BRQ Soluções em Informática S.A.

Parent company and consolidated financial statements as of December 31, 2021

(A free translation of the original report in Portuguese, containing the consolidated financial statements prepared in accordance with accounting practices adopted in Brazil)

KPDS 1038062

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BRQ
DIGITAL SOLUTIONS

DIGITAL TRANSFORM

BRQ SOLUCOES EM INFORMATICA S.A.
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BRQ SOLUÇÕES EM INFORMÁTICA S.A.
MANAGEMENT REPORT 2021

To the Shareholders,

In compliance with the legal provisions set forth, the management of BRQ Soluções em Informática S.A. is pleased to present the Management Report and the Financial Statements for the fiscal year ended on December 31, 2021, prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

This is our purpose, we were born digital and we are in constant evolution.
Our mission is to deliver delightful digital experiences, being recognized for adopting the most efficient and innovative technologies and methodologies, with a motivated and engaged team.

WHAT HAS HAPPENED AND WHAT IS AHEAD?

We had in 2021 the second year of the pandemic and, even in the face of a scenario of uncertainties, we continue to evolve. We evolved in maturity and quality delivery with our service platform and we stood side by side with our customers transforming businesses.

Pioneers in the adoption of anywhere office, we kept our #talents (as we refer to our professionals) closer and closer, making them more connected and empowered and strengthening our BRQ WAY, which unites framework, platform and culture. We invested even more in training with remote training programs for newcomers to the technology market, in addition to encouraging internal training.

The result is a growth of eight points in the GPTW, totaling 15 points in the last two years (pandemic). Our Trust Index is 88, three points above the average of the 25 best technology companies according to GPTW.

On Glassdoor, another people ranking we monitor, we closed 2021 with a score of 4.6 and a 96% recommendation index and 99% CEO approval index, values above our competitors and comparable. With an increase in the number of professionals from about 2,500 to over 3,000, we maintain our focus on people. After all, it is our #talents that translate our essence into value delivery.

With the technology and Digital Transformation market highly heated, throughout 2021 we announced several news and investments. We have invested in the expansion of the BRQ Experience Agency to accelerate the innovation cycle of customers and bring the best experience to the final consumer. The structure now has over 120 professionals focused on building strategic design solutions based on a Customer-Centric and data-driven approach.

Aiming to create scale to emerge in new strategic markets and boost our growth and solidity, we made three company acquisitions. These are: **(i) BMSIX**, a Cloud pioneer in Brazil and elected by Google as the best Cloud Computing partner; **(ii) LIVETOUCH,** one of the pioneers in mobile in the country developing solutions focused on process and product innovation, and **(iii) TOPi,** global specialist in Salesforce, with more than 200 customers around the world.

We have strengthened our international expansion project with the objective of becoming global leaders in Digital Transformation. We elected our US operation as the center of our strategy, invested in people and hired João Perez as the new North America CEO. The American technology market is about 20 times the size of the Brazilian market, representing a great opportunity for growth.

When it comes to recognition in the technology market, the ISG (Information Service Group) is a reference. Not by chance, the ISG Provider Lens™ Quadrant Report survey is one of the most important in the industry.

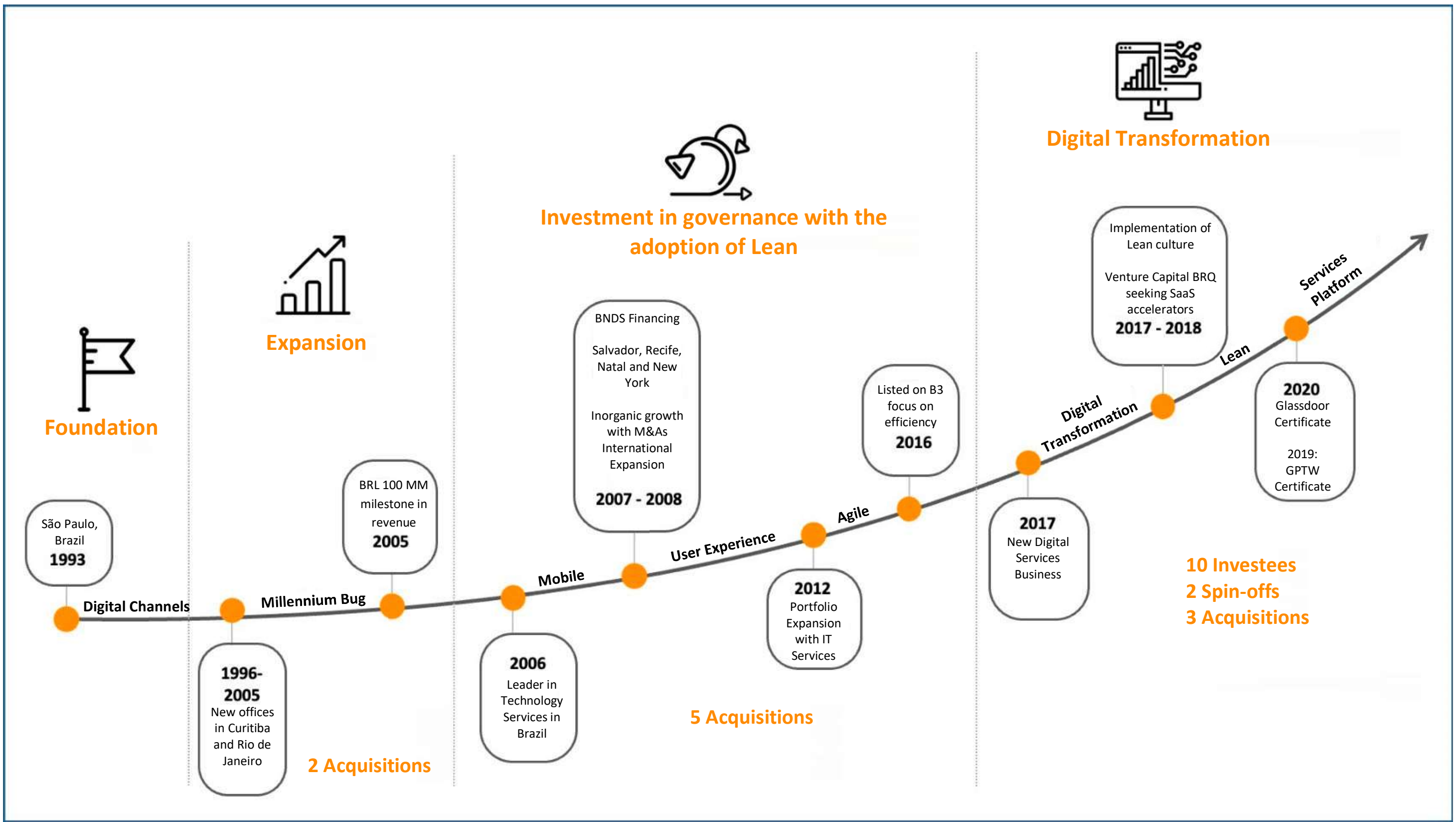
In the 2021 edition of the survey, in the Digital Business - Solutions and Service Partners Brazil category, BRQ was considered a leader in three of the four quadrants analyzed: Digital Business Consulting Services, Digital Customer Experience Services and Digital Supply Chain Transformation Services, being recognized as one of the most relevant digital business consultancies in Brazil.

