

Interim Financial Statements

Claranet Technology S.A.

September 30, 2022
with Independent Auditor's Report

Claranet Technology S.A.

Interim financial statements

September 30, 2022

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Report on the review of quarterly information

To
Shareholders, Directors and Officers of
Claranet Technology S.A.
São Paulo - SP

Introduction

We have audited the individual and consolidated interim financial information of Claranet Technology S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2022, which comprises the statement of financial position as of September 30, 2022, and the respective statements of profit of loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the accompanying notes.

The Executive Board is responsible for preparing the individual interim financial statements in compliance with NBC TG 21 Interim Reporting and the consolidated interim financial statements in compliance with NBC TG 21 and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), as well as for the presentation of such information in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of the review

We conducted our review in compliance with Brazilian and international standards for the review of interim financial statements (NBC TR 2410 Interim Financial Information Review Performed by the Entity's Auditor and ISRE 2410 - Review of Interim financial statements Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, mainly to persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. The scope of a review is significantly lower than an audit conducted in compliance with audit standards and, accordingly, has not allowed us to obtain assurance that we are aware of all significant matters that could be identified through an audit procedure. Therefore, we do not express an audit opinion.

Conclusion on the individual and consolidated interim information

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial statements included in the aforementioned quarterly information were not prepared, in all material respects, in compliance with Technical Pronouncement CPC NBC TG 21 and IAS 34, applicable the preparation of Quarterly Information (ITR) and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Statement of value added

The aforementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended September 30, 2022, prepared under the responsibility of the Company's Executive Board and presented as supplementary information for the purposes of IAS 34. Such statements were submitted to review procedures carried out together with the review of the quarterly financial statements, in order to determine whether they are reconciled with the interim financial statements and accounting records, as applicable, and whether their form and content comply with the criteria defined in NBC TG 09 Statement of Value Added. Based on our review, we are not aware of any facts that would lead us to believe that these statements of value added were not prepared, in all material respects, in compliance with the criteria defined in this Standard and in a consistent manner in relation to the individual and consolidated interim financial statements taken together.

São Paulo, November 08, 2022

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



Bruno Mattar Galvão
Accountant CRC-1SP267770/O-6-T-CE

Claranet Technology S.A.

Statements of financial position
September 30, 2022 and June 30, 2022
(In thousands of Brazilian reais)

	Note	Individual	
		09/30/2022	06/30/2022
Assets			
Cash and cash equivalents	4	42.770	33.374
Trade accounts receivable	5	24.076	27.563
Taxes recoverable	6	6.261	4.857
Prepaid expenses	-	502	426
Other assets	-	885	1.005
Total current assets		74.494	67.225
Related parties	7.a	5.173	5.112
Taxes recoverable	6	3.063	3.063
Deferred income and social contribution taxes	15.b	26.130	29.647
Judicial deposits	-	43	43
Right of use	16	12.481	14.064
Property & Equipment	8	38.540	37.879
Intangible assets	9	173.372	173.862
Total noncurrent assets		258.802	263.670
Total assets		333.296	330.895

	Note	Individual	
		09/30/2022	06/30/2022
Liabilities			
Trade accounts payable	10	25.067	25.381
Loans and financing	11	13.011	14.674
Lease liabilities	16	6.145	6.443
Tax obligations	14	2.738	2.591
Labor obligations	13	8.630	10.059
Related parties	7.b	723	744
Other liabilities	-	122	612
Total current liabilities		56.436	60.504
Loans and financing	11	33.337	32.209
Contingencies	17	11.639	12.891
Accounts payable for business acquisition	12	40.490	40.210
Tax obligations	14	124	124
Lease liabilities	16	7.875	9.187
Related parties	7.b	92.300	92.300
Total noncurrent liabilities		185.765	186.921
Equity			
Share capital		180.998	180.998
Capital reserve		24.149	23.492
Accrued losses		(114.052)	(121.020)
Total equity		91.095	83.470
Total liabilities and equity		333.296	330.895

See accompanying notes

Claranet Technology S.A.

Statements of profit or loss

For the three-month periods ended September 30, 2022 and 2021

(In thousands of Brazilian reais, except earnings per share)

		Individual		Consolidated
	Note	09/30/2022	09/30/2021	09/30/2021
Profit (loss)				
Net Revenue	20	54.457	26.455	53.224
Cost of services provided	21	(35.130)	(18.285)	(40.981)
Gross profit		19.327	8.170	12.243
Selling expenses	21	(2.788)	(2.018)	(4.035)
General and administrative expenses	21	(4.467)	(2.392)	(5.406)
Equity pickup		-	(2.792)	-
Other operating income (expenses), net		1.075	-	-
Total operating income (expenses)		(6.180)	(7.202)	(9.441)
Profit before finance income (costs)		13.147	968	2.802
Finance income	22	1.408	314	413
Finance costs	22	(4.070)	(2.133)	(3.242)
Finance income (costs), net		(2.662)	(1.819)	(2.829)
Profit (loss) before income and social contribution taxes		10.485	(851)	(27)
Income and social contribution taxes - Current	15.a	-	-	-
Income and social contribution taxes - Deferred	15.a	(3.517)	9	(815)
Net income (loss) for the period		6.968	(842)	(842)
Earnings per share	25			
Basic earnings per share (in Brazilian reais)		0,0587	(0,0071)	(0,0071)
Diluted Earnings per Share (in Brazilian reais)		0,0562	-	-

See accompanying notes

Claranet Technology S.A.

Statements of comprehensive income

For the three-month periods ended September 30, 2022 and 2021

(In thousands of Brazilian reais)

	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Net income (loss) for the period	6.968	(842)	(842)
Other comprehensive income	-	-	-
Total comprehensive income	6.968	(842)	(842)

See accompanying notes

Claranet Technology S.A.

Statements of changes in equity

For the three-month periods ended September 30, 2022 and 2021

(In thousands of Brazilian reais)

		Capital reserve			Income reserve		Proposed additional dividends	Accrued losses	Subtotal
		Goodwill on share issuance	Special goodwill reserve	Share-based compensation reserve	Legal reserve	Profit reserve			
Note	Capital								
Balance as of June 30, 2021	180.998	(18.813)	39.107	-	-	-	-	(106.304)	94.988
Share-based compensation reserve	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	(842)	(842)
Balance as of September 30, 2021	180.998	(18.813)	39.107	-	-	-	-	(107.146)	94.146
Balance as of June 30, 2022	-	(18.813)	39.107	3.198	-	-	-	(121.020)	83.470
Share-based compensation reserve	-	-	-	657	-	-	-	-	657
Net income for the period	-	-	-	-	-	-	-	6.968	6.968
Balance as of September 30, 2022	180.998	(18.813)	39.107	3.855	-	-	-	(114.052)	91.095

See accompanying notes.

Claranet Technology S.A.

