	EUR	9	EUR	8	R\$	47	R\$	53		R\$	5	R\$	10	R\$	15	R\$	-	R\$	(5)
Net Effect	EUR	1,323	EUR	1,214	R\$	6,952	R\$	7,669		R\$	682	R\$	1,449	R\$	2,203	R\$	(86)	R\$	(840)
Overall Net Effect										R\$	2,838	R\$	6,032	R\$	9,213	R\$	(358)	R\$	(3,539)

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

(ii) Cash flow and fair value interest rate risk

Financial assets and liabilities

The financial instruments of the Company and its subsidiaries are represented by cash and cash equivalents, financial investments, accounts receivable, accounts payable, loans and financing and debentures that are linked to the variation of the CDI, TJLP and IPCA, which are recorded at the cost, plus income or charges incurred, or at fair value when applicable, on March 31, 2022 and December 31, 2021.

The main risks linked to the Company's operations are linked to the variation of:

- (i) Interbank Deposit Certificate (CDI) for financial investments and fixed income investment funds and debentures issued in 2019; and
- (ii) IPCA for financing from FINEP - Financier of Studies and Projects.

Sensitivity analysis of financial assets

In order to verify the sensitivity of the index in financial investments, to which the Company and its subsidiaries were exposed on the base date of March 31, 2022, three different scenarios were defined for the risk of a decrease in the CDI. Based on the index accumulated until March 2022, which was 13.00% per year, and this is defined as probable scenario I; from there, they were 10% (scenario II) and 20% (scenario III).

		03/31/2022			
	Balances	Risk	Probable Scenario (I)	Scenario (II)	Scenario (III)
Consolidated financial revenue	R\$ 262,963	Decrease	13.00%	10.0%	20.0%
<i>Financial income</i>		CDI (year)	<i>R\$ 34,185</i>	<i>R\$ 30,767</i>	<i>R\$ 27,348</i>

Sensitivity analysis of financial liabilities

In order to evaluate the sensitivity of the variables to which the Company and its subsidiaries were exposed at the base date of March 31, 2022, three different scenarios were defined. Based on the amounts of the CDI and IPCA indicators in effect at March 31, 2022, the probable scenario (scenario I) for the year 2022 and stressed by variations of 10% (scenario II) and 20% (scenario III).

For each scenario, a gross finance cost was calculated, not taking into account taxes for the maturity flow of each agreement scheduled for 2022. The base date used for borrowings was March 31, 2022, projecting the indices for one year and altering their sensitivity for each scenario.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

			03/31/2022		
	Balances	Risk	Probable Scenario (I)	Scenario (II)	Scenario (III)
Working capital - Debentures <i>Estimated finance costs</i>	R\$ 62,725	Increase CDI + 2.8% p.a.	16.16% R\$ 10,136	10.0% 17.78% R\$ 11,152	20.0% 19.40% R\$ 12,169
Working capital - Payroll <i>Estimated finance costs</i>	R\$ 93	Increase 3.75% p.a.	3.75% R\$ 3	10.0% 4.13% R\$ 4	20.0% 4.50% R\$ 4
Working capital – BDMG <i>Estimated finance costs</i>	R\$ 638	Increase 6.3% p.a.	6.30% R\$ 40	10.0% 6.93% R\$ 44	20.0% 7.56% R\$ 48
FINEP borrowings <i>Estimated finance costs</i>	R\$ 13,436	Increase TJLP 4.5% p.a.	11.67% R\$ 1,568	10.0% 12.84% R\$ 1,725	20.0% 14.00% R\$ 1,881
Financing - BNDES <i>Estimated finance costs</i>	R\$ 33	Increase 3.72% p.a.	3.72% R\$ 1	10.0% 4.09% R\$ 1	20.0% 4.46% R\$ 1

(b) Credit risk

Arises from the possibility that the Company and its subsidiaries incur losses as a result of default by their counterparties or financial institutions that are depositaries of funds or financial investments. To mitigate these risks, the Company and its subsidiaries adopt the practice of analyzing their customers' financial position. The carrying amounts of the main financial assets that represent the maximum exposure to credit risk at the reporting date are as follows:

	Consolidated	
	03/31/2022	12/31/2021
Cash and cash equivalents	96,504	96,456
Short term investment	196,783	214,496
Trade receivables	50,608	54,948
Total	343,895	365,900

(c) Liquidity risk

Liquidity risk arises from the possibility of insufficiency of funds for payment of debts.

Management monitors rolling forecasts of the Company and its subsidiaries' liquidity requirements to ensure they have sufficient cash to meet operational needs. Additionally, the Company and its subsidiaries also hold financial investments redeemable at any time to cover mismatches between the maturity date of their contractual obligations and their cash generation.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

The Company and its subsidiaries invest surplus cash in interest-earning financial assets, choosing instruments with appropriate maturities or sufficient liquidity to provide adequate margin as determined by these forecasts.

The cash equivalents held by the Company and its subsidiaries at March 31, 2022 have immediate liquidity and are considered sufficient for managing liquidity risk.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity groupings through to contractual maturity. The amounts in the table are the contractual undiscounted cash flows.

	Parent company			
	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over five years
At March 31, 2022				
Borrowings	30,899	27,619	14,636	-
Trade and other payables	3,693	-	-	-
At December 31, 2021				
Borrowings	30,458	27,700	21,024	-
Trade and other payables	3,629	-	-	-
	Consolidated			
	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over five years
At March 31, 2022				
Borrowings	33,558	30,411	21,687	6,375
Trade and other payables	11,576	-	-	-
Lease liabilities	2,901	2,010	1,030	-
At December 31, 2021				
Borrowings	33,253	30,585	26,220	6,563
Trade and other payables	11,383	-	-	-
Lease liabilities	3,411	2,353	1,381	-

(d) Operational risk

Operating risk is the risk of direct or indirect losses arising from different causes related to processes, personnel, technology and infrastructure and external factors, other than credit, market and liquidity risks, as also those arising from legal and regulatory requirements and from governance standards. Operational risks arise from all operations of the Company and its subsidiaries. The Company's objective is to manage the operating risk to avoid losses and damages to the Company and its subsidiaries' reputation, and to seek cost efficiency.

The main responsibility for developing and implementing controls to address operational risks is attributed to Management.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

3.2 Capital management

The Company and its subsidiaries' objectives when managing capital are to safeguard their ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure of the Company, management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt expressed as a percentage of total capitalization. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capitalization is calculated as equity as shown in the consolidated balance sheet plus net debt. The gearing ratios at March 31, 2022 and December 31, 2020 were as follows:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Total borrowings (Note 14)	62,725	68,694	76,925	83,516
(-) Cash and cash equivalents (Note 7a)	(48,305)	(56,744)	(96,504)	(96,456)
(-) Short-term financial investments (Note 7b)	(181,795)	(214,496)	(196,783)	(214,496)
Net debt	(167,375)	(202,546)	(216,362)	(227,436)
Total equity	457,808	467,883	457,808	467,883
Total capitalization	290,433	265,337	241,446	240,447
Gearing ratio - %	-58%	-76%	-90%	-95%

Capital is not managed at the level of the Parent Company, only at the consolidated level.