Despite an adverse economic scenario, we exceeded our goals in 2021: our expressive growth was demonstrated in the result for the year, we reached a consolidated revenue in the BRQ group of BRL 625,547 and a 36.2% increase in adjusted EBITDA compared to the same period of the previous year.

We continue investing in innovation and in the valorization of our team and acting as partners of the companies in all the Digital Transformation challenges, developing solutions that add even more value to our customers.

2 - COMPANY AND MARKET OVERVIEW

Since its foundation in 1993, BRQ has been contributing to the evolution of Digital Transformation in Brazil. For almost 30 years in the market and with over 3 thousand professionals, it has established itself as one of the largest companies in the sector in the country, promoting a journey of transformation and innovation for major brands from different segments - in Brazil and abroad.



LEADERS IN DIGITAL TRANSFORMATION

Several research institutes, magazines and market quadrants recognize us as:

Leaders in 3 of the 4 Digital Transformation quadrants by the Information Service Group (ISG): Digital Business Consulting Services, Digital Customer Experience Services and Digital Supply Chain Transformation Services.

2nd place in Applications for the Financial Sector, according to IDC

1st place Mais Digital [Most Digital] Company in Brazil, large category, by the Mais Digital Institute

Among the **Best Companies in Brazil** by Época Negócios 360º: 5th place in Technology sector ranking, 2nd place in Future Vision, 3rd in People, 4th in Financial Performance and 5th in Sustainability.

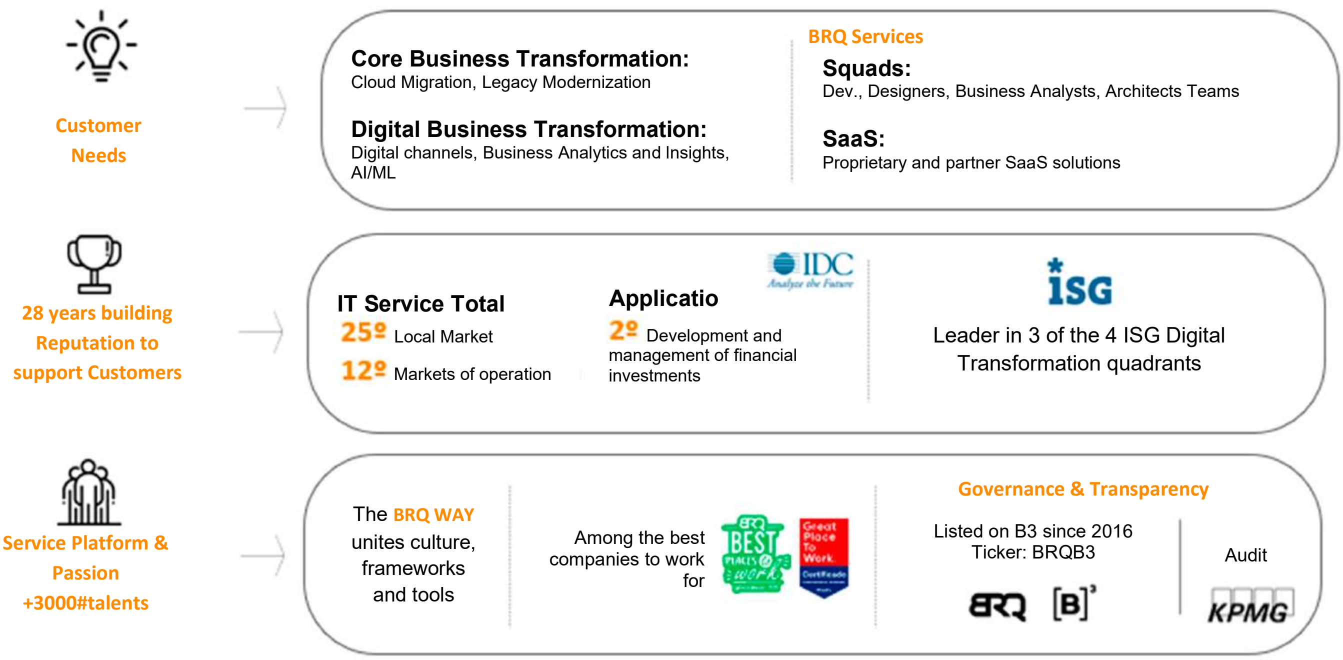
We are among Valor Econômico's **1000 Largest** Companies.

Among Exame's **Best and Largest** and **3rd place** in Technology and Media

We are also in the **TOP 100** Open Corps and **TOP 4** Professional Services in the Ranking 100 Open Startups

TOP 100 Telecom and we are among the **10** fastest growing companies in Telecom Yearbook.

OUR HIGHLIGHTS



HOW DO WE DELIVER VALUE TO OUR CUSTOMERS?

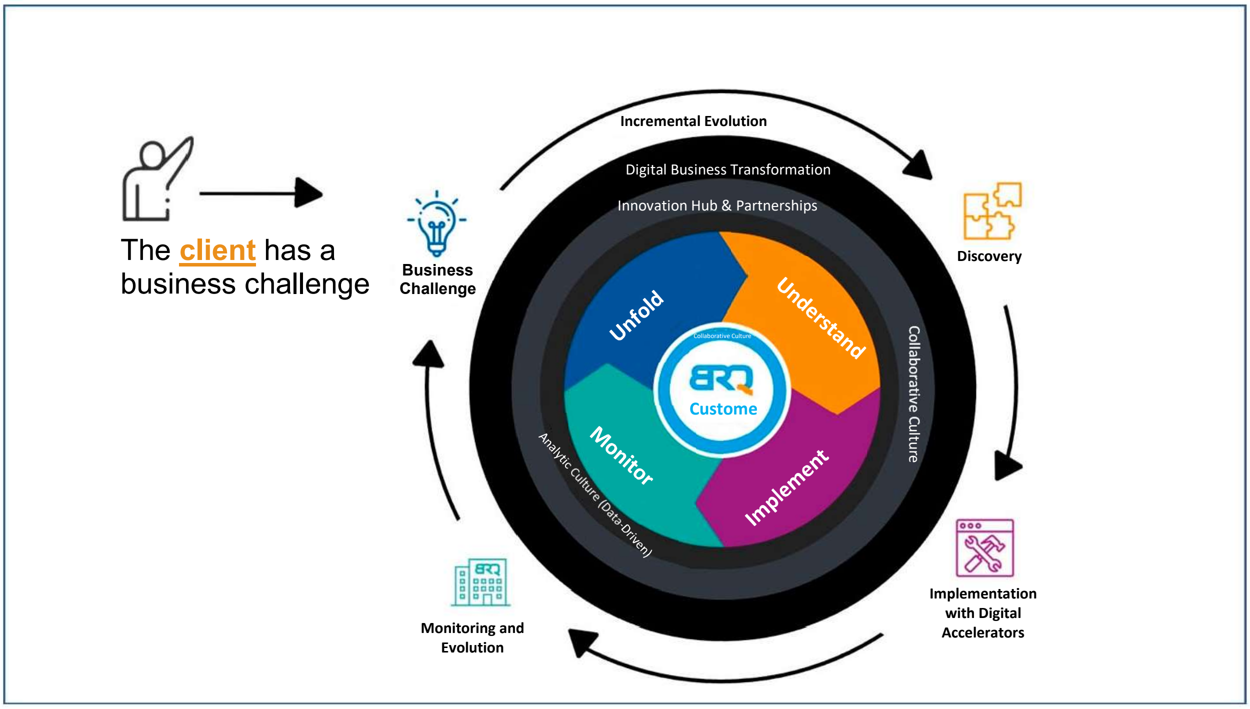
Our mission is to build transformation journeys with robustness and security, delivering innovation, productivity and value to the largest companies in the most diverse segments (finance, insurance, telecommunications, manufacturing, retail, automakers, education, among others). The diversity in the performance segment brings a more consistent vision of the customers' challenges.