Statements of cash flows

For the three-month periods ended September 30, 2022 and 2021

(In thousands of Brazilian reais)

		Individual	Consolidated	
	Note	09/30/2022	09/30/2021	09/30/2021
Cash flow from operating activities				
Net income (loss) for the period		6.968	(842)	(842)
Adjustments to reconcile net income to cash from operating activities:				
Depreciation and amortization	8 9 16	10.708	4.801	11.662
Allowance for expected credit losses	5	-	(331)	(369)
IRPJ and CSLL expense - Current	15	-	-	-
IRPJ and CSLL expense - Deferred	15	3.517	(9)	815
Reversal of provision for contingencies	17	(1.252)	(57)	(44)
Equity pickup		-	2.792	-
Share-based payment transactions - settled in shares		657	-	-
Income from short-term investments		-	-	(26)
Interest and exchange differences appropriated for the period		3.557	1.666	2.283
Write-off of PPE and intangible assets		603	-	370
(Increase) decrease in assets:				
Accounts receivable		3.487	(99)	778
Other assets		120	(182)	356
Prepaid expenses		(76)	(1.976)	(2.625)
Taxes recoverable		(1.404)	(580)	(579)
Judicial deposits		-	1	-
Increase (decrease) in liabilities				
Trade accounts payable		(314)	5.736	6.760
Tax obligations		147	367	248
Labor obligations		(1.429)	332	1.039
Other liabilities		(490)	27	56
Income and social contribution taxes paid		-	-	-
Interest on borrowings, financing, debentures and loans paid		(1.487)	(1.344)	(1.762)
Cash flow from operating activities		23.312	10.302	18.120
Cash flow from investing activities				
Acquisition of property and equipment and intangible assets	8 9	(9.899)	(3.648)	(4.205)
Future capital contribution		-	(3.000)	-
Funds from tradable securities		-	-	5.591
Net cash flow from (used in) investing activities		(9.899)	(6.648)	1.386

Claranet Technology S.A.

Statements of Cash Flows--Continued

For the three-month periods ended September 30, 2022 and 2021

(In thousands of Brazilian reais)

		Individual		Consolidated
	Note	09/30/2022	09/30/2021	09/30/2021
Cash flow from financing activities				
Payment of loans and financing - principal	11	(2.163)	(1.678)	(5.792)
Payment of debentures	-	-	-	(5.156)
Payment of lease obligation	16.b	(1.854)	(674)	(2.061)
Net cash used in financing activities		(4.017)	(2.352)	(13.009)
Increase in cash and cash equivalents		9.396	1.302	6.497
Cash and cash equivalents at the beginning of the period		33.374	12.465	13.849
Cash and cash equivalents at the end of the period		42.770	13.767	20.346
Increase/decrease in cash and cash equivalents		9.396	1.302	6.497

See accompanying notes

Claranet Technology S.A.

Statement of value added

For the three-month periods ended September 30, 2022 and 2021

(In thousands of Brazilian reais)

	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
1 - Revenues	61.338	30.036	58.632
1.1 - Sale of goods, products and services	61.338	29.705	58.260
1.2 - Other revenues	-	-	3
1.3 - Revenues related to the construction of own assets	-	-	-
1.4 - Allowance for doubtful accounts - reversal / (set-up)	-	331	369
2 - Inputs purchased from third parties (including tax amounts - ICMS, IPI, PIS and COFINS)	(18.848)	(11.154)	(22.880)
2.1 - Cost of products, goods and services sold	(17.934)	(9.491)	(20.096)
2.2 - Materials, energy, third party services and other	(914)	(1.663)	(2.784)
2.3 - Loss / recovery of assets	-	-	-
2.4 - Others (specify)	-	-	-
3 - Gross value added (1-2)	42.490	18.882	35.752
4 - Depreciation, amortization and depletion	(10.708)	(4.801)	(11.662)
5 - Net value added produced by the entity (3-4)	31.782	14.081	24.090
6 - Value added received in transfer	2.483	(2.478)	413
6.1 - Equity pickup	-	(2.792)	-
6.2 - Finance income	1.408	314	413
6.3 - Other	1.075	-	-
7 - Total value added to distribute (5+6)	34.265	11.603	24.503
8 - Distribution of value added	(34.265)	(11.603)	(24.503)
8.1 - Personnel	(10.673)	(5.895)	(13.990)
8.1.1 - Direct compensation	(8.884)	(4.980)	(11.612)
8.1.2 - Benefits	(1.252)	(624)	(1.712)
8.1.3 - FGTS	(537)	(291)	(666)
8.2 - Taxes, fees and contributions	(12.446)	(4.400)	(8.333)
8.2.1 - Federal	(11.204)	(3.803)	(6.998)
8.2.2 - State	(5)	(1)	(1)
8.2.3 - Municipal	(1.237)	(596)	(1.334)
8.3 - Debt remuneration:	(4.178)	(2.150)	(3.022)
8.3.1 - Interest	(3.779)	(2.107)	(2.907)
8.3.2 - Rents	(267)	(43)	(43)
8.3.3 - Foreign exchange differences	(44)	-	(72)
8.3.4 - Other	(88)	-	-
8.4 - Equity remuneration:	(6.968)	842	842
8.4.1 - Interest on equity	-	-	-
8.4.2 - Dividends	-	-	-
8.4.3 - Retained earnings / loss for the period	(6.968)	842	842
8.4.4 - Non-controlling interest in retained earnings	-	-	-

See accompanying notes.

Claranet Technology S.A.

Notes to interim financial statements
September 30, 2022
(In thousands of Brazilian reais)

1. Operations

1.1. General and operating information

Claranet Technology S.A. ("Claranet" or "Company") is a corporation, registered as a publicly-held company with the CVM (Comissão de Valores Mobiliários) under code 2654-9, engaged in providing data hosting services on the Internet, internet provider services, technical assistance services in IT equipment, third-party database management and retail sales of IT equipment.

The Company is part of Claranet Group Limited which is a technology multinational founded in 1996 in London, England.

The Company is located in the state of São Paulo, city of Barueri, at Avenida Tamboré, no. 267 - 17th floor - Torre Norte – Conjunto de escritório 171 B - Edifício Canopus - Zip Code 06460-000.

On March 30, 2021, the Company changed its corporate name from Corplex Informática S.A. to Claranet Technology S.A.

On January 5, 2021, the Company changed its fiscal year to start July 1 of each year and end June 30 of the subsequent year (previously beginning on January 1 of each year and ending December 31 of the same year).

On December 22, 2021, the Company was registered with the Brazilian Securities and Exchange Commission (CVM) as a publicly-held company.

1.2. Merger of Mandic S.A. ("Mandic")

On April 29, 2022, the Company's shareholders authorized the merger of the net assets of subsidiary Mandic S.A., a privately held corporation, headquartered at Avenida Tamboré, No. 267, 17th floor, Torre Norte, Conjunto de escritório 171-B, Canopus Corporate A, Tamboré, in the City of Barueri, State of São Paulo, Zip Code 06460-000, enrolled with CNPJ/MF under No. 04.700.392/0001-52 ("Mandic"). For merger purposes, a report prepared by independent appraisers was used, at book values, on the base date of February 28, 2022. Mandic's merged net assets amounted to R\$ 30.054.

When Mandic was merged into the Company, goodwill merged was fully reclassified in the amount of R\$ 115.234, against intangible assets and the tax benefit was created in part B of Lalur of 34% on the goodwill in the amount of R\$ 39.179.

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
(In thousands of Brazilian reais)

1. Operations--Continued

1.2. Merger of Mandic S.A. ("Mandic") --Continued

With Mandic's merger, in addition to the tax gain, the Company understands that by having a single Corporate Taxpayer Registry (CNPJ), it achieves an efficiency gain, since the processes and systems become faster and more efficient.