3.3 Fair value estimation

It is assumed that the balances of accounts receivable from customers and accounts payable to suppliers at book value, less impairment in the case of accounts receivable, are close to their fair values.

The Group measures financial instruments at fair value on each balance sheet closing date. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an unforced transaction between market participants on the measurement date.

The measurement of fair value is based on the assumption that the transaction to sell the asset or transfer the liability will occur: (i) in the main market for the asset or liability; or (ii) in the absence of a main market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described below, based on the lowest level information that is significant to the measurement of fair value as a whole:

- Level 1 - Prices quoted (unadjusted) in active markets for identical assets or liabilities to which the entity may have access on the measurement date;

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

- Level 2 - Valuation techniques for which the lowest and most significant information for measuring fair value is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest and most significant information for measuring fair value is not available.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy, reassessing the categorization (based on the lowest and most significant information for measuring the fair value as a whole) in the end of each disclosure period.

4. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, is the Executive Board. The Executive Board makes its operating and strategic decisions observing the consolidated results, that is, it has a single operating segment, the software.

The operating strategy is to offer Neogrid automatic synchronization of supply chain solutions through a single integrated platform. This is the Company's main competitive advantage. Offering SaaS solutions is the primary source of revenue generation through subscription to the Neogrid solution platform.

5. Investments

(a) Breakdown of investments

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Investments accounted for under the equity method	259,342	262,723	(428)	113
Goodwill on investments under the equity method	-	-	864	864
Capital gains on investments valued using the equity method	-	-	4,234	4,424
Deferred IR/CS assets on capital gains	-	-	1,633	1,633
	259,342	262,723	6,303	7,034
Investments	259,342	262,723	6,731	7,034
Investments with uncovered liabilities	-	-	(428)	-
	259,342	262,723	6,303	7,034

Investment in GRG Inovações e Tecnologia S.A. ("Horus")

On July 20, 2021, the subsidiary Neogrid Informática acquired a 24.14% interest in Horus, in addition to acquiring stock options to hold 51% and 100%, maturing in 18 and 30 months, respectively, from the Operation. Thus, Horus is classified as an indirect associate, and the acquisition in the total amount of R\$ 7,000 paid on the acquisition date, represents a goodwill of R\$ 5,667 (R\$ 864 of goodwill and R\$ 4,803 of surplus value of assets). Changes in the affiliate's results will be accounted for using the equity method.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

(b) Summary of financial information

The table below provides summarized financial information on the Company's subsidiaries (principal significant non-controlling interests) and associates.

(i) Summarized balance sheet

	Directs		Subsidiaries			Associate
	Neogrid Informática	Neogrid N. A.	Netherlands	Arker	Lett	Indirect
	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022
Current						
Assets	82,294	25,023	8,230	2,551	3,519	966
Liabilities	(78,182)	(9,708)	(4,456)	(371)	(1,409)	(3,038)
Net working capital	4,112	15,315	3,774	2,180	2,110	(2,072)
Non-current						
Assets	393,231	13,279	391	37	433	324
Liabilities	(166,488)	(107)	(125)	-	(2,377)	(24)
Non-current assets, net	226,743	13,172	266	37	(1,944)	300
Equity	230,855	28,487	4,040	2,217	166	(1,772)

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

	Subsidiaries							Associates	
	Directs			Indirects				Indirects	
	Neogrid Informática	Neogrid N.A.	Netherlands	Smarket	Arker	Lett	Predify	R&B	Horus*
	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021
Current									
Assets	62,218	24,771	9,166	171	3,099	4,780	37	-	1,341
Liabilities	(77,693)	(10,155)	(7,451)	(775)	(733)	(2,348)	(156)	-	(1,123)
Net working capital	(15,475)	14,616	1,715	(604)	2,366	2,432	(119)	-	218
Non-current									
Assets	401,067	15,681	548	398	-	406	87	-	268
Liabilities	(153,017)	(149)	(225)	(838)	-	(741)	-	-	(25)
Non-current assets, net	248,050	15,532	323	(440)	-	(335)	87	-	243
Equity	232,575	30,148	2,038	(1,044)	2,366	2,097	(32)	-	461

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

(ii) Condensed statement of income

	Directs		Subsidiaries			Associate
	Neogrid Informática	Neogrid N.A.	Netherlands	Arker	Lett	Indirect
	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022
Revenues	49,419	5,813	5,524	1,462	2,677	962
Profit (loss) before income tax and social contribution	(2,425)	3,240	3,215	(149)	(1,933)	(2,232)
Income tax and social contribution expense	1,335	-	(584)	-	-	-
Profit (loss)	(1,090)	3,240	2,631	(149)	(1,933)	(2,232)

	Directs		Subsidiaries				Associates
	Neogrid Informática	Neogrid N.A.	Netherlands	Smarket	Arker	Lett	Indirects
	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021
Revenues	46,142	6,819	5,071	322	-	-	238
Profit (loss) before income tax and social contribution	6,250	3,704	3,011	(5)	-	-	(257)
Income tax and social contribution expense	(1,861)	-	-	-	-	-	-
Profit (loss)	4,389	3,704	3,011	(5)	-	-	(257)

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

(iii) Condensed statement of comprehensive income

	Directs		Subsidiaries				Associate
	Neogrid Informática	Neogrid N.A.	Netherlands	Arker	Lett	Predify	Indirect Horus
	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022	03/31/2022
Profit (loss)	(1,090)	3,240	2,631	(149)	(1,933)	(387)	(2,232)
Other comprehensive income	(630)	(4,899)	-	-	-	-	-
Total comprehensive income	(1,720)	(1,659)	2,631	(149)	(1,933)	(387)	(2,232)

	Directs		Subsidiaries				Associates	
	Neogrid Informática	Neogrid N.A.	Netherlands	Smarket	Arker	Lett	Predify	Indirects R&B Horus*
	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021	03/31/2021
Profit (loss)	4,389	3,704	3,011	(5)	-	-	-	(257) -
Other comprehensive income	184	1,970	-	-	-	-	-	-
Total comprehensive income	4,389	5,674	3,011	(5)	-	-	-	(257) -