We act in the complete development cycle, from conception to the materialization of digital products.

We unfold the strategy, understand the business problem, and start building the solution using the best and most innovative technologies joining business accelerators. We also follow up, monitor the evolution and analyze the effectiveness with analytical solutions that facilitate decision making. And the evolution is incremental, with scale solutions that accelerate the transformation in our customers.

BRQ is recognized in the market for three strategic guidelines: always applying the best technologies, methodologies, having in our teams the best professionals and delivering to our customers the BEST OF DIGITAL TRANSFORMATION.

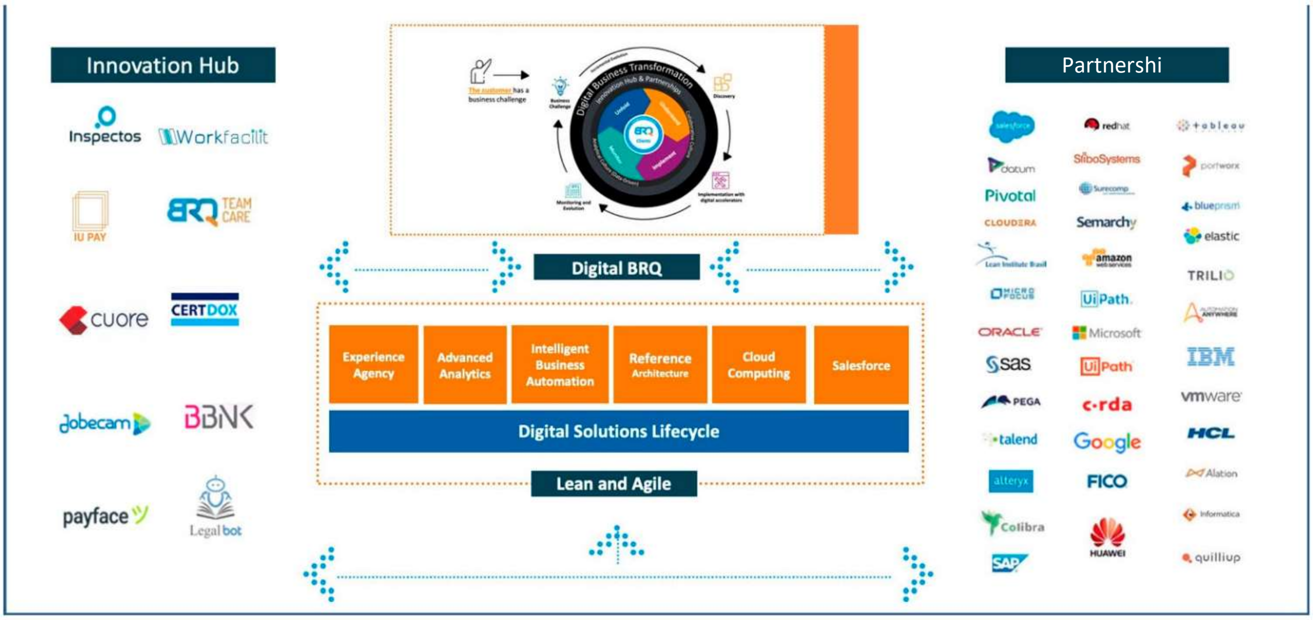
We deliver this process through our **END-TO-END SERVICE PLATFORM**, with capabilities for different stages and needs of the transformation journey, allowing us to act in the customer's entire business chain.



Besides the service portfolio, we have the **INNOVATION HUB AND STRATEGIC PARTNERS** that together accelerate and give scale to our customer's business.

We have more than 20 strategic partnerships and 10 accelerated startups that are part of the Innovation Hub and that connect with our services platform to accelerate transformation. Of these 10 accelerated startups, two were created internally by BRQ professionals and, in 2020 we had the spin-off of these operations. Thanks to the synergy with the BRQ business model, they were able to leverage their results in 2021, reaching, in the case of **Inspectos**, revenue of **BRL 7,598**, 38.7% higher than the previous year, and **Workfacilit**, revenue of **BRL 1,450**, which corresponds to a growth of 90% compared to the same period.

(*In thousands of Reais)