The merger gave rise to net assets in the amount of R\$ 30.054, as shown below:

Cash and cash equivalents	10.426
Trade accounts receivable	9.219
Taxes recoverable	1.806
Prepaid expenses	456
Other assets	816
Right of use	5.877
Property & Equipment	7.741
Intangible assets	41.100
Trade accounts payable	(7.586)
Lease liabilities	(3.889)
Tax obligations	(373)
Labor obligations	(5.598)
Related parties	(2.379)
Other liabilities	(222)
Provision for contingencies	(530)
Accounts payable for business acquisition (note 12)	(2.353)
Lease liabilities	(2.195)
Related parties	(18.517)
Income and social contribution taxes - deferred	(3.745)
Net assets	(30.054)

2. Basis of preparation and presentation of interim financial statements

2.1. Statement of compliance

The Company's interim financial statements for the period ended September 30, 2022 comprise the interim financial statements prepared in compliance with NBC TG 21 - Interim Reporting approved by National Association of State Boards of Accountancy and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information (ITR).

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
(In thousands of Brazilian reais)

2. Basis of preparation and presentation of interim financial statements-- Continued

2.2. Basis of preparation and presentation

The interim financial statements have been prepared on the historical cost basis, except for the valuation of certain assets and liabilities such as those arising from business combinations and financial instruments, which are measured at fair value.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting practices and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This interim financial information was prepared in compliance with the basis of preparation and accounting policies consistent with those adopted in the preparation of the individual and consolidated financial statements as of June 30, 2022, and should be read together with such statements. The information in the notes that did not undergo significant changes or had irrelevant disclosures compared to June 30, 2022, was not fully repeated in this quarterly information.

The issuance of interim financial statements was authorized at the Board of Directors Meeting held on November 8, 2022.

2.3. Basis of consolidation

Subsidiaries are all entities in which the Company has the power to regulate the financial and operating policies that generally derive from the holding of more than half of the voting rights. The existence and effect of possible voting rights currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated as from the date on which control is transferred to the Company. They cease to be consolidated as from the date the control ends

Transactions between companies, balances and unrealized gains on transactions between the Company and its subsidiary are excluded. Unrealized losses are also excluded, unless the transaction provides evidence of a loss (impairment) of the transferred asset. The subsidiary's accounting policies are changed when necessary to ensure consistency with the policies adopted by the Company.

The consolidated interim financial information, included operations of the subsidiary Mandic S.A., whose total interest was merged on 04/29/2022 (see note 1.2).

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
(In thousands of Brazilian reais)

3. New standards and amendments and interpretations of standards

a) Accounting pronouncements initially applied in the period ended September 30, 2022

There are no standards, amendments to standards and interpretations to IFRS issued by IASB that are effective and that may have a significant impact on the financial statements ended September 30, 2022.

b) New and revised standards and interpretations issued but not yet effective

IFRS 17 - Insurance contracts

In May 2017, IASB issued IFRS 17 - Insurance Contracts (a standard not yet issued by the CPC in Brazil, but which will be codified as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive standard accounting for insurance contracts that includes recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (CPC 50) will replace IFRS 4 - Insurance Contracts (CPC 11) issued in 2005. IFRS 17 applies to all types of insurance contracts (such as life, non-life insurance, direct insurance and reinsurance), irrespective of the type of issuing entity, as well as certain guarantees and financial instruments with discretionary participation features. Some scope exceptions apply. The overall purpose of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements of IFRS 4, which are largely based on local accounting policies in force in previous periods, IFRS 17 provides a comprehensive framework for insurance contracts, covering all relevant accounting aspects. The focus of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (variable fee approach).
- A simplified approach (premium allocation approach) mainly for short-term contracts.

IFRS 17 is effective for periods beginning on or after January 1, 2023, requiring the presentation of comparative amounts. Early adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the initial adoption of IFRS 17.

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
(In thousands of Brazilian reais)

3. New standards and amendments and interpretations of standards--Continued

b) New and revised standards and interpretations issued but not yet effective - continued

Amendments to IAS 1: Classification of liabilities as current or noncurrent

In January 2021, IASB issued amendments to paragraphs 69 to 76 of IAS 1, related to CPC 26, in order to specify the requirements for classifying liabilities as current or noncurrent. The changes clarify: The changes clarify:

- The meaning of a right to defer settlement;
- That the right to defer shall exist on the base date of the report;
- That this classification is not affected by the probability of an entity exercising its right to defer.
- That only if a derivative embedded in a convertible liability is itself an equity instrument the terms of a liability would not affect its classification.

Changes are effective for periods beginning January 1, 2023 and shall be applied retrospectively.

No future impact is expected for the Company as a result of the adoption of this standard.

4. Cash and cash equivalents

Description	Individual	
	09/30/2022	06/30/2022
Cash and banks	3.045	1.782
Short-term investments	39.725	31.592
	42.770	33.374

Short-term, highly liquid investments, which are readily convertible into a known amount of cash and subject to an insignificant risk of change in value, are remunerated substantially according to indexes that aim to achieve the CDI variation, contracted with top-tier banks and normal market conditions and rates. For the period ended September 30, 2022, the average gross yield achieved was 108% (average rate 113% of CDI as of June 30, 2022).

Claranet Technology S.A.

Notes to interim financial statements - continued

September 30, 2022

(In thousands of Brazilian reais)

5. Trade accounts receivable

Description	Individual	
	09/30/2022	06/30/2022
Accounts receivable	31.253	34.740
Estimated credit losses	(7.177)	(7.177)
	24.076	27.563

As of September 30, 2022, there are no customers that individually represent more than 10% of the Company's revenues.

The aging list of the balance of trade accounts receivable and other accounts receivable is as follows:

Aging list	Individual	
	09/30/2022	06/30/2022
Falling due	20.493	23.903
1 to 90 days past due	3.139	3.715
91 to 180 days past due	1.354	856
181 to 360 days past due	1.217	1.423
Over 361 days past due	5.050	4.843
Total accounts receivable	31.253	34.740

The change in estimated credit loss is shown below

	Individual	Consolidated
Balance as of June 30, 2021	(2.907)	(4.363)
(Provision) reversal	331	369
Balance as of September 30, 2021	(2.576)	(3.994)
Balance as of June 30, 2022	(7.177)	-
(Provision) reversal	-	-
Balance as of September 30, 2022	(7.177)	-

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
(In thousands of Brazilian reais)

6. Recoverable taxes

Description	Individual	
	09/30/2022	06/30/2022
Withholding IRPJ and CSLL	8.474	7.049
PIS/COFINS recoverable	849	869
Other	1	2
	9.324	7.920
Current	6.261	4.857
Noncurrent	3.063	3.063

The Company monitors tax credits to be used, whenever possible, to settle other tax liabilities.

7. Related parties

Transactions with related parties refer to loan and borrowing transactions with the Company's shareholders.

a) Loans granted to shareholders are shown below

Description	Individual	
	09/30/2022	06/30/2022
Loans to partners (i)	5.173	5.112
	5.173	5.112

(i) Refers to a loan granted to Mr. Edivaldo Rocha in the amount of R\$ 4.829 with an inflation adjustment of 4,75% per year. The loan is expected to be settled by April 30, 2024 or in any equity interest settlement event.