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

(iv) Reconciliation of financial information on investments

	Parent company			Consolidated	
	03/31/2022			03/31/2022	
	Neogrid Informática	Neogrid N.A.	Investments Total	Horus*	Investments Total
Share in voting capital %	100%	100%		24.14%	
Paid-up capital	210,000	39,331	249,331	8,112	8,112
Equity	230,855	28,487	259,342	(1,772)	(1,772)
Profit (loss) for the year	(1,090)	3,240	2,150	(2,232)	(2,232)
Goodwill on the acquisition of shares	-	-	-	6,731	6,731
Changes in investments:					
At the beginning of the year	232,575	30,148	262,723	7,034	7,034
Equity in the earnings of investees	(1,090)	3,240	2,150	(731)	(731)
Cumulative translation adjustments	(630)	(4,899)	(5,529)	-	-
At the end of the year	230,855	28,487	259,342	6,303	6,303
Investments	230,855	28,487	259,342	6,731	6,731
Investments with uncovered liabilities	-	-	-	(428)	(428)
	230,855	28,487	259,342	6,303	6,303

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

	Parent company			Consolidated		
	12/31/2021			12/31/2021		
	Neogrid Informática	Neogrid N.A.	Investments Total	R&B	Horus*	Investments Total
Share in voting capital %	100%	100%		0.00%	24.14%	
Paid-up capital	210,000	39,331	249,331	-	8,112	8,112
Equity	232,575	30,148	262,723	-	461	461
Profit (loss) for the year	6,481	9,685	16,166	-	(5,050)	(5,050)
Changes in investments:						
At the beginning of the year	226,098	18,624	244,722	242	-	242
Acquisition (Disposal) of shares	-	-	-	(266)	1,333	1,067
Goodwill on the acquisition of shares	-	-	-	-	5,667	5,667
Deferred IR/CS assets on capital gains	-	-	-	-	1,633	1,633
Capital increase (reduction)	-	-	-	-	-	-
Incorporation	-	-	-	-	-	-
Dividends received (distributed)	-	-	-	-	-	-
Equity in the earnings of investees	6,481	9,685	16,166	24	(1,599)	(1,575)
Cumulative translation adjustments	(4)	1,839	1,835	-	-	-
At the end of the year	232,575	30,148	262,723	-	7,034	7,034

* Horus corresponds to the corporate name GRG Inovações e Tecnologia S.A.

Investments in subsidiaries and associates are accounted for using the equity method.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

6. Business combination

Business combinations are recorded using the acquisition method. The cost of an acquisition is measured by the sum of the consideration transferred, which is evaluated based on the fair value on the acquisition date, and the value of any non-controlling interest in the acquiree. For each business combination, the acquirer must measure the non-controlling interest in the acquiree at fair value or based on its interest in the net assets identified in the acquiree. Costs directly attributable to the acquisition must be expensed when incurred.

When acquiring a business, the Company and its subsidiaries evaluate the assumed financial assets and liabilities with the objective of classifying and allocating them according to the contractual terms, economic circumstances and relevant conditions on the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in host contracts in the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or a liability must be recognized in the income statement.

The Company measures goodwill as the excess of consideration transferred in relation to net assets acquired (identifiable assets acquired, net and liabilities assumed). If the consideration is less than the fair value of the net assets acquired, the difference must be recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, as of the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of other acquiree's assets or liabilities to be attributed to those units.

(a) Predify Tech Ltda

On December 14, 2021, the Company acquired, through its subsidiary Neogrid Informática, 51.1% of the share capital of Predify, as well as the subscription rights or option to purchase quotas of investors in the acquired company.

The acquisition price involves: (i) the Company's capital increase in the amount of R\$ 1,250 and; (ii) the payment of R\$ 3,100 to be made on the Closing Date.

The operation is a relevant step for the Company's inorganic growth strategy, the integration of Predify into the Neogrid ecosystem has a high synergistic potential, in which the complementarity of the offers makes up a more comprehensive portfolio that benefits from the data and connections of the platform Neogrid, thus justifying the goodwill of R\$ 1,695.

The following table summarizes the consideration paid and the amounts of assets acquired and liabilities assumed recognized on the acquisition date.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

	Initial Measurement 12/14/2021	Evaluation 03/31/2022	Adjustments 03/31/2022
Compensation	4,350	4,350	-
Adjustment to present value	-	-	-
Total compensation	4,350	4,350	-
Cash and cash equivalents	15	1,265	1,250
Trade receivables	6	6	-
Property and equipment	3	3	-
Intangible	3	3	-
Brands (included in intangibles) (Note 12)	1,014	1,014	-
Contractual relationship with the customer (included in intangibles) (Note 12)	208	208	-
Technology (included in intangibles) (Note 12)	1,810	1,810	-
Other receivables	82	82	-
Trade payables	(25)	(25)	-
Social and labor obligations	(1)	(1)	-
Taxes and contributions payable	(5)	(5)	-
Other payables	(48)	(48)	-
Participation of non-controllers	(15)	(626)	(611)
Total identifiable net assets	3,047	3,686	639
Deferred income tax and social contribution	(1,031)	(1,031)	-
Goodwill	2,334	1,695	(639)
Total identifiable net assets + Goodwill	4,350	4,350	-

The fair value of brands was estimated by applying the income approach method using the Royalty Relief method.

The fair value of the contractual relationship with the customer was estimated by applying the income approach method by the MPEEM method (Multi Period Excess Earnings Method).

The fair value of technology was estimated by applying the income approach method by the MPEEM method (Multi Period Excess Earnings Method).

The adjustments occurred due to the capital increase carried out by Neogrid Informática in the acquired company, where the non-controlling interest generated the impact on the recognized goodwill.

7. Cash, cash equivalents and Short-term investment

(a) Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash at bank and on hand	2,827	3,120	30,324	31,748
Short-term bank deposits	45,478	53,624	66,180	64,708
	48,305	56,744	96,504	96,456

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

The Company has financial investment policies that determine the concentration of investments in low risk securities and at first tier financial institutions, which are remunerated based on the fluctuation of the Interbank Deposit Certificate (CDI), whose average yield for March 31, 2022 was 105.5% of the CDI rate.

(b) Short-term investment

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
CDB	-	8,326	-	8,326
Fundos	181,795	206,170	196,783	206,170
	181,795	214,496	196,783	214,496

Short-term financial investments are maintained for the purpose of meeting investment commitments. They are remunerated at an average of 108.2% of the CDI rate.