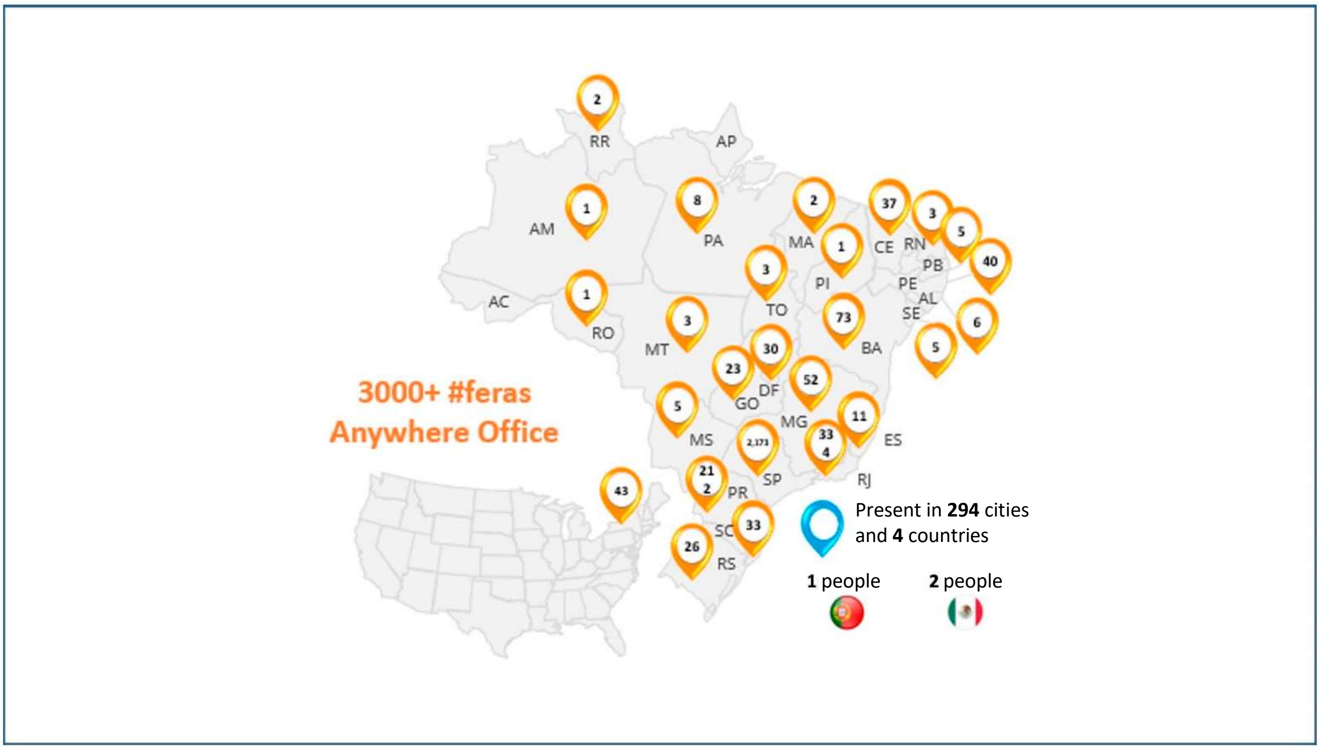


The International Data Corporation (IDC) reported that growth rates of investment in Direct Digital Transformation (DX) are accelerating, up to a CAGR of 16.5% for 2022-2024. An increase of a full percentage point from the CAGR of 15.5% for the 2020-2023 period. By 2022-2024 investment levels are expected to be US$ 6.3 trillion and 55% of all ICT investment by the end of 2024. It is predicted that over 50% of global GDP will be based on or influenced by digital by 2022 (Gartner Market Data Book 3Q21 and IDC FutureScape Worldwide Digital Transformation Predictions 2022, [AplhaWise and WEF].

In a growing and highly competitive market, BRQ's differential is to be multidisciplinary. The **LEAN AND AGILE** philosophy adds knowledge and enhances competencies such as quick learning, adaptability, and resilience.

We build tailor-made solutions. Among the services available are: Innovation Cycle, Design Thinking, Service Design, User Experience, Agile Transformation, Artificial Intelligence & Big Data, Architecture, Blockchain, Cloud, DevOps, SaaS Integration, Agile Cells among others.

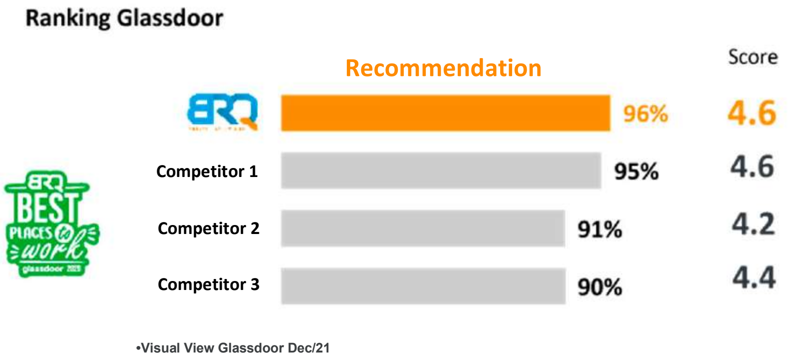
Management is based on **MINDSET LEAN**, based on respect, focused on people development, problem solving, and value generation. People are a fundamental pillar, therefore, we have adopted the **ANYWHERE OFFICE** model for all employees, because we understand that people must be the protagonists of their journeys, always focusing on autonomy and responsibility. This working model allows us to hire professionals from anywhere in Brazil and the world!



Through a strong and collaborative culture, focused on people, BRQ was able to attract, train and retain talents, creating a unique experience for employees. We have a flat leadership, inverted and with fewer levels, servant leadership and the concept of help chain.

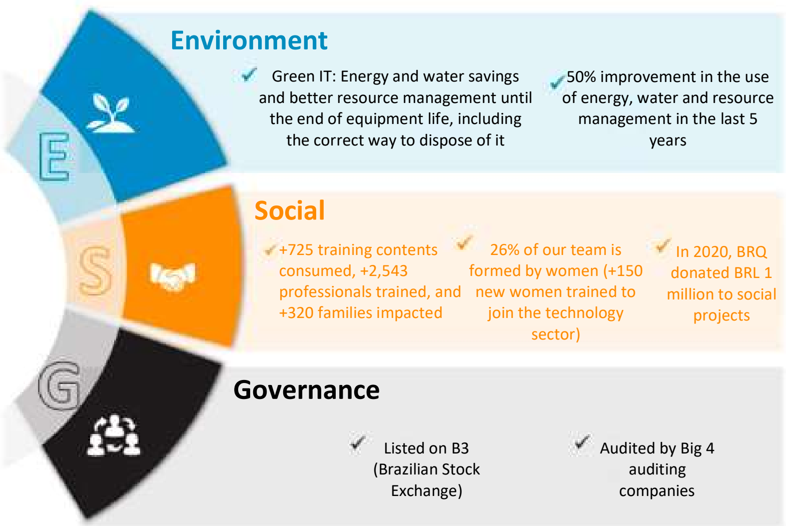
Our career plan is differentiated and we operate on four fronts: **1) Leadership Career**, in which we act in the formation of leaders, **2) Technical Career**, with mentoring for our #talents to be the best technicians, **3) International Experience**, with the possibility of acting for the American market being in Brazil or physically in our unit in the United States, and **4) Entrepreneurship**, with an Ideas Funnel for capturing possible business models that are created by professionals.

As already mentioned, we are recognized by our professionals through the GPTW seal, and we also have the highest evaluation index on Glassdoor, surpassing our competitors.



ESG as a business model!

Changing the lives of our employees and influencing the entire technology chain is part of the core of our business. We have internal programs focused on social, diversity and inclusion.



WE TAKE CARE OF OUR #TALENTSBRW IN 4 PILLARS

1.

Search and attraction of talents: with the most modern tools for selection process, 100% digital onboarding and approach with universities;

2.

Cultural fit: Lean and Agile culture, Anywhere Office, programs focused on health and quality of life, commemorative actions (digital or on-site);

3.

Plurality of knowledge: tools for collaboration, knowledge base, training and several meetups;

4.

Management and development: evaluation and IDP, constant feedbacks, career plan, and support for certifications.

We look after and take care of our #talents with an inclusive culture that is reflected in an important fact: 98% of our professionals feel free to be who they are.