Changes in balances are shown as follows:

	Individual	Consolidated
Balance as of June 30, 2021	4.877	4.877
Interest income	58	58
Balance as of September 30, 2021	4.935	4.935
Balance as of June 30, 2022	5.112	
Interest income	61	
Balance as of September 30, 2022	5.173	

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
(In thousands of Brazilian reais)

7. Related parties--Continued

b) Intercompany loan liabilities are shown below

Description	Individual	
	09/30/2022	06/30/2022
Intercompany loans (i)	93.023	93.044
	93.023	93.044
Current	723	744
Noncurrent	92.300	92.300

(i) Refers to two intercompany loan agreements with Claranet Group Limited as detailed below:

- On July 27, 2020, Claranet Brasil, a merged company, took out a loan in the amount of R\$ 50.000, with inflation adjustment rate of 4,75% per year, for the acquisition of the Company, denominated in Brazilian reais. As a result of the reverse merger of Claranet Brasil by the Company, such loans were merged by the Company.
- On April 14, 2021, Claranet Brasil S.A. took out a loan in the amount of R\$ 42.300, with inflation adjustment rate of 4,75% per year, denominated in Brazilian reais. The main purpose of this loan was to reduce part of the debt for the acquisition of Mandic.

Changes in balances are shown as follows:

	Individual and Consolidated
Balance as of June 30, 2021	93.126
Interest payment	(1.181)
Interest	1.093
Balance as of September 30, 2021	93.038
Balance as of June 30, 2022	93.044
Interest payment	(1.099)
Interest	1.078
Balance as of September 30, 2022	93.023

c) Compensation of management and related parties

The amount of compensation paid by the Company to the members of the Board of Directors and Statutory Officers was recorded under general and administrative expenses.

Description	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Compensation of the executive board (fixed)	1.393	720	870
Performance bonus (variable)	662	630	705
Stock Option Plan	572	-	-
	2.627	1.350	1.575

Claranet Technology S.A.

Notes to interim financial statements - continued
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7. Related parties--continued

c) Compensation of management and related parties--Continued

For the period ended September 30, 2022 and the year ended June 30, 2022, the Board members and Officers did not receive any pension, retirement or similar benefits.

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Notes to interim financial statements - continued

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8. Property & Equipment

8.1. Breakdown and changes in property and equipment

Cost	Machinery and equipment	Furniture and fixtures	Facilities	Vehicles	Surplus Value - equipment	Total Property & Equipment
Useful life of assets (months)	36 to 60	120	120	60	60	
Balance as of 06/30/2021	81.697	815	2.759	962	-	86.233
Additions	1.705	-	-	-	-	1.705
Balance as of 09/30/2021	83.402	815	2.759	962	-	87.938
Balance as of 06/30/2022	152.265	744	2.769	1.615	4.527	161.920
Additions	6.061	-	-	-	-	6.061
Disposals	(4.433)	(2)	-	(328)	-	(4.763)
Balance as of 09/30/2022	153.893	742	2.769	1.287	4.527	163.218

Depreciation	Machinery and equipment	Furniture and fixtures	Facilities	Vehicles	Surplus Value - equipment	Total Property & Equipment
Balance as of 06/30/2021	(52.317)	(458)	(1.170)	(590)	-	(54.535)
Additions	(3.273)	(18)	(77)	(44)	-	(3.412)
Balance as of 09/30/2021	(55.590)	(476)	(1.247)	(634)	-	(57.947)
Balance as of 06/30/2022	(119.588)	(491)	(1.480)	(787)	(1.695)	(124.041)
Additions	(4.661)	(16)	(78)	(71)	(340)	(5.166)
Disposals	4.237	2	-	290	-	4.529
Balance as of 09/30/2022	(120.012)	(505)	(1.558)	(568)	(2.035)	(124.678)
Residual value						
Balance as of 06/30/2022	32.677	253	1.289	828	2.832	37.879
Balance as of 09/30/2022	33.881	237	1.211	719	2.492	38.540

Based on the annual impairment test for the assets, on June 30, 2021 the Company prepared an asset valuation report and no losses or indications of losses were identified, since the value in use is higher than the net carrying amount on the date of assessment.

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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9. Intangible assets

9.1. Breakdown of intangible assets

Cost	Software	Customer portfolio	Goodwill (i)	Other (ii)	Total intangible assets
Useful life (months)	60	69	-	-	-
Balance as of 06/30/2021	23.674	-	-	-	23.674
Additions	1.943	-	-	-	1.943
Balance as of 09/30/2021	25.617	-	-	-	25.617
Balance as of 06/30/2022	67.116	28.338	115.234	740	211.428
Additions	3.619	-	-	219	3.838
Disposals	(369)	-	-	-	(369)
Balance as of 09/30/2022	70.366	28.338	115.234	959	214.897

Depreciation	Software	Customer portfolio	Goodwill	Other	Total intangible assets
Balance as of 06/30/2021	(15.676)	-	-	-	(15.676)
Additions	(776)	-	-	-	(776)
Balance as of 09/30/2021	(16.452)	-	-	-	(16.452)
Balance as of 06/30/2022	(36.119)	(1.447)	-	-	(37.566)
Additions	(2.449)	(1.510)	-	-	(3.959)
Balance as of 09/30/2022	(38.568)	(2.957)	-	-	(41.525)

Residual value					
Balance as of 06/30/2022	30.997	26.891	115.234	740	173.862
Balance as of 09/30/2022	31.798	25.381	115.234	959	173.372

10. Trade Accounts Payable

Description	09/30/2022	06/30/2022
Domestic suppliers	25.067	25.381
	25.067	25.381

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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11. Loans and Financing

Refer to working capital acquisition (overdraft facility account) and bank financing (CDC).

Description	09/30/2022	06/30/2022
Loans and financing	46.348	46.883
	46.348	46.883
Current	13.011	14.674
Noncurrent	33.337	32.209

Financing and working capital acquisitions are guaranteed by the assignment of receivables, except for Consumer Credit (CDC), which is guaranteed by the asset acquired.

The Company contracted a loan in the amount of R\$ 35.000 with Banco Itaú on December 17, 2021 to settle its subsidiary Mandic S.A.'s loans.

Tax on Financial Operations (IOF) in the amount of R\$ 847 was levied on such loans, recorded as Transaction Cost, to be amortized over the contractual period.

Loans and financing outstanding as of September 30, 2022 do not entail "financial covenants" linked to them that may require the early maturity of debts.

Description	Charges	Maturity	Collaterals	09/30/2022	06/30/2022
Loans:					
CDC Banco DLL	9,38% p.a	Jun-23	Equipment	451	609
Banco Santander Consortium	0% p.a.	Sep-22	Vehicles	-	1
Working capital:					
Banco Itaú	CDI + 2,50% p.a.	Feb-23	Assignment in trust	1.876	3.030
Banco Itaú	CDI + 2,50% p.a.	Feb-23	Assignment in trust	169	272
Banco Itaú	CDI + 2,70% p.a.	Jul-24	Assignment in trust	989	1.131
Banco Itaú	CDI + 2,60% p.a.	Nov-26	Assignment in trust	38.292	36.840
Bradesco	CDI + 2,70% p.a.	May-25	Assignment in trust	4.571	5.000
Total				46.348	46.883

Claranet Technology S.A.