Changes in short-term investments

The following table represents the movements that occurred in this item, during 2022:

	Parent company	Consolidated
Balance as of December 31, 2020	251,203	251,203
(+) Incomes	9,910	9,910
(+) Investments	237,316	243,528
(-) Rescues	(283,257)	(289,469)
(-) Withholding income tax	(676)	(676)
Balance as of December 31, 2021	214,496	214,496
(+) Incomes	5,168	5,400
(+) Investments	-	-
(-) Rescues	(37,590)	(22,829)
(-) Withholding income tax	(279)	(284)
Balance as of March 31, 2022	181,795	196,783

8. Trade receivables

	Consolidated	
	03/31/2022	12/31/2021
Trade receivables - domestic	50,903	54,208
Trade receivables - abroad	5,119	5,217
	56,022	59,425
Provision for impairment of trade receivables	(5,414)	(4,477)
	50,608	54,948

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

Aging analysis, net of the provision for expected credit losses of trade receivables at March 31, 2022:

	03/31/2022		12/31/2021	
Falling due	41,194	73.53%	43,644	73.44%
Up to 30 days	4,392	7.84%	4,802	8.08%
31 to 60 days	1,974	3.52%	2,087	3.51%
61 to 90 days	1,228	2.19%	1,585	2.67%
91 to 120 days	561	1.00%	1,105	1.86%
121 to 150 days	487	0.87%	838	1.41%
151 to 180 days	545	0.97%	607	1.02%
More than 181 days	5,641	10.08%	4,757	8.01%
Total past due	14,828	26.47%	15,781	26.56%
Grand total (falling due and past due)	56,022		59,425	

The Company and its subsidiaries record provisions for loss based on a statistical analysis of the past trade receivable losses, including notes. Changes in the provision for impairment of trade receivables were as follows:

	Consolidated	
	03/31/2022	12/31/2021
Opening balance	(4,477)	(4,293)
(Provisions) and reversals	(1,006)	(578)
Write-off due to realization	(99)	(38)
Reversal of provision upon receipt	168	432
Closing balance	(5,414)	(4,477)

The Company and its subsidiaries' trade and other receivables are denominated in the following currencies:

	Consolidated	
	03/31/2022	12/31/2021
Real	50,903	54,208
US Dollar	2,644	2,610
Euros	2,475	2,607
	56,022	59,425

9. Deferred taxes

The deferred income tax and social contribution amounts arise from temporary differences in the parent company and subsidiaries. For certain subsidiaries, the balance of deferred taxes on tax losses was also recognized. The amounts are shown below:

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

	Consolidated	
	03/31/2022	12/31/2021
Neogrid Informática Ltda	(64,245)	(66,419)
Temporary differences	4,937	5,229
Tax losses	10,351	8,074
Amortization Capital Gains - Accera Intangibles	421	512
Amortization Capital Gains - Intangibles Trade Force	95	118
Goodwill amortization New Chain	(867)	(867)
Goodwill amortization Expert Easy	(874)	(874)
Goodwill amortization Bis Company	(22,997)	(22,273)
Goodwill amortization Trade Force	(339)	(316)
Goodwill amortization Accera	(15,009)	(13,557)
Goodwill amortization Mercador	(12,534)	(12,534)
Goodwill amortization G2KA	(1,721)	(1,721)
Goodwill amortization Accera (Deferred income taxes surplus value)	(3,229)	(3,639)
Goodwill amortization Smarket (Deferred income taxes surplus value)	(2,656)	(2,862)
Goodwill amortization Horus (Deferred income taxes surplus value)	(1,440)	(1,504)
Goodwill amortization Arker (Deferred income taxes surplus value)	(8,453)	(9,007)
Goodwill amortization Lett (Deferred income taxes surplus value)	(10,671)	(11,227)
Goodwill amortization Predify (Deferred income taxes surplus value)	(992)	(1,031)
Goodwill amortization Smarket	(140)	-
Other deferrals	1,873	1,060
Deferred tax liabilities, net	(64,245)	(66,419)

Reconciliation of income tax and social contribution

	Consolidated	
	03/31/2022	03/31/2021
Profit before income tax and social contribution	3,597	8,195
Income tax and social contribution at the statutory rate of 34%	(1,223)	(2,786)
Equity in the earnings of investees	666	1,023
Tax jurisdiction differences for subsidiaries abroad	-	-
Non-deductible expenses	(23)	(9)
Technological innovation incentive	-	-
Other permanent differences	732	(89)
Income tax and social contribution expense	152	(1,861)
Current income tax and social contribution	(1,179)	-
Deferred income tax and social contribution	1,331	(1,861)
Effective rate %	(4.23)	22.7

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

10. Leases

(a) Balances recorded in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated	
	03/31/2022	12/31/2021
Right-of-use assets		
Machinery and equipment	1,559	1,900
Software	126	198
Lease of properties	5,364	6,319
	<u>7,049</u>	<u>8,417</u>
Lease liabilities		
Current	2,632	3,067
Non-current	2,922	3,574
	<u>5,554</u>	<u>6,641</u>

There were no additions to right-of-use assets during the period of 2022 (R\$ 2,896 in the same period in 2021).

(b) Balances recorded in the statement of income

The statement of income presents the following amounts relating to leases:

	Consolidated	
	03/31/2022	03/31/2021
Depreciation and amortization charge for the right-of-use assets (included in costs and expenses – total depreciation charges – Note 22)		
Machinery and equipment	327	476
Software	72	164
Lease of properties	842	998
	<u>1,241</u>	<u>1,638</u>
Interest expense (included in finance costs – Note 24)	83	212

Lease payments in 2022 totaled R\$1,021 (R\$1,327 in the same period in 2021).

(c) Additional disclosures required by the CVM

Right-of-use assets

The change in the balances of the right-of-use assets is shown below:

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

At December 31, 2021	8,417
Additions due to new contracts	-
Remeasurement adjustment	(127)
Depreciation and amortization expenses	(1,241)
Balance of right-of-use assets as of March 31, 2022	7,049

Lease liabilities

Changes in lease liabilities:

At December 31, 2021	6,641
Interest provided	83
Interest paid	(22)
Additions due to new contracts	-
Remeasurement adjustment	(127)
Payments	(1,021)
Lease liabilities at March 31, 2022	5,554

The Company and its subsidiaries' analysis of their contracts based on their maturity dates is presented below, amounts are not discounted to present value:

Contract maturity dates

Installment maturity dates	
Less than 1 year	2,836
Between 1 and 2 years	2,010
Between 2 and 5 years	1,030
Undiscounted amounts	5,877
Embedded interest	(323)
Lease liabilities at March 31, 2022	5,554

Contracts by term and discount rate

Contract term	Rate % p.a.
3 years	12.30
4 years	5.62

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

11. Property and equipment

	03/31/2022				Consolidated 12/31/2021		
	Rates of Depreciation p.a. %	Cost	Depreciation accumulated	Net	Cost	Depreciation accumulated	Net
IT equipment	20%	29,021	(27,608)	1,413	28,640	(27,486)	1,154
Furniture and fittings	10%	2,803	(2,101)	702	2,794	(2,067)	727
Leasehold improvements	10%	6,154	(4,186)	1,968	6,084	(4,058)	2,026
Others	20%	226	(66)	160	238	(64)	174
		38,204	(33,961)	4,243	37,756	(33,675)	4,081

	IT equipment	Furniture and fittings	Leasehold improvements	Others	Consolidated Total property and equipment
Balances in December 31, 2020	882	845	2,560	784	5,071
Additions	404	25	25	81	535
Additions Smarket	73	7	-	-	80
Additions Lett	310	10	-	-	320
Additions Predify	-	3	-	-	3
Disposal of property and equipment	(29)	(17)	(9)	(686)	(741)
Depreciation for the year	(486)	(146)	(550)	(5)	(1,187)
Balances in December 31, 2021	1,154	727	2,026	174	4,081
Additions	389	9	77	(12)	463
Disposal of property and equipment	(8)	-	(7)	-	(15)
Depreciation for the year	(122)	(34)	(128)	(2)	(286)
Balances in March 31, 2022	1,413	702	1,968	160	4,243
Annual average depreciation rate	20%	10%	10%	20%	

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

The Company's management analyzed the depreciation for the remaining economic useful life of property and equipment, and concluded that there is no need to modify the depreciation rates.