(In thousands of reais)

DRE	12/31/2021	AV%	AH%	12/31/2020	AV%
Net revenue from services provided	625,547	100.0%	21.8%	513,712	100.0%
Cost of services provided	(400,491)	-64.0%	16.0%	(345,251)	-67.2%
Gross profit	**225,056**	**36.0%**	**33.6%**	**168,461**	**32.8%**
Gross margin	**36.0%**			**32.8%**	
Operating (Expenses) Income					
Administrative Expenses	(130,424)	-20.8%	35.3%	(96,410)	-19.1%
Expected credit loss	1,121	0.2%	-168.4%	(1,638)	-0.3%
Tax expenses	(17,676)	-2.8%	3,143.3%	(545)	-0.1%
Other operating (expenses) income	6,228	1.0%	-666.2%	(1,100)	-0.2%
	(140,751)	**-22.5%**	**41.2%**	**(99,693)**	**-19.4%**
Earnings before finance results, equity income and taxes	84,305	13.5%	22.1%	68,768	13.4%
Finance Income	4,716	0.8%	54.3%	3,057	0.6%
Finance expenses	(27,493)	-4.4%	397.2%	(5,530)	-1.1%
Finance result	**(22,777)**	**-3.6%**	**821.0%**	**(2,473)**	**-0.5%**
Profit before taxes	**61,528**	**9.8%**	**-7.2%**	**66,295**	**12.9%**
Current income tax and social contribution	(25,073)	-4.0%	5.1%	(23,853)	-4.6%
Deferred income tax and social contribution	5,191	0.8%	144.1%	2,127	0.4%
Net income for the period	**40,261**	**6.4%**	**-9.7%**	**44,569**	**8.7%**
Attributable to controlling shareholders	**36,737**	**6.0%**	**-13.1%**	**42,286**	**8.2%**
Attributable to non-controlling shareholders	**3,524**	**0.6%**	**54.4%**	**2,283**	**0.4%**

Analysis and discussion of the main Results accounts

➢ **Net Revenue**

The Company's net revenue comprises the provision of technology and digital transformation services. An increase of 21.8% over the same period last year was presented, driven by an even more consultative and strategic approach to our customers' business and leveraged by cross selling to existing customers.

Part of this result comes from the significant growth in the number of customers 33 new customers in the year ended December 31, 2021. Taking into account that our average relationship with the top 10 customers is over 11 years.

The modernization of the legacy and evolution of business models to digital, adds more value to customer operations and consequently accelerates the Company's revenue growth. Below we can see the accelerated growth of net revenue with a compound annual growth rate (CAGR) between the years 2019-2021 of approximately 22.3%.

(In thousands of reais)	Fiscal year ended on 12/31/2021	12/31/2020	12/31/2019	CARG 19-21:
Net revenue from services provided	**625,547**	**513,712**	**418,114**	**22.3%**

➢ Gross Profit and Gross Margin

Our margin grew 3.2 pp compared to the same period last year, and our Gross Profit grew 33.6% when comparing the year ended December 31, 2021 to the same period in 2020.

Several actions were designed to achieve this result:

- high capacity to attract and retain customers;
- increased efficiency in the provision of services;
- growth of the portfolio of solutions focused on digital transformation.

➢ Administrative Expenses

The expenses presented an increase of 35.3% in the year ended December 31, 2021 in relation to the same period of the previous year.

The increase in personnel expenses comes from the Profit Sharing (PLR) added to the effects of the union adjustment of the year by approximately 4.5% and increase in the number of employees.

➢ Operational Cash Generation - EBITDA

(In thousands of reais)

	12/31/2021	12/31/2020	12/31/2019	Variation 2021 x 2020	Variation 2020 x 2019
Net income for the year	40,261	44,569	29,844		
Income tax and social contribution	19,882	21,726	14,711		
Net finance result	22,777	2,473	43		
Depreciation and amortization	7,236	6,531	5,995		
EBITDA	**91,541**	**75,299**	**50,593**	**21.6%**	**48.8%**
EBITDA Margin	**14.6%**	**14.7%**	**12.10%**	**-0.1 p.p.**	**2.6 p.p.**
PPP loan (a)	(4,151)	-	-		
M&A expenses (b)	740	-	-		
Severance of officer shareholder (c)	957	-	-		
Tax installment plan (d)	17,028	-	-		
Write-off of property, plant and equipment (e)	-	2,594	-		
Adjusted EBITDA	106,115	77,893	50,593	**36.2%**	**54.0%**
Adjusted EBITDA Margin	17.0%	15.2%	12.1%	**1.8 p.p.**	**3.1 p.p.**

a) In April 2021 ThinkInternational received a loan remission (PPP Loan) according to the Cares Act, and the amount was included for Ebitda adjustment purposes because it is a gain that is not part of the Company's business plan.
b) This refers to expenses with efforts to acquire companies, adjusted for purposes of calculating Ebitda;
c) Expenses related to the payment of an additional premium on the dismissal of the Company's officer, which took place in March 2021, adjusted for Ebitda purposes;
d) The Company has adhered to the Individual Transaction Agreement regarding the tax assessment notice for alleged underpayment of social security contributions on the Company's Profit Sharing for the year 2011. As this is an unusual expense, which is not part of the Company's business plan, it was adjusted for EBITDA purposes.
e) This refers to the write-off of assets due to the reduction of offices after the adoption of remote work in the Company.

4 - Corporate Governance

Bovespa Mais

The Company is registered as a publicly-held company under category A at the CVM and listed at B3 in the special listing segment, called BOVESPA MAIS.

Board of Directors

It is made up of 7 members, 3 of whom represent the shareholders and 4 are independent directors. The board's regulations and the list with the name, position and brief curriculum vitae of the directors and officers can be found in the Company's Reference Form on the website www.brq.com/ri.

Audit Committee:

This is an advisory body, supporting the Board of Directors, and its mission is to monitor, evaluate and ensure the best operationalization of processes, internal and external audit management, mechanisms and controls related to risk management and the consistency of financial policies with the strategic guidelines and the risk profile of the business. Currently, the Audit Committee is composed of 3 independent members, elected by the Board of Directors.

Personnel Committee:

Its function is to assist the Board of Directors in defining the compensation and benefit policies for directors and officers.

M&A Committee:

Dedicated to structuring acquisition operations, which aims to assist the Board of Directors to expand the delivery capacity of BRQ's service platform, accelerating growth and expanding the revenue profile through M&A operations. The members of this Committee act in a matrix manner in the acquisition processes, in the following specialties: tax, finance, legal and business (innovation and digital transformation).

Strategic Committee:

Created in 2022, this committee's main attributions are to analyze and discuss topics that enable the construction of the Future Vision, the Strategic Planning and to evaluate the real capacity of delivering them by the Company.

Ethics and Ombudsman Committee

This committee aims to act in strict conformity with the mission and values of the Company and to conduct its work in accordance with the best corporate governance practices and which reports to the Audit and Risk Committee.

5 - General Information

In compliance with item VI of Article 25 of CVM Instruction 480/09, the directors declare that they have reviewed, discussed and agreed with the opinions expressed in the Independent Auditor's Report, as well as with the financial statements related to the fiscal year ended December 31, 2021.

In compliance with CVM Instruction 381/03, we inform that KPMG Auditores Independentes has been hired to provide external audit services for the financial statements, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS).

We hereby declare that in the period ended December 31, 2021, KPMG did not provide us with any other services that may affect its professional independence.

We thank all those who contributed to the Company's success in 2021, especially our customers, participants, partners and shareholders.

São Paulo, February 17, 2022

The Management

KPMG Auditores Independentes Ltda.
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Independent auditors' report on the Parent company and consolidated financial statements

To the Shareholders and Management of BRQ Soluções em Informática S.A.