Notes to interim financial statements - continued
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11. Loans and financing--Continued

Changes in loans and financing as of September 30, 2022 and 2021, June 30, 2022 and 2021 are as follows:

	<u>Individual</u>
Balance as of June 30, 2021	17.605
Amortization of installments	(1.678)
Interest payment	(163)
Interest	272
Balance as of September 30, 2021	16.036
Balance as of June 30, 2022	46.883
Amortization of installments	(2.163)
Transaction cost amortization	42
Interest payment	(388)
Interest	1.974
Balance as of September 30, 2022	<u>46.348</u>

Maturities of payments are as follows:

<u>Maturity</u>	<u>09/30/2022</u>
2022 - 2023	13.011
2023 - 2024	12.542
2024 - 2025	10.686
2025 - 2026	8.804
2026 - 2027	1.305
	<u>46.348</u>

12. Accounts payable for business acquisition

Accounts payable for business acquisition refer to the amounts owed to former owners upon the acquisition of shares or units of interest representing the capital of acquired companies.

<u>Description</u>	<u>09/30/2022</u>	<u>06/30/2022</u>
Accounts payable for acquisition of companies	40.490	40.210
	<u>40.490</u>	<u>40.210</u>
Current	-	-
Noncurrent	40.490	40.210

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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12. Accounts payable for business acquisition--Continued

Changes in balances are as follows:

Balance as of June 30, 2022	40.210
Interest	280
Balance as of September 30, 2022	40.490

13. Labor obligations

Description	Individual	
	09/30/2022	06/30/2022
Wages and salaries	1.673	1.729
Vacation payable	3.290	3.442
Provision for 13th monthly salary	1.703	1.231
Partners' compensation payable	1.109	2.367
Social Charges Payable (INSS and FGTS)	855	1.290
	8.630	10.059

14. Tax obligations

Description	Individual	
	09/30/2022	06/30/2022
Income and social contribution taxes	1.106	774
Pis and Cofins payable	970	1.119
ISS payable	710	711
Other taxes	76	111
	2.862	2.715
Current	2.738	2.591
Noncurrent	124	124

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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15. Income and social contribution taxes

15.a) Reconciliation of Income and Social Contribution tax expense

The reconciliation of expenses calculated by applying the income and social contribution tax rates is as follows:

	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Income before taxes	10.485	(851)	(27)
Income and social contribution taxes at the combined nominal rate of 34%	(3.565)	-	-
Adjustments to demonstrate the effective rate			
Equity pickup	-	92	-
Non-deductible expenses	(147)	(245)	(533)
Stock Plan - SOP	(223)	-	-
Unregistered current Income and Social Contribution Taxes	113	-	-
Prior year adjustment	-		
Other	305	162	(282)
Income and social contribution tax expense	(3.517)	9	(815)
Income and social contribution taxes - current	-	-	-
Income and social contribution taxes - deferred	(3.517)	9	(815)
Effective rate	34%	N/A	N/A

15.b) Breakdown of income and social contribution taxes

	Individual	
	09/30/2022	06/30/2022
Deferred tax asset		
Goodwill tax benefit	28.761	30.531
Temporary differences	-	-
Allowance for settlement of doubtful accounts	2.440	2.440
Provision for contingencies	174	234
Other Provisions	702	167
Tax amortization of capital gains	2.936	3.096
Income and social contribution tax loss	1.972	1.972
Deferred income and social contribution tax asset	36.985	38.440
Deferred tax liability		
Finance leases	(2.258)	(2.316)
Goodwill tax amortization	(8.597)	(6.477)
Deferred income and social contribution tax liability	(10.855)	(8.793)
Deferred income and social contribution tax assets	26.130	29.647

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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15. Income and social contribution taxes--continued

15.c) Estimated realization of deferred taxes

<u>Maturity</u>	<u>Individual Realization flow</u>
2022-2023	7.585
2023-2024	9.430
2024-2025	9.197
2025-2026	6.335
2026-2027	3.136
2027-2028	1.302
	36.985

16. Right of use and lease liabilities

a) Right of use

Right of use assets are initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted for any new measurement of lease liabilities. Depreciation is calculated using the straight-line method over the remaining term of the agreements.

<u>Description</u>	<u>09/30/2022</u>	<u>06/30/2022</u>
Right of Use	12.481	14.064
	12.481	14.064

The change in right of use for the period ended September 30, 2022 is as follows:

	<u>Individual</u>	<u>Consolidated</u>
Balance as of June 30, 2021	11.020	20.898
Disposals	-	(370)
Depreciation	(613)	(1.633)
Balance as of September 30, 2021	10.407	18.895
Balance as of June 30, 2022	14.064	
Depreciation	(1.583)	
Balance as of September 30, 2022	12.481	

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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16. Right of Use and Lease Liabilities--Continued

b) Leases

For defining contracts to be assessed, the Company considered lease agreements with effective term equal to or higher than 12 months and lease agreements with a relevant amount.

The Company has lease liability agreements for property and data center leases, with a term ending in 2025. The Company's obligations under its leases are secured by the lessor's ownership of the leased assets. Several liability lease agreements contemplate renewal and termination options.

Description	Individual	
	09/30/2022	06/30/2022
Lease liabilities	14.020	15.630
	14.020	15.630
Current	6.145	6.443
Noncurrent	7.875	9.187

The changes in leased liability in the periods ended September 30, 2022 and 2021, June 30, 2022 and 2021 is as follows:

	Individual	Consolidated
Balance as of June 30, 2021	12.080	22.002
Revenues	-	-
Charges	213	357
Payments	(674)	(2.061)
Balance as of September 30, 2021	11.619	20.298
Balance as of June 30, 2022	15.630	-
Revenues	-	-
Charges	244	-
Payments	(1.854)	-
Balance as of September 30, 2022	14.020	-

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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17. Contingencies

17.1. Proceedings classified as probable loss

The Company is a party to lawsuits and administrative proceedings involving tax, labor, civil aspects and other matters. Based on information from its legal advisors, management understood that the provision for contingencies created is sufficient to cover any losses.

Description	09/30/2022	06/30/2022
Provision for civil contingencies	108	284
Provision for labor contingencies	280	280
Provision for labor contingencies not materialized (i)	1.654	1.812
Provision for tax contingencies not materialized (ii)	9.597	10.515
	11.639	12.891

(i) Fair value of labor risks (not materialized) identified with the acquisition of the subsidiary. Refer to risks related to labor charges and characterization of employment relationship.

(ii) Fair value of tax risks identified with the acquisition of the subsidiary. Refer to risks on ancillary accessory obligations and calculation basis for PIS/COFINS, ISS tax bases, EFD (Digital Tax Bookkeeping System), non-compliance with Simples (integrated system for payment of taxes by small businesses entitled to favored tax treatment), among others.

17.2. Changes in balances of provisions for contingencies

	Individual
Balance as of June 30, 2021	134
Reversal	(57)
Balance as of September 30, 2021	77
Balance as of June 30, 2022	12.891
Reversal	(1.252)
Balance as of September 30, 2022	11.639

17.3. Proceedings classified as possible loss

The Company has labor, civil and tax lawsuits for which there is no provision recorded, and which, according to its legal advisors, are classified as possible loss, as shown in the table below:

Description	Individual	
	09/30/2022	06/30/2022
Labor proceedings	758	758
Civil proceedings	5.963	5.472
Tax proceedings	10.530	10.513
	17.251	16.743

Claranet Technology S.A.

Notes to interim financial statements - continued
September 30, 2022
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17. Contingencies--Continued

17.3. Proceedings classified as possible loss--Continued

Labor proceedings

Refers to two (2) lawsuits filed by former employees claiming: overtime and effects, pain and suffering, imposition of fines under Articles 467 and 477 of the Brazilian Labor Law, attorney fees, notice of termination, commissions, discounted vacation and FGTS differences.