Impairment test of property and equipment

Property and equipment are tested for impairment annually or whenever there is an indication of impairment. For the period ended March 31, 2022 no provision was required.

Guarantees

At March 31, 2022, there were no property and equipment items linked to guarantees for bank borrowings.

12. Intangible assets

					Consolidated		
		03/31/2022			12/31/2021		
	Rates of Amortization p.a. %	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Finite useful life							
Software	20%	12,716	(11,076)	1,640	12,705	(10,916)	1,789
Portfolio of customers	6.67%	265	(265)	-	265	(265)	-
Excess appraisal of customer (a)	10% to 100%	24,272	(11,197)	13,075	24,272	(9,863)	14,409
Excess appraisal of technology (a)	17.39% a 25%	83,345	(22,050)	61,295	83,345	(17,846)	65,499
Excess appraisal of trademarks (a)	5.13% to 33.33%	4,331	(572)	3,759	4,331	(513)	3,818
Trademarks and patents	10%	42	(37)	5	42	(36)	6
Indefinite useful life							
Commercial rights (c)		3,000	-	3,000	3,000	-	3,000
Goodwill (b)		283,492	-	283,492	284,970	-	284,970
		411,463	(45,197)	366,266	412,930	(39,439)	373,491

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

Changes in cost and amortization

	Annual average amortization rate	Balance in December 31, 2020	Additions	Additions Left	Additions Predify	Deferred income taxes - surplus value	Disposals	Transfers	Amortization in the year	Balance in December 31, 2021
Software	20%	1,041	1,332	10	-	-	-	-	(594)	1,789
Portfolio of customers	6.67%	-	-	-	-	-	-	-	-	-
Excess appraisal of customer (a)	10% to 100%	11,470	6,539	-	-	-	-	-	(3,600)	14,409
Excess appraisal of technology (a)	18.39% to 25%	7,749	66,188	-	-	-	-	-	(8,438)	65,499
Excess appraisal of trademarks (a)	5.13% to 33.33%	545	3,862	-	-	-	(270)	(1,251)	932	3,818
Trademarks and patents	10%	553	-	-	3	-	(178)	(827)	455	6
Commercial rights (c)		3,000	-	-	-	-	-	-	-	3,000
Goodwill (b)		201,532	56,962	-	-	24,398	-	2,078	-	284,970
Total intangible assets		225,890	134,883	10	3	24,398	(448)	-	(11,245)	373,491

	Annual average amortization rate	Balance in December 31, 2021	Additions	Deferred income taxes - surplus value	Disposals / Remeasurement	Transfers	Amortization in the year	Balance in March 31, 2022
Software	20%	1,789	11	-	-	-	(160)	1,640
Portfolio of customers	6.67%	-	-	-	-	-	-	-
Excess appraisal of customer (a)	10% to 100%	14,409	-	-	-	-	(1,334)	13,075
Excess appraisal of technology (a)	18.39% to 25%	65,499	-	-	-	-	(4,204)	61,295
Excess appraisal of trademarks (a)	5.13% a 33.33%	3,818	-	-	-	-	(59)	3,759
Trademarks and patents	10%	6	-	-	-	-	(1)	5
Commercial rights (c)		3,000	-	-	-	-	-	3,000
Goodwill (b)		284,970	-	(839)	(639)	-	-	283,492
Total intangible assets		373,491	11	(839)	(639)	-	(5,758)	366,266

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

- (a) The excess appraisal of intangible assets refers to Software, IT, Customers Relationship and Trademarks, generated on the acquisition of equity interest in the following companies:
- (i) G2KA Sistemas Ltda.: acquisition in 2013; merger in March 2014;
 - (ii) Trade Force Serviços em Tecnologia Ltda.: acquisition by Accera in December 2017; merger in August 2018;
 - (iii) Accera Sistemas Estratégicos Ltda.: acquisition in October 2018; merger in September 2019;
 - (iv) Smarket Solutions Software de Apoio a Gestão Ltda: acquisition in March 2021; merger in January 2022;
 - (v) Arker Tecnologia e Desenvolvimento de Software Ltda in September 2021;
 - (vi) Lett Serviços de Informação S.A. in September 2021;
 - (vii) Predify Tech Ltda in December 2021.
- (b) Goodwill on investments arose on the acquisition of equity interest in the following companies, subsequently merged:
- (i) Mercador S.A. in 2007 and 2008; merger in November 2008;
 - (ii) Newchain Business Solutions Ltda. in 2008; merger in April 2014;
 - (iii) Expert-Easy Consultoria em Informática Ltda. in 2008; merger in April 2014;
 - (iv) Neogrid North America LLC in 2008;
 - (v) G2KA Sistemas Ltda, in 2013; merger in March 2014;
 - (vi) Bis Participações Ltda.; acquisition and merger in 2014;
 - (vii) Trade Force Serviços em Tecnologia Ltda.: acquisition by Accera in December 2017; merger in August 2018;
 - (viii) Accera Sistemas Strategicos Ltda in October 2018; merger in September 2019;
 - (ix) Smarket Solutions Software de Apoio a Gestão Ltda in March 2021; merger in January 2022;
 - (x) Arker Tecnologia e Desenvolvimento de Software Ltda in September 2021. Neogrid Informática has the future intention of carrying out the merger of Arker, thus enjoying the tax benefits of the amortization of goodwill according to Law 12,973 of May 13, 2014;
 - (xi) Lett Serviços de Informação S.A. in September 2021. Neogrid Informática has the future intention of carrying out the merger of Lett, thus enjoying the tax benefits of the amortization of goodwill according to Law 12,973 of May 13, 2014;
 - (xii) Predify Tech Ltda in December 2021.
- (c) In June 2010, Neogrid Informática signed a Private Software Distribution Partnering Agreement with TOTVS S.A., which licensed Neogrid Informática as its sole and exclusive supplier of the "TOTVS COLABORAÇÃO" Solution, for which it paid the amount of R\$ 3,000 over 30 months, The agreement has an indefinite term, being classified as an indefinite useful life and its recoverability is tested annually.