Barueri – SP

Opinion

We have audited the parent company and consolidated financial statements of BRQ Soluções em Informática S.A. (“ the Company”), respectively referred as parent company and consolidated, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, including significant accounting policies and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with Brazilian and international Standards on Auditing. Our responsibilities, under those standards, are further described in the “Auditor’s responsibilities for the audit of the parent company and consolidated financial statements” section of our report. We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements established in the Brazilian Accountant’s Code of Professional Ethics and in the professional standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Revenue recognition	
See Note 4(c) and Note 27 to the parent company and consolidated financial statements	
Key audit matters	**How our audit addressed this matter**
The revenue of the Company and its subsidiaries comprises the rendered services of application development and integration. The performance obligation of this type of revenue is met over time when it is provided, based on the hours incurred and prices applied in the respective contracts with its clients. According to each contract, such revenues may or may not have been invoiced. Revenues from application development and integrations occur in large volume and relevant amounts. The pricing allocation of these revenues depends on controls that determine the actual hours spent, as well as ensure the correct measurement and recording of this revenue at the time the performance obligations of the contracts are met. For the reasons mentioned above, as well as the potential risks involved with respect to the competency of revenue recognition, we considered this matter as a significant for our audit.	Our audit procedures included, among others: i. Understanding of the process and design evaluation of the relevant internal controls used by the Company and by its subsidiaries considered as significant, related to the revenue recognition; ii. Tests on a sample basis of revenue, in order to verify the contractual terms of the proposal of service rendered, the hours incurred in the projects and the measurement of these hours, to conclude on the adequate revenue recognition. We also verified the correct period of the revenue recognition cut off; iii. Assessment of whether the disclosures in parent company and consolidated financial statements include all relevant information in relation to the Company's accounting policies for revenue recognition. Based on the audit procedures performed to test the revenue recognition and the results obtained, we believe that they are acceptable in the context of the parent company and consolidated financial statements as a whole.

Other matters - Statements of added value

Statements of added value

The parent company and consolidated statements of added value (DVA) for the year ended December 31, 2021, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed with the audit of Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value have been fairly prepared, in all material respects, in accordance with the criteria defined in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Financial statements for prior periods audited by other independent auditors

The parent company and consolidated statement of financial position as of December 31, 2020 and the parent company and consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows and the related notes for the year then ended, presented as corresponding figures in the parent company and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued an unqualified opinion dated February 11, 2022. The related amounts for the parent company and consolidated statements of added value for the year ended December 31, 2020 were submitted to the same audit procedures by those independent auditors and, based on their audit, they issued an unqualified opinion.

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

Management is responsible for the other information comprising the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

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

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditors' responsibilities for the audit of the parent company and consolidated financial statements

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

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

São Paulo, February 17, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by
Catalina Satie Shikibu
Accountant CRC 1SP218752/O-4

BRQ Soluções em Informática S.A.

Statement of financial position as of December 31, 2021 and 2020

(In thousands of Reais)

		Parent company		Consolidated	
Assets	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash and cash equivalents	5	**139,736**	114,474	**161,617**	134,715
Accounts receivable	6	**77,214**	73,246	**91,625**	81,296
Inventories of services in progress	7	**260**	689	**260**	689
Anticipated Expenses	8	**10,624**	6,507	**12,520**	7,076
Recoverable taxes	9a	**9,794**	6,822	**10,335**	7,770
Dividends receivable from related parties		**690**	281	**-**	-
Other Assets		**1,011**	1,477	**1,019**	1,818
Total current assets		**239,329**	203,496	**277,376**	233,364
Accounts receivable	6	**-**	250	**-**	-
Inventories of services in progress	7	**23**	43	**23**	43
Deposit in court and undertaking		**4,102**	4,468	**4,131**	4,495
Bonded deposits - restricted cash		**-**	1,524	**-**	1,524
Deferred income tax and social contribution	9b	**9,464**	4,395	**9,464**	4,395
Financial assets	10	**10,771**	10,143	**10,771**	10,143
Other receivables		**-**	-	**259**	-
Total long-term receivables		**24,360**	20,823	**24,648**	20,600
Investment	12b	**45,978**	24,321	**-**	-
Property, plant and equipment	13	**12,124**	10,593	**12,319**	10,734
Intangible	14	**3,782**	3,240	**29,741**	9,556
Right of use	21a	**1,405**	1,694	**1,405**	1,694
Total non-current assets		**87,649**	60,671	**68,113**	42,584
Total assets		**326978**	264167	**345489**	275948

		Parent company		Consolidated	
Liabilities	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Suppliers	15	**8,605**	8,428	**12,818**	9,348
Loans and financing	16	**-**	7,700	**6,618**	13,207
Lease financing	17	**4,433**	2,556	**4,433**	2,556
Lease liabilities	21b	**793**	785	**793**	785
Debentures	18	**14,634**	11,095	**14,634**	11,095
Salaries and social charges	19	**24,415**	9,807	**26,514**	11,801
Income tax and social contribution payable		**-**	-	**188**	280
Taxes and contributions payable	20	**25,480**	9,557	**26,023**	9,724
Provision for vacation pay		**28,805**	26,502	**29,590**	26,562
Dividends payable	26	**8,725**	10,042	**9,197**	10,230
Deferred revenue	24	**12,249**	16,307	**12,251**	16,307
Other liabilities		**3,857**	819	**3,916**	1,611
Total current liabilities		**131,996**	103,598	**146,975**	113,506
Provision for contingencies	23	**6,626**	6,435	**6,626**	6,435
Lease financing	17	**3,145**	1,783	**3,145**	1,783
Lease liabilities	21b	**657**	1,038	**657**	1,038
Debentures	18	**32,859**	47,354	**32,859**	47,354
Deferred revenue	24	**400**	800	**400**	800
Equity holdings payable	12a	**-**	-	**1,515**	-
Taxes and contributions payable	20	**21,469**	-	**21,779**	-
Investment acquisition obligation	25	**12,343**	-	**12,343**	-
Other liabilities		**409**	301	**223**	301
Total non-current liabilities		**77,908**	57,711	**79,547**	57,711
Shareholders' Equity	26				
Capital stock		**56,277**	56,106	**56,277**	56,106
Treasury shares		**(503)**	-	**(503)**	-
Capital reserve		**(3,629)**	77	**(3,629)**	77
Profit reserve		**46,035**	26,748	**46,035**	26,748
Proposed additional dividend		**8,725**	10,043	**8,725**	10,043
Cumulative exchange adjustments		**10,169**	9,884	**10,169**	9,884
Net Equity attributable to controlling shareholders		**117,074**	102,858	**117,074**	102,858
Non-controlling shareholders interests		**-**	-	**1893**	1873
Total shareholders' equity		**117074**	102858	**118967**	104731
Total liabilities and shareholders' equity		**326978**	264167	**345489**	275948

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The accompanying notes are an integral part of these parent company and consolidated financial statements.

BRQ Soluções em Informática S.A.