Civil proceedings

Refer to sixteen (16) civil proceedings involving the following matters: discussion regarding services not rendered and licenses not consumed, termination of the Agreement, early termination of Agreement, non-enforceability and suspension of contractual fine, indemnity for damages, disclosure of information and exposure of documents, cancellation of proposal.

Tax proceedings

The Company is involved in eight (8) lawsuits classified by the legal advisors as possible loss related to isolated fines of 50% on the amount of debts declared in PER/DCOMP not ratified in decision orders.

There is a demand regarding amounts from CDA tax credit, referring to the Tax Assessment Notice drawn up to collect an alleged underpayment of Service Tax.

In addition, it is worth mentioning that there is one lawsuit involving the collection of a CDA tax credit, arising from a Tax Assessment Notice, related to the requirement of a separate fine for alleged non-compliance with an accessory obligation, and another 4 lawsuits involving Service Tax requirements and a separate fine of 100% of the tax.

Claranet Technology S.A.

Notes to interim financial statements - continued
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18. Equity

a) Capital

The Company's capital as of September 30, 2022 and June 30, 2022 comprises 118.743 thousand common shares. The Company's shareholding structure is shown below:

	<u>Number of shares (thousands)</u>	
	<u>09/30/2022</u>	<u>06/30/2022</u>
Edivaldo Rocha	8.489	8.489
Claranet Group Limited	104.698	104.698
RW Brasil Fundo de Investimento em Participações	4.241	4.241
Oria Tech Fundo Secundário I	536	536
Sidney Victor da Costa Breyer	499	499
José Maurício Cascão Pereira	280	280
	<u>118.743</u>	<u>118.743</u>

b) Legal reserve

Set up at the rate of 5% of the net income determined in each fiscal year pursuant to art. 193 of Law 6.404/76, up to the limit of 20% of the capital. The company did not allocate amounts to the Legal Reserve on June 30, 2022 and September 30, 2022, due to the results recorded.

c) Retained profits reserve

The retained profits reserve, which is set-up pursuant to of the Brazilian Corporation Law, refers to the retention of the remaining balance of retained earnings, to meet the business growth project established in the investment plan, according to the capital budget proposed by the Company's Management, to be resolved at the Shareholders' Meeting.

d) Goodwill on share issuance

Goodwill on the issuance of shares recorded as of June 30, 2021 refers to the entry of goodwill on the issuance of shares delivered as part of the consideration transferred referring to the acquisition of subsidiary Mandic and the difference between the capital increase and the merged net assets of Claranet Brasil.

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Notes to interim financial statements - continued
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18. Equity

e) Special goodwill reserve

Special goodwill reserve was recorded as from the merger of Claranet Brasil, whereby the goodwill incorporated was fully written off in the amount of R\$ 115.007 against accumulated losses and, on this written off goodwill, a tax benefit of 34% was recorded in the amount of R\$ 39.107.

f) Dividends (profit distribution)

The distribution of profits will comply with the allocations set forth in the Articles of Incorporation, as well as the Brazilian Corporation Law, as follows:

- 5% for legal reserve
- Distribution of mandatory minimum dividends, in percentage to be defined at the General Shareholders' Meeting

Due to accumulated losses, as of June 30, 2022, the Company did not pay dividends.

19. Stock option plan and bonus

Accounting policy

Some Company's employees (including the Management) received compensation consisting of share-based payments in return for services rendered for a certain period of time. Settlement is carried out with equity instruments (share-settled transactions).

Share-settled transactions

The cost of share-settled transactions is determined at fair value on the grant date using an appropriate valuation model, details of which are provided below. This cost is recognized as an employee expense, together with the corresponding increase in equity (capital reserves), over the period in which the service is provided. The cumulative expense recognized for share-settled transactions at each reporting date through the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will be acquired. The expense or credit in the statement of profit or loss for a period represents the change in the accumulated expense recognized at the beginning and end of that period.

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Notes to interim financial statements - continued
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19. Stock option plan and bonus--Continued

Share-settled transactions--Continued

Service and non-market performance conditions are not considered when determining the fair value on the grant date of the bonus, but the likelihood that the conditions will be met is assessed as part of the Company's best estimate of the number of equity instruments that will be acquired. Market performance conditions are reflected in the fair value on the grant date. Any other conditions attached to a bonus, but with no associated service requirement, are considered non-vesting conditions. Non-vesting conditions are reflected in the fair value of a bonus and lead to an immediate expense of a bonus, unless there are also service and/or performance conditions.

No expense is recognized for bonuses that are ultimately not vested because out-of-market performance and/or service conditions were not met. When bonuses include a market or non-vesting condition, transactions are treated as vested, irrespective of whether the market or non-vesting condition is met, provided that all other performance and/or service conditions are met. When the terms of a share-settled bonus are amended, the minimum expense recognized is the fair value on the grant date of the unamended bonus, provided that the original vesting terms of the bonus are met.

An additional expense, measured at the date of amendment, is recognized for any amendment that increases the total fair value of the share-based payment transaction or is beneficial to the employee. When a bonus is canceled by the entity or the counterparty, any remaining element of the fair value of the bonus is debited immediately through profit or loss. The dilutive effect of outstanding options is reflected as additional share dilution in the calculation of diluted earnings per share.

The Stock Option Plan granted beneficiaries two types of programs:

a) *Stock option plan*

In August 2021, the Board of Directors approved the Stock Option Plan ("Plan"), which was granted on October 19, 2021. Each option granted under the Plan will grant the participant the right to convert into one (01) Company's share, upon its exercise.

Claranet Technology S.A.

Notes to interim financial statements - continued
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19. Stock option plan and bonus--Continued

Share-settled transactions--Continued

a) *Stock option plan--Continued*

The option settlement method is exclusively through equity instruments. As of the grant date, the following periods for exercising options under the stock option plan will be ascertained: (i) 25% of the options may be exercised as of June 30, 2022; (ii) 25% of the options, plus any remaining unexercised shares, exercisable as of June 30, 2023; (iii) 25% of the options, plus any surplus not previously exercised, exercisable as of June 30, 2024; and (iv) 25% of the options, plus any remaining unexercised shares, may be exercised as of June 30, 2025 ("vesting period").

The amount of options exercisable after each vesting period will remain in effect as long as the participant is eligible for the Plan, and the portion of the options not exercisable under the stipulated conditions will be considered automatically extinguished, without the right to indemnification, in the event of the participant's termination.

The beneficiary is assigned the total number of options, which will be equivalent to the same number of shares, upon exercise. The number of options granted will be calculated according to the formula below:

According to the respective Plan, the options can be vested based on the following pricing: Series (A) equivalent to the price attributed to the Company's shares for the purposes of its IPO, with a twenty-five percent (25%) discount; OR Series (B), those whose strike price had already been fixed, in local currency, at the time of granting. Each Plan (per beneficiary) determines whether model A or B will be used.

b) *Bonus*

In addition, the Grant included an additional lot of options whose vesting was conditioned only to the pricing of the Company's shares in an IPO process through a public offering of shares ("IPO Options", "IPO") within a period of 9 months after the Grant. The IPO did not take place on July 19, 2022, so the IPO Options were automatically become extinct, by operation of law, irrespective of prior notice or notification, and without right to any compensation.