Analysis of the recoverable value of the intangible asset with indefinite useful life

As of January 1, 2022 and March 31, 2022, there were no significant events that would change the estimated recoverable amount and/or require a new assessment for that base date.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

13. Trade and other payable

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic suppliers	223	342	8,675	4,749
Domestic suppliers - related parties (Note 19b)	-	-	87	87
Foreign suppliers	-	-	1,822	2,183
Dividends payment (Note 20d)	3,470	3,470	3,470	3,470
Advances from customers	-	-	683	929
Other payables	-	-	309	148
	3,693	3,812	15,046	11,566

14. Borrowings

Bank borrowings mature until 2029 and accrue average charge of 0.4566% per month (p.m). Total borrowings of R\$ 76,925 (R\$ 83,516 in December 31, 2021) include guaranteed obligations (guaranteed bank borrowings).

Type	Currency	2021 charges	Year of maturity	Parent company		Consolidated	
				03/31/2022	12/31/2021	03/31/2022	12/31/2021
Working capital (domestic)	Real	CDI + 2.75% p.a.	2024	62,725	68,694	62,725	68,694
Working capital (domestic)	Real	3.75% p.a.	2023	-	-	93	114
BNDES	Real	3.72% p.a.	2023	-	-	33	35
BDMG	Real	6.3% p.a.	2024	-	-	638	709
FINEP	Real	TJLP+4.5% p.a.	2029	-	-	13,436	13,916
Pronampe	Real	SELIC + 1.27% p.a.	2023	-	-	-	48
				62,725	68,694	76,925	83,516
Current liabilities				24,265	24,270	26,557	26,487
Non-current liabilities				38,460	44,424	50,368	57,029

Guarantees

The Company is in compliance with all contractual obligations for these borrowings. The guarantees presented are detailed below:

Operation	Parent company	Consolidated
Trade receivables	2,000	2,000
Bank sureties	-	13,916
	2,000	15,916

Covenants

On September 19, 2019, the indenture related to the 1st issue of simple, non-convertible debentures, with collateral and additional personal guarantee, in a single series, for public distribution with restricted efforts by Neogrid Participações S.A. was entered into between the Issuer and Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A. (Trustee), of 110,000 (Debentures in the total amount of: R\$ 110,000

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

ISIN Code: BRNGRDDBS005, issued on October 1, 2019, Proceeds used to settle the bank credit notes issued by Neogrid Informática in favor of Banco do Brasil, in addition to the early settlement of the second and third installments owed to former stockholders of Accera from the acquisition.

The Debentures will mature in 60 months, as from the Issue Date, October 1, 2024, except in the event of early maturity and total early redemption ("Maturity Date"). They are remunerated at CDI + 2.75% p.m.

Depository Bank: Banco do Brasil S.A.

This agreement has a covenant for "Net Debt (*) / EBITDA" ratio of less than 3.8x in 2019 and 2.5x as from 2020, where:

(*) Net Debt = Short and Long-term Borrowings (Financial Institutions and/or Debentures) - Cash and cash equivalents (Cash, Cash in Transit, Banks and Free Financial Investments).

In the period in 2022, the ratio was -5.80.

Derivatives

Currently, the Company does not use derivatives.

Changes in the year

Changes in this line item during 2022:

	Parent company	Consolidated
At December 31, 2020	104,407	120,471
(+) Funding	-	-
(+) Funding Smarket	-	236
(+) Funding Arker	-	316
(+) Funding Lett	-	850
(-) Principal paid	(35,998)	(38,455)
(-) Interest paid	(5,325)	(6,085)
(+) Interest and foreign exchange gains/losses	5,610	6,183
At December 31, 2021	68,694	83,516
(+) Funding	-	-
(-) Principal paid	(6,000)	(6,617)
(-) Interest paid	(1,942)	(2,156)
(+) Interest and foreign exchange gains/losses	1,973	2,182
At March 31, 2022	62,725	76,925

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

15. Others liabilities

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Third party services	360	269	8,657	9,216
Commissions	-	-	472	417
	360	269	9,129	9,633

16. Payables for acquisition of investments

They are recorded in liabilities, as follows:

	03/31/2022
Current liabilities	
Smarket Acquisition	14,905
Lett Acquisition	13,339
Arker Acquisition	9,936
	38,180
Non-current liabilities	
Lett Acquisition	19,159
Arker Acquisition	17,771
Smarket Acquisition	3,196
	40,126
Total obligations	78,306

The calculations and assumptions of the considerations are detailed in Note 6 – Business combination.

Changes in the year

Changes in this line item during 2022:

	Subsidiaries				Associate	
	Smarket	Arker	Lett	Predify	Total	Horus
At December 31, 2020	-	-	-	-	-	-
(+) Acquisition	26,120	55,358	69,057	4,350	154,885	7,000
(-) Adjustment to Present Value	(1,547)	(9,580)	(9,275)	-	(20,402)	-
(+) Interests	897	148	257	-	1,302	-
(-) Payment	(8,620)	(20,000)	(22,100)	-	(50,720)	(7,000)
(+) APV appropriation	719	809	1,080	-	2,608	-
At December 31, 2021	17,569	26,735	39,019	4,350	87,673	-
(+) Interests	246	76	157	-	479	-
(-) Payment	-	-	(7,890)	(4,350)	(12,240)	-
(+) APV appropriation	286	896	1,212	-	2,394	-
At March 31, 2022	18,101	27,707	32,498	-	78,306	-

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

17. Deferred revenue

	Consolidated	
	03/31/2022	12/31/2021
Current liabilities		
Subscription revenue (recurring)	8,649	8,516
Revenue from services	705	1,485
	9,354	10,001

As of March 31, 2022 and December 31, 2021, the total balance of deferred income corresponds to billings with execution periods shorter than one year.

18. Provision for contingencies

They were composed according to nature, as follows:

	Consolidated	
	03/31/2022	12/31/2021
Labor	176	171
Civil	258	243
Administrative	57	56
	491	470

Changes in provision for contingencies:

	Consolidated			
	Labor	Civil	Administrative	Total
At December 31, 2020	193	177	-	370
(+) Complement of provision	395	145	67	607
(-) Reversal of provision not used	(255)	(38)	(8)	(301)
(-) Write-off due to payments	(162)	(41)	(3)	(206)
At December 31, 2021	171	243	56	470
(+) Complement of provision	5	15	1	21
(-) Reversal of provision not used	-	-	-	-
(-) Write-off due to payments	-	-	-	-
At March 31, 2022	176	258	57	491

Processes with estimated losses as possible

The proceedings for which the prospect of loss was assessed as possible totaled R\$ 733 in March 31, 2022, R\$ 733 of which of a labor nature; (in December 31, 2021, R\$ 719 of a labor nature, totaling R\$ 719 in that year).

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

19. Related parties

The financial transactions between the Company and its subsidiaries and key management compensation were carried out as follows:

(a) Key management compensation

The amounts referring to the compensation of key management personnel, represented by its board of directors and statutory officers was R\$ 1,964 in the period in 2022 (R\$ 1,827 in the same period in 2021).