Statements of profit or loss

Years ended December 31, 2021 and 2020

(In thousands of Reais)

		Parent company		Consolidated	
	Note	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net revenue from services provided	27	**570,338**	470,351	**625,547**	513,712
Cost of services provided	28	**(370,412)**	(320,848)	**(400,491)**	(345,251)
Gross profit		**199,926**	149,503	**225,056**	168,461
Operating (expenses) income	29				
Administrative Expenses		**(116,265)**	(85,930)	**(130,424)**	(96,410)
Expected credit loss		**1,121**	(1,638)	**1,121**	(1,638)
Tax expenses		**(17,489)**	(540)	**(17,676)**	(545)
Other operating expenses		**(12)**	(2,799)	**(35)**	(2,806)
Other operating income		**2,113**	1,706	**6,263**	1,706
		(130,532)	(89,201)	**(140,751)**	(99,693)
Profit before finance result, equity-accounted investees and taxes		**69,394**	60,302	**84,305**	68768
Finance result	30				
Finance income		**4,583**	3,051	**4,716**	3,057
Finance expenses		**(26,891)**	(5,416)	**(27,493)**	(5,530)
		(22,308)	(2,365)	**(22,777)**	(2,473)
Result of equity-accounted investees	12b	**8,815**	3,795	**-**	-
Profit before taxes		**55,901**	61,732	**61,528**	66,295
Current income tax and social contribution	22	**(24,233)**	(21,573)	**(26,336)**	(23,853)
Deferred income tax and social contribution	22	**5,069**	2,127	**5,069**	2,127
Net income for the year		**36,737**	42,286	**40,261**	44,569
Net income attributable to:					
Controlling shareholders		**36,737**	42,286	**36,737**	42,286
Non-controlling shareholders		**-**	-	**3,524**	2,283
Earnings per share - Common stock (BRL)					
Basic earnings	32	**0.27659**	0.31973		
Diluted earnings	32	**0.27583**	0.31852		

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The accompanying notes are an integral part of these Parent company and consolidated financial statements.

BRQ Soluções em Informática S.A.

Statements of comprehensive income

Years ended December 31, 2021 and 2020

(In thousands of Reais)

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Net income for the year	**36,737**	42,286	**40,261**	44,569
Cumulative exchange adjustments	**285**	4,818	**285**	4,818
Total comprehensive income	**37,022**	47,104	**40,546**	49,387
Total comprehensive income attributable to:				
Controlling shareholders interest	**37,022**	47,104	**37,022**	47,104
Non-controlling shareholders interest	**-**	-	**3,524**	2,283

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The accompanying notes are an integral part of these parent company and consolidated financial statements.

BRQ Soluções em Informática S.A.

Statements of shareholders' equity

Years ended December 31, 2021 and 2020

(In thousands of Reais)

		Parent company											
		Capital Stock				Appropriated retained earnings							
		Subscribed capital	Capital to be paid in	Treasury Shares	Capital Reserve	Legal reserve	Profit retention reserve	Proposed additional dividends	Cumulative exchange adjustments	Retained earnings	Total	Non-controlling shareholders interests	Total shareholders' equity
Balances as of January 1, 2020	Note	**54,849**	**1,066**	**(162)**	**185**	**4,547**	**19,627**	**20,642**	**5,066**	**-**	**105,820**	**1,098**	**106,918**
Exchange variation on investments in foreign subsidiary		-	-	-	-	-	-	-	4,818	-	4,818	-	4,818
Capital subscription		1,257	-	-	-	-	-	-	-	-	1,257	113	1,370
Advance for future capital increase		-	(1,066)	-	-	-	-	-	-	-	(1,066)	-	(1,066)
Sale of treasury stock		-	-	162	(108)	-	(19,627)	(20,642)	-	-	(40,215)	-	(40,215)
Payment of dividends		-	-	-	-	-	-	-	-	-	-	(1,433)	(1,433)
Net income for the year		-	-	-	-	-	-	-	-	42,286	42,286	2,283	44,569
Constitution of the legal reserve		-	-	-	-	2,113	-	-	-	(2,113)	-	-	-
Mandatory minimum dividends		-	-	-	-	-	-	-	-	(10,042)	(10,042)	(188)	(10,230)
Additional dividends		-	-	-	-	-	-	10,043	-	(10,043)	-	-	-
Allocation to appropriated retained earnings		-	-	-	-	-	20,088	-	-	(20,088)	-	-	-
Balances as of December 31, 2020		**56,106**	**-**	**-**	**77**	**6,660**	**20,088**	**10,043**	**9,884**	**-**	**102,858**	**1,873**	**104,731**
Balances as of January 1, 2021		**56,106**	**-**	**-**	**77**	**6,660**	**20,088**	**10,043**	**9,884**	**-**	**102,858**	**1,873**	**104,731**
Exchange variation on investments in foreign subsidiary		-	-	-	-	-	-	-	285	-	285	-	285
Capital subscription		171	-	-	-	-	-	-	-	-	171	-	171
Share options granted recognized in the period		-	-	-	1,403	-	-	-	-	-	1,403	-	1,403
Acquisition of interest in subsidiary	12c	-	-	-	(5,080)	-	-	-	-	-	(5,080)	-	(5,080)
Repurchase of shares to be held in treasury		-	-	(503)	(29)	-	-	-	-	-	(532)	-	(532)
Payment of dividends	26	-	-	-	-	-	-	(10,043)	-	-	(10,043)	(3,032)	(13,075)
Net income for the year		-	-	-	-	-	-	-	-	36,737	36,737	3,524	40,261
Constitution of the legal reserve		-	-	-	-	1,837	-	-	-	(1,837)	-	-	-
Mandatory minimum dividends		-	-	-	-	-	-	-	-	(8,725)	(8,725)	(472)	(9,197)
Additional dividends		-	-	-	-	-	-	8,725	-	(8,725)	-	-	-
Allocation to appropriated retained earnings		-	-	-	-	-	17,450	-	-	(17,450)	-	-	-
Balances as of December 31, 2021		**56,277**	**-**	**(503)**	**(3,629)**	**8,497**	**37,538**	**8,725**	**10,169**	**-**	**117,074**	**1,893**	**118,967**

The accompanying notes are an integral part of these parent company and consolidated financial statements.

BRQ Soluções em Informática S.A.

Statements of cash flows

Years ended December 31, 2021 and 2020

(In thousands of Reais)