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Notes to interim financial statements - continued
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19. Stock option plan and bonus--Continued

Share-settled transactions--Continued

B) *Bonus*--Continued

The information related to the Company's stock option plan is summarized below:

Series	Grant date	Strike price	Fair value	Number of Shares		Exercised	Expired	Total in force
				No. of shares granted	Exercisable on 09/30/2022			
Series A	10/19/2021	2,62	1,17	1.510.536	-	-	-	1.510.536
Series B	10/19/2021	3,02	0,92	3.835.392	-	-	-	3.835.392
				5.345.928	-	-	-	5.345.928

The table below shows the change in the Company's options:

	Options	Average strike price
Balance as of June 30, 2021	-	-
Granted during the year	5.345.928	2,90
Balance as of June 30, 2022	5.345.928	2,90

As of September 30, 2022, the number of non-exercisable stock options granted was 5.345.928. The table below shows the assumptions used to determine the fair value of the option on the grant date for the options granted in the periods ended September 30, 2022:

	Plan 1 Series A	Plan 1 Series B
Expected volatility	50,36%	50,36%
Risk-free rate of return (per year)	9,10%	9,10%
Expected life of shares	3,7	3,7
Weighted average share price (R\$)	2,62	3,02
Model used	Black-Scholes	Black-Scholes

Technical pronouncement CPC 10/IFRS 2 - Share-Based Payment determines that the effects of share-based payment transactions should be reflected in the Company's profit or loss and equity. The expense with the share-based payment plan recorded in profit or loss for the year ended September 30, 2022, was R\$ 657 (R\$ 3.198 as of June 30, 2022).

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Notes to interim financial statements - continued
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19. Stock option plan and bonus--Continued

Share-settled transactions--Continued

B) *Bonus*--Continued

The lot of additional options whose vesting was conditioned only to the pricing of the Company's shares in an IPO process was automatically terminated considering that its condition for vesting, the pricing of the Company's shares in an IPO process until July 19, 2022, did not occur.

20. Revenue from services provided

Description	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Cloud computing and cybersecurity services	60.621	28.992	56.877
Implementation services	1.916	913	1.583
Gross revenue from services	62.537	29.905	58.460
Taxes	(6.881)	(3.251)	(5.037)
Cancellations	(1.199)	(199)	(199)
Net operating revenue	54.457	26.455	53.224

21. Costs, administrative and selling expenses by nature

Description	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Salaries and other expenses with employees	(12.969)	(6.921)	(12.979)
Commissions	(123)	(99)	(99)
Depreciation and amortization	(10.708)	(4.801)	(11.662)
Rents	(267)	(239)	(239)
Allowance for expected credit losses	-	331	369
Software maintenance	(17.122)	(9.493)	(18.914)
Consulting and Services	(87)	(453)	(472)
Services	(616)	(166)	(786)
Telecommunications	(482)	(258)	(1.008)
Advertising	120	(141)	(143)
Other costs and expenses	(131)	(455)	(4.489)
	(42.385)	(22.695)	(50.422)
Cost of services provided	(35.130)	(18.285)	(40.981)
Selling expenses	(2.788)	(2.018)	(4.035)
General and administrative expenses	(4.467)	(2.392)	(5.406)
	(42.385)	(22.695)	(50.422)

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Notes to interim financial statements - continued
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22. Finance income (costs)

Description	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Interest income	116	140	202
Income from short-term investments;	1.219	173	203
Discounts obtained	3	1	5
Exchange Variation	8	-	-
Other	62	-	3
Finance income	1.408	314	413
Interest on loans and financing	(1.974)	(1.845)	(2.416)
Interest on lease	(244)	(213)	(357)
Interest on business acquisition	(1.559)	-	-
Interest payable	(38)	-	-
Exchange differences	(44)	(20)	(92)
Banking expenses and fees	(53)	(55)	(377)
Taxes	(158)	-	-
Other	-	-	-
Finance costs	(4.070)	(2.133)	(3.242)
Finance income (costs), net	(2.662)	(1.819)	(2.829)

23. Risk management

Financial instruments currently used by the Company are restricted to cash and cash equivalents, accounts receivable and payable, loans and financing, under normal market conditions, and are recognized in the interim financial statements. These instruments are managed through operating strategies aimed at liquidity, profitability and risk mitigation.

The Company does not make any speculative investments, in derivatives or any other risky assets. Considering the term and characteristics of these instruments, book values are close to their fair values.

The Company adopts risk control policies and procedures, as described below:

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23. Risk management--continued

i) Financial risk management policy

The Company has and adheres to a risk management policy, which provides guidance for transactions and requires diversification of transactions and counterparts. Pursuant to this policy, the nature and general position of financial risks are regularly monitored and managed in order to assess the results and the financial impact on cash flow. Credit limits are also periodically reviewed.

The Company's risk management policy was established by Management, and pursuant to it, market risks are protected when it is considered necessary to support the corporate strategy, or when it is necessary to maintain the level of financial flexibility.

a) Financial risk management

Risk management structure

- Management is responsible for monitoring the risk management policies of the Company, and the managers of each area regularly report to Management on their activities.
- The risk management policies adopted by the Company are established so as to identify and analyze the risks to which the Company is exposed, to define appropriate risk limits and controls, and to monitor risks and adherence to defined limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. Through training and management rules and procedures, the Company builds a disciplined and constructive environment, in which all employees are aware of their duties and obligations.

The Company is exposed to the following risks resulting from financial instruments:

Credit risk

Credit risk is the risk that the Company may incur financial losses on a financial instrument if a customer or counterpart fails to perform contractual obligations mainly arising from receivables.

Regarding credit risk associated with financial institutions, the Company acts to diversify this exposure among market financial institutions. Financial investments shall be allocated to top-tier financial institutions.

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Notes to interim financial statements - continued
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23. Risk management--Continued

a) Financial risk management--Continued

Risk management structure--Continued

Credit risk--Continued

For accounts receivable, the Company has a highly diversified customer portfolio with a low level of concentration and establish an estimate of the provision for losses that represents an estimate of losses incurred in relation to accounts receivable. The main component of this provision is specific and related to significant individual risks.

Liquidity risk

Liquidity risk is the risk that the Company may face hardships in meeting the obligations associated with financial liabilities settled with cash payments or fixed assets, as certain financing and leases are secured with the invested asset itself. The Company's liquidity and cash flow are monitored daily by the Company's Controllershship area, so as to ensure the operational generation of cash and the prior raising of funds, when necessary. The Company has not experienced to date and do not expect significant impacts on liquidity and cash flow resulting from Covid-19 pandemic and reinforces the commitment to managing resources to maintain its schedule of commitments, not generating risks liquidity for the Company.

The table below analyzes the Company's non-derivative financial liabilities, by maturity ranges, corresponding to the remaining period between the date of the statement of financial position and the contractual maturity date. The amounts disclosed in the table are contracted undiscounted cash flows.

Description	Consolidated			
	Up to 1 year	1-2 years	2-5 years	Over 5 years
Trade accounts payable	25.067	-	-	-
Loans and financing	13.011	12.542	20.795	-
Lease liabilities	6.145	3.946	3.929	-
Accounts payable for business acquisition	-	-	40.490	-
Related parties	723	-	92.300	-
Other liabilities	122	-	-	-
Total	45.068	16.488	157.514	-

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Notes to interim financial statements - continued
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23. Risk management--continued

a) Financial risk management--Continued

Risk management structure--Continued

Liquidity risk--Continued

Normally, the Company ensure that it has sufficient cash on hand to cover expected operating expenses, including the fulfillment of financial obligations. This excludes the potential impact of extreme situations that cannot be reasonably foreseen, such as natural disasters. The Company has access to a sufficient variety of financing sources, if necessary.