(b) Other related-party transactions

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Intercompany loan				
GRG Inovações e Tecnologia S.A.	-	-	767	-
(Horus) (a)				
Total non-current assets	-	-	767	-

(a) Horus' loan agreement with Neogrid Informática bears interest at 100% of the CDI rate per month. The maturity will be on November 30, 2023, with the possibility of conversion into equity interest.

	Consolidated	
	03/31/2022	12/31/2021
Trade and other payables (Note 13)		
M. Abuhab Participações S.A.	87	87
	87	87

The table below shows the balances of other transactions with related parties affecting the statement of income:

	Consolidated	
	03/31/2022	03/31/2021
Neogrid Datacenter S.A. (a)	-	63
M. Abuhab Participações S.A. (b)	68	62
Camerite Sistemas S.A. (c)	5	5
	73	130

Notes:

- (a) Internet link, data circuit, equipment hosting (colocation) and servers;
- (b) Neogrid Joinville common area maintenance fee;
- (c) Cameras for internal security of the office;

20. Equity

(a) Share capital

The shareholding structure of the Company as of March 31, 2022 and December 31, 2021 is as follows:

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

	03/31/2022		12/31/2021	
	Shares	%	Shares	%
Outstanding shares	233,714,989	97.93%	236,735,439	99.19%
Shares in Treasury	4,947,341	2.07%	1,926,891	0.81%
Total in units	238,662,330	100.00%	238,662,330	100.00%

(b) Shares offering expenses

As provided for in accounting pronouncement CPC 08 (R1) / IAS19 - Costs of Transactions and Premiums on the Issuance of Bonds and Securities, the transaction costs incurred in raising funds for equity were recorded, in a prominent way, in a capital reducing account Social. The Company incurred costs in 2020 for the initial public offering in the amount of R\$ 29,800.

(c) Legal reserve

The legal reserve is constituted annually as an allocation of 5% of the net income for the year and cannot exceed 20% of the capital stock. The purpose of the legal reserve is to ensure the integrity of the capital stock and can only be used to offset losses and increase capital. In 2021, R\$ 730 was allocated.

(d) Retention Reserve

Refers to the allocation of the remaining balance of net income for the year, after the constitution of a legal reserve, the proposal for the distribution of dividends and interest on own capital, constituted for investments, expansion and reinforcement of working capital.

These financial statements reflect only the minimum mandatory dividends, set out in the Company's Bylaws, of 25% of Parent company's adjusted net income. In 2021, dividends were provisioned in the amount of R\$ 3,470 plus a supplement of R\$ 6 relative to 2020. The provision related to any amount above the mandatory minimum will be constituted on the date it is approved by the shareholders.

In 2021, a reserve was set up in the amount of R\$ 10,892.

(e) Options Granted

Variations in the number of stock options and their corresponding weighted average prices are presented below:

	Average price per share (in reais)	Options (in thousands)
At December 31, 2020	-	1,850
Expired on 04/2021	-	(54)
Exercised on 04/2021	1.9009	(449)
Expired on 09/2021	-	(243)
Expired on 11/2021 and 12/2021	-	(81)
At December 31, 2021	-	1,023
Expired on 01/2022	-	(68)
Expired on 03/2022	-	(30)
Exercised on 03/2022	1.9604	(288)
At March 31, 2022	-	637

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

The stock options outstanding at the end of the year have the following maturity dates and exercise prices:

Maturity Date – March 31	Exercise price per share (in reais)	03/31/2022
2023	0.70	319
2024	0.78	318
		637

Expenses with stock options granted to the Eligible were R\$ 41 in the period ended March 31, 2022 (R\$ 214 as of March 31, 2021).

(f) Treasury shares

Treasury shares comprise preferred shares, acquired by the Company for subsequent cancellation, sale or maintenance in treasury, recorded at cost.

In the periods, the following changes occurred in the treasury shares of Neogrid Participações S.A:

	Number of Ordinary Shares (thousands)	Value	
	Ordinary	Treasury Shares	Accumulated Profits and Losses
At December 31, 2020	2,376	(1,937)	-
Disposal of shares	(449)	366	488
At December 31, 2021	1,927	(1,571)	488
Acquisition of shares	3,308	(9,090)	-
Disposal of shares	(288)	587	(22)
At March 31, 2022	4,947	(10,074)	(22)

On April 6, 2021, 449,000 common treasury shares were transferred to the beneficiaries of the stock option plan, for the amount of R\$ 854, as a result of the exercise of the subscription option, with recognition of profit on the sale of said shares recorded in reserves of profits, in the amount of R\$ 488.

On January 18, 2022, the Share Buyback Program was approved at a meeting of the Board of Directors, up to the limit of 8,500,000 common shares issued by the Company itself, for subsequent cancellation, sale or maintenance in treasury, or even use to comply with a share-based incentive plan, which may eventually be approved pursuant to article 168 of Law No. 6,404/76, pursuant to a material fact on that date.

The objective of the Buyback Program is to maximize the generation of shareholder value through an efficient management of the Company's capital structure. Up to March 31, 2022, 3,308,700 shares had been acquired for the Company's treasury, for the amount of R\$ 9,090.

On March 30, 2022, 288,250 common treasury shares were transferred to the beneficiaries of the stock option plan, for the amount of R\$ 565, as a result of the exercise of the subscription option, with recognition of a loss on the sale of said shares recorded in profit reserves, in the amount of R\$ 22.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

As of March 31, 2022, the Company had 4,947,341 common shares in treasury (1,926,891 common shares as of December 31, 2021).

(g) Goodwill

Refers to the goodwill arising from the acquisition of additional equity interest in the subsidiary Neogrid North America, after Neogrid Participações already holds the controlling interest in this company, in the amount of R\$ 16,016.

21. Net sales revenue

The reconciliation between gross and net revenue is as follows:

	Consolidated	
	03/31/2022	03/31/2021
Recurring subscription	69,195	62,800
Services	2,322	1,244
(-) Cancellations	(559)	(521)
(-) PIS / COFINS	(2,142)	(1,878)
(-) INSS	(2,570)	(2,315)
(-) ISS	(1,323)	(976)
Net sales revenue	64,923	58,354

22. Operating costs and expenses by nature

	Consolidated	
	03/31/2022	12/31/2021
<u>By nature</u>		
Employee salaries and benefits	(37,555)	(26,967)
Third party expenses and commissions	(11,770)	(10,088)
Advisory and third party services	(530)	(568)
Selling and marketing expenses	(1,612)	(201)
Depreciation and amortization	(7,285)	(3,823)
Indirect personnel expenses	(3,857)	(5,157)
Lease expenses	(324)	(131)
General administrative expenses	(622)	(387)
Software and hardware support expenses	-	(81)
Other expenses	(35)	(105)
	(63,590)	(47,508)
<u>By function</u>		
Cost of sales	(24,167)	(18,844)
Selling expenses	(10,378)	(7,253)
General and administrative expenses	(17,899)	(11,039)
Research and expenses on software	(11,146)	(10,372)
	(63,590)	(47,508)

In the period ended March 31, 2022, costs and expenses involving related parties amounted to R\$ 73 (R\$ 130 as of March 31, 2021). Note 19 b.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

23. Other income (expenses), net

	Consolidated	
	03/31/2022	03/31/2021
Extraordinary revenue	17	-
Provision for contingencies	(21)	(19)
Provision for recoverable tax losses	(45)	(45)
M&A expenses	(315)	(64)
Other operating income and (expenses)	135	7
	(229)	(121)

24. Finance income and cost

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Finance income				
Income from financial investments	6,160	1,435	6,982	1,563
Foreign exchange gain	-	-	2,206	-
Late payment interest received	-	-	23	25
Discounts and rebates obtained	-	-	1	30
Interest on contract with third parties	-	-	36	4
Other finance income	-	1	58	-
	6,160	1,436	9,306	1,622
Finance costs				
Foreign exchange loss	-	-	-	(1,275)
Interest on borrowings	-	(188)	(343)	(246)
Tax on financial transactions (IOF) expenses	-	-	(44)	(25)
Discounts and rebates granted	-	-	(26)	(23)
Interest and late payment/ fine	(95)	(32)	(204)	(147)
Interest on loan agreement	-	-	-	(5)
Interest on payables for the acquisition of investments	-	-	(479)	-
Property lease charges - IFRS 16	-	-	(77)	(185)
Finance costs (PV adjustment)	-	-	(2,394)	-
Interest on debentures / FINEP	(1,973)	(1,006)	(1,973)	(1,006)
Guarantee Commission and surety bond	-	-	(139)	(144)
Share Bookkeeping	(298)	(598)	(298)	(598)
Other Financial Expenses	(6)	(215)	(64)	(281)
	(2,372)	(2,039)	(6,041)	(3,935)
	3,788	(603)	3,265	(2,313)

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements
as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

25. Earnings per share

Earnings per share	Basic		Diluted	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Number of shares (in thousands)	233,715	236,286	233,715	236,286
Weighted average number of shares (in thousands)	235,251	236,286	235,251	236,286
Stock options (in thousands)	-	-	730	1,715
Weighted average number of shares for basic earnings and diluted per share (in thousands)	235,251	236,286	235,981	238,001
Profit for the year	3,938	6,334	3,938	6,334
Earnings per share (in Reais)	0.0167	0.0268	0.0167	0.0266

26. Other cash flows disclosures

(a) Sale of property and equipment

In the statement of cash flows, the profit (loss) on sale of property and equipment comprises:

	03/31/2022	03/31/2021
Net carrying amount (Note 11)	15	673
Profit (loss) on disposal of property and equipment	10	12
Proceeds from disposal of property and equipment	25	685

(b) Net debt reconciliation

	Consolidated	
	03/31/2022	12/31/2021
Short-term borrowings (Note 14)	26,557	26,487
Long-term borrowings (Note 14)	50,368	57,029
Total debt	76,925	83,516
Cash and cash equivalents (Note 7a)	(96,504)	(96,456)
Short-Term Financial investments (Note 7b)	(196,783)	(214,496)
Net debt	(216,362)	(227,436)

27. Insurance coverage

The Company's Management adopts the policy of insuring the assets exposed to risks in amounts considered sufficient (unaudited) to cover potential losses, taking into consideration the nature of its activities. The risk assumptions adopted are not part of the scope the audit of the financial statements and, therefore, were not audited by the independent auditors.

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

Nature	Coverage	Sum insured
Virtual security	Cyber Attack	R\$ 25,000
Virtual security	Cyber Attack	US\$ 10,000
Virtual security	Cyber Attack	€\$ 2,500
Property and equipment and leased building	Fire, lightning, other	R\$ 5,313
Administrative	Civil liability (D&O)	R\$ 30,000
Administrative	Civil liability (D&O)	US\$ 2,000

28. Subsequent Events

(a) Merger of Lett

On April 1, 2022, the process of incorporating the Company's indirect subsidiary, Lett, into the direct subsidiary Neogrid Informática was formalized, as approved in the Minutes of the Board of Directors' Meeting of March 31, 2022. There was no issuance of new quotas, considering that all the shares representing Lett's share capital were already held by Neogrid Informática before this date. With the merger, Neogrid Informática assumed all of Lett's rights and obligations, with its consequent extinction.

(b) Merger of Arker

The Minutes of the Board of Directors' Meeting of March 31, 2022 also approved the process of incorporating Arker into the direct subsidiary Neogrid Informática Ltda, to be carried out on May 1, 2022. There will be no issuance of new quotas, taking into account since the totality of the shares representing Arker's share capital is already held by Neogrid Informática. With the merger, Neogrid Informática will assume all of Arker's rights and obligations, with its consequent extinction.

(c) Ordinary General Meeting of 04/27/2022

On April 27, 2022, the Ordinary General Meeting was held with the following resolutions:

- Approval of the Company's financial statements, accompanied by the management report and the report of the Company's independent auditors, referring to the fiscal year ended December 31, 2021;

- Approval of the allocation of net income for the fiscal year 2021, in the amount of R\$ 14,609,649.55, as follows: (i) allocation of R\$ 730,482.48, equivalent to 5% of net income, to the constitution of the legal reserve; (ii) distribution to the Company's shareholders of R\$ 3,469,791.77, equivalent to 25% of adjusted net income, as mandatory dividends; (iii) retention of R\$ 10,409,375.30, for execution of the capital budget approved herein.

It was agreed that the approved dividends will be paid according to the existing share positions at the close of the B3 trading session on April 27, 2022 (base date), respecting the negotiations carried out until that day (inclusive), so that the shares of the Company will be traded "ex-dividends" as of April 28, 2022. The amounts will be paid on June 15, 2022, at the bank address provided by the shareholder to Itaú Corretora de Valores S.A., depositary institution for the Company's book-entry shares.

Approval of the global annual compensation of the Company's managers for the fiscal year 2022 in the amount of up to R\$ 11,666,124.12 (eleven million, six hundred sixty-six thousand, one hundred and twenty-four reais and twelve cents).

NEOGRID PARTICIPAÇÕES S.A.

Management's explanatory notes to the interim financial statements as of March 31, 2022

All amounts in thousands of reais, unless otherwise stated

Approval of the ratification of the appointment of Mr. Jorge Steffens, for the unified term of office of the other members of the Board of Directors, as well as his assignment as an effective member for the purposes of the Novo Mercado Regulation, as of January 27, 2022, replacing Mr. José Rogério Luiz who resigned on the same date.

* * *