Market risk

Market risk is the risk that changes in market prices - such as exchange rates, interest rates and share prices - may impact the Company's earnings. The purpose of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing return.

Interest rate and inflation risk

Interest rate risk arises from the portion of debt indexed to CDI, in addition to financial investments indexed to CDI, which may negatively affect finance income or costs in the event of an unfavorable change in interest rates and inflation.

In the table below, the Company provides a sensitivity analysis of the main risks to which its financial instruments are exposed. Three scenarios were considered, where the probable scenario considered the market levels in effect on the closing date of the statement of financial position. The base rate used for the probable scenario was 13,75% p.a., according to Focus report dated September 30, 2022 issued by the Central Bank of Brazil, with the expectation of SELIC rate for the end of the period.

For scenario I, a 25% reduction/increase in CDI rate was considered for financial investments and floating rate loans and for scenario II a 50% reduction/increase in CDI rate for financial investments and floating rate loans.

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23. Risk management--Continued

a) Financial risk management--Continued

Risk management structure--Continued

Interest rate and inflation risk--Continued

Description	Index	Base	Probable	Increase	
				Scenario I (25%)	Scenario II (50%)
Short-term investments	CDI	39.725	5.462	6.828	8.193
Loans	CDI	(46.348)	(6.373)	(7.966)	(9.559)
Total		(6.624)	(911)	(1.138)	(1.366)

				Decrease	
				Scenario I (25%)	Scenario II (50%)
Short-term investments	CDI			4.097	2.731
Loans	CDI			(4.780)	(3.186)
Total				(683)	(455)

Capital management

The purpose of the Company's capital management is to ensure a strong credit rating with financial institutions and an optimal capital ratio, in order to support the Company's business and maximize value to shareholders.

The Company controls its capital structure by making adjustments and adaptations to current economic conditions. Aiming to keep this structure adjusted, the Company may pay dividends, raise new loans, issue debentures and issue promissory notes.

The Company includes in the net debt structure: loans and financing, debentures and intercompany loans payable, deducting the balance of marketable securities, cash and cash equivalents and intercompany loans receivable.

Description	Consolidated	
	09/30/2022	06/30/2022
Loans and financing	46.348	46.883
Intercompany loans payable	93.023	93.044
(-) Cash and cash equivalents	(42.770)	(33.374)
(-) Intercompany loans receivable	(5.173)	(5.112)
Net Debt	91.428	101.441
(+) Equity	91.095	83.470
Consolidated equity and net debt	182.523	184.911
Leverage ratio	50%	55%

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Notes to interim financial statements - continued
September 30, 2022
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23. Risk management--Continued

a) Financial risk management--Continued

Risk management structure--Continued

Operating Risk

Operating risk is the risk of direct or indirect losses arising from a variety of causes associated with the Company's processes, personnel, technology and infrastructure and from external factors, except credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of market behavior. The purpose of the Company is to manage operating risk to avoid the occurrence of financial losses and damage to their reputation.

24. Valuation of financial instruments

Fair value measurement

i) *Derivative financial instruments*

The Company does not carry out transactions with derivative financial instruments with the objective of mitigating or eliminating risks inherent to their operation.

ii) *"Non-derivative" financial instruments*

The main financial instruments, classified pursuant to the accounting practices adopted by the Company are as follows:

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Notes to interim financial statements - continued
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24. Valuation of financial instruments--Continued

Fair value measurement--Continued

ii) "Non-derivative" financial instruments--Continued

Description	Hierarchy of fair value	Classification	Book Value		Fair value	
			09/30/2022	06/30/2022	09/30/2022	06/30/2022
Assets (Current and noncurrent)						
Cash and cash equivalents	Level 1	Fair value through profit or loss	42.770	33.374	42.770	33.374
Accounts receivable, net	Level 2	Amortized cost	24.076	27.563	24.076	27.563
Related parties	Level 2	Amortized cost	5.173	5.112	5.173	5.112
Total			72.019	66.049	72.019	66.049
Liabilities (Current and noncurrent)						
Trade accounts payable	Level 2	Amortized cost	25.067	25.381	25.067	25.381
Loans and financing	Level 2	Amortized cost	46.348	46.883	46.348	46.883
Lease liabilities	Level 2	Amortized cost	14.020	15.630	14.020	15.630
Related parties	Level 2	Amortized cost	93.023	93.044	93.023	93.044
Accounts payable for business acquisition	Level 2	Fair value through profit or loss	27.289	27.289	27.289	27.289
Accounts payable for business acquisition	Level 2	Amortized cost	10.723	10.568	10.723	10.568
Total			216.471	218.795	216.471	218.795

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Notes to interim financial statements - continued
September 30, 2022
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24. Valuation of financial instruments--Continued

Hierarchy of fair value

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 input that is significant to the entire measurement of fair value:

- Level 1 - prices quoted (unadjusted) in active markets for identical assets and liabilities;
- Level 2 - Other information available, other than those for Level 1, where quoted prices (unadjusted) are for similar assets and liabilities, in non-active markets, or other information that is available and can be indirectly used (derived from prices); and
- Level 3 - Information unavailable due to little or no market activity and that is significant for defining the fair value of assets and liabilities.

25. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares for the period.

Basic earnings per share	Individual		Consolidated
	09/30/2022	09/30/2021	09/30/2021
Net income (loss) for the period	6.968	(842)	(842)
Weighted average of outstanding shares - in thousands of shares (a)	118.743	118.743	118.743
Basic earnings (loss) per share (in Brazilian reais)	0,0587	(0,0071)	(0,0071)
Diluted earnings per share			Individual
			09/30/2022
Net income (loss) for the period			6.968
Weighted average of outstanding shares including potential dilution - in thousands of shares			124.089
Basic earnings (loss) per share (in Brazilian reais)			0,0562

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Notes to interim financial statements - continued
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25. Earnings per share--Continued

As of September 30, 2022, the only financial instrument that would provide dilution refers to the share-based compensation plan, which are convertible into common shares, the details of which are described in Note 19. This financial instrument was not considered in the calculation of diluted earnings per share for the period ended September 30, 2021 because, due to the loss recorded in the period, it would have an anti-dilutive effect.

(a) In connection with the Extraordinary Shareholders' Meeting held on August 17, 2021, the reverse split of shares was approved, whereby the capital is now represented by 118.743 thousand shares. Accordingly, the weighted average number of outstanding shares has been adjusted and reflects the effects of the reverse split of shares for all reporting periods presented.

26. Insurance coverage

The Company holds insurance coverage for amounts considered sufficient by Management to cover risks on its assets and/or liabilities. The scope of the auditor's work does not include the issuance of an opinion on the sufficiency of the insurance coverage, which was determined by the Company's Management and considered sufficient to cover any claims.

Coverage as of September 30, 2022 and June 30, 2022 is presented below:

Description	Individual	
	09/30/2022	06/30/2022
Business (Properties and Assets)	11.690	21.428
D&O	51.170	51.143
Vehicles	2.111	1.936
	64.971	74.507