		Parent company		Consolidated	
Cash flows from operating activities		**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Net income for the year	**Note**	**36,737**	42,286	**40,261**	44,569
Adjustments for:					
Depreciation and amortization		**7,128**	6,495	**7,236**	6,531
Write-off of residual value of property, plant and equipment		**77**	2,967	**77**	2,967
Asset write-off of right-of-use		**-**	(403)	**-**	(403)
Interest and monetary variations		**3,449**	3,033	**3,650**	3,078
Result of equity-accounted investees	**12c**	**(8,815)**	(3,795)	**-**	-
Loan remission in subsidiary (Cares Act)		**-**	-	**(4,129)**	-
Current and deferred income tax and social contribution	**22**	**19,164**	19,446	**21,267**	21,726
Shares options granted	**26**	**1,403**	-	**1,403**	-
Constitution of provisions		**18,958**	10,655	**18,958**	10,655
		78,101	80,684	**88,723**	89,123
Changes in assets and liabilities					
(Increase) in accounts receivable		**(2,235)**	(5,778)	**(5,104)**	(6,180)
Decrease in inventories		**449**	2,761	**449**	2,761
(Increase) in prepaid expenses		**(4,117)**	(981)	**(5,673)**	(1,178)
(Increase) / Decrease in taxes recoverable		**(2,749)**	3,292	**(3,611)**	2,344
(Increase) / Decrease in related parties		**(362)**	168	**58**	8
(Increase) / decrease in other assets		**466**	(35)	**1,063**	(376)
(Increase) / decrease in other non-current assets		**1,892**	3,560	**1,892**	3,554
Increase / (decrease) in suppliers		**177**	(2,822)	**1,658**	(2,845)
Increase / (decrease) in salaries and social charges		**816**	494	**(1,159)**	694
Increase / (decrease) in taxes and contributions payable		**37,392**	(19,870)	**38,990**	(19,702)
Increase in accounts payable to personnel		**2,303**	5,489	**3,028**	5,549
Increase in other liabilities		**2,659**	39	**1,048**	778
Increase / (decrease) in deferred income		**(4,458)**	2,237	**(4,456)**	2,237
Payment of provision for labor contingencies		**(5,609)**	(2,238)	**(5,609)**	(2,238)
Income tax and social contribution paid		**(24,233)**	(4,499)	**(26,428)**	(6,500)
Interest payments on loans, leases and debentures		**(3,915)**	(2,675)	**(4,116)**	(2,720)
Net cash provided by operating activities		**76,577**	59,826	**80,753**	65,309
Cash flows from investing activities					
(Decrease) in investments		**-**	(255)	**-**	-
Increase in investments – additional acquisition of 20% of subsidiary Think	**12c**	**-**	-	**(3,685)**	-
Acquisition of subsidiaries	**12d**	**(5,787)**		**(3,520)**	
Acquisitions of property, plant and equipment		**(319)**	(4,248)	**(342)**	(4,321)
Acquisitions of Intangible assets		**(1,548)**	(1,532)	**(2,475)**	(1,532)
Granted loan		**-**	(2,006)	**-**	(2,006)
Dividends from investees accounted for under the equity method	**12c**	**281**	-	**-**	-
Net cash used in investing activities		**(7,373)**	(8,041)	**(10,022)**	(7,859)
Cash flows from financing activities					
Loans taken from third parties		**-**	65,250	**5,000**	69,520
Loans paid		**(11,344)**	(19,173)	**(13,319)**	(19,173)
Debentures paid	**18**	**(11,250)**	-	**(11,250)**	-
Right of use, rent paid	**21b**	**(902)**	(1,663)	**(902)**	(1,663)
Capital increase		**171**	-	**171**	-
Advance for future capital increase		**-**	191	**-**	304
Sale/repurchase of shares to be held in treasury		**(532)**	54	**(532)**	54
Payment of dividends	**26**	**(20,085)**	(47,149)	**(23,305)**	(48,582)
Net cash (used in) provided by financing activities		**(43,942)**	(2,490)	**(44,137)**	460
Increase in cash and cash equivalents		**25,262**	49,295	**26,594**	57,910
Statement of increase in cash and cash equivalents					
At the beginning of the period		**114,474**	65,179	**134715**	73376
Effect of exchange rate fluctuations on cash and cash equivalents of foreign subsidiaries		**-**	-	**(308)**	(3,429)
At the end of the period		**139,736**	114,474	**161617**	134715
		25,262	49,295	**26594**	57910

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The accompanying notes are an integral part of these parent company and consolidated financial statements.

BRQ Soluções em Informática S.A.

Statements of added value

Years ended December 31, 2021 and 2020

(In thousands of Reais)

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Revenues				
Gross revenue from services provided	**640,084**	528,680	**696,446**	572,450
Other revenues	**2,113**	-	**6,263**	-
	642,197	528,680	**702,709**	572,450
Inputs acquired from third parties				
Cost of products, goods and services sold	**(8,828)**	(11,458)	**(17,620)**	(13,412)
Materials, energy, third-party services and others	**(14,138)**	(13,915)	**(18,081)**	(16,809)
	(22,966)	(25,373)	**(35,701)**	(30,221)
Gross added value	**619,231**	503,307	**667,008**	542,229
Depreciation and amortization	**(7,128)**	(6,495)	**(7,236)**	(6,531)
Net added value produced by the Company	**612,103**	496,812	**659,772**	535,698
Value added received in transfer				
Result of equity-accounted investees	**8,815**	3,795	**-**	-
Finance income	**4,583**	3,051	**4,716**	3,057
	13,398	6,846	**4,716**	3,057
Total added value to distribute	**625,501**	503,658	**664,488**	538,755
Distribution of added value				
Personnel				
Direct remuneration	**347,448**	288,062	**374,868**	315,235
Benefits	**65,023**	55,685	**65,947**	56,172
FGTS	**23,066**	20,170	**23,411**	20,207
	435,537	363,917	**464,226**	391,614
Taxes, fees and contributions				
Federal	**108,221**	77,387	**113,570**	81,968
Municipal	**17,855**	14,093	**18,342**	14,279
	126,076	91,480	**131,912**	96,247
Remuneration of third-party capital				
Interest	**26,840**	5,318	**27,423**	5,421
Rents	**311**	657	**666**	904
	27,151	5,975	**28,089**	6,325
Return on equity				
Dividends	**10,042**	10,042	**10,230**	10,230
Retained earnings	**26,695**	32,244	**26,507**	32,056
Non-controlling interests- interest	**-**	-	**3,524**	2,283
	36,737	42,286	**40,261**	44,569
	625,501	503,658	**664,488**	538,755

The accompanying notes are an integral part of these parent company and consolidated financial statements.

Notes to the Parent company and consolidated financial statements

(In thousands of Reais, unless otherwise indicated)

1 Operational context

BRQ Soluções em Informática S.A. ("BRQ" or "Company", also referred to as "Group") is a publicly-traded company, with no publicly issued and traded securities, with its head office at Av. Ipanema, nº 165 conjunto 1505,1506 e 1507, Dezoito do Forte Empresarial - Alphaville, Barueri - São Paulo, with 6 service centers located in São Paulo/SP, Rio de Janeiro/RJ, Curitiba/PR, Barueri/ SP, and an operational unit outside Brazil in New York - USA.

The Company and its subsidiaries have as their main activity the rendering of technology and digital transformation services that aim, mainly, to meet the following customer demands:

> **Customer Core Business Transformation**: modernization of the legacy system and/or migration of legacy data, to cloud computing (cloud computing solution); and
>
> **Digital Transformation**: evolution of digital channels and business analytics, focusing on the strategic application of innovative technologies to solve the challenges of efficiency, productivity, performance, and process optimization.

The Company's performance is defined according to the needs and demands of each customer, with the aim of optimizing business and overcoming challenges. The solutions developed are tailor-made especially in the digital transformation business line.

The Company explores the business challenge, understands the problem, and builds the solution with the best and most innovative technology, combining accelerators with analytical solutions that facilitate decision making at any time

The issuance of the parent company and consolidated financial statements was authorized by the Company's Board of Directors on February 17, 2022.

2 List of Subsidiaries

The parent company and consolidated financial statements include the operations of the Company and the following subsidiaries, whose percentage interest is summarized as follows:

		% ownership interest	
Corporate Name	**Name**	**12/31/2021**	**12/31/2020**
BRQ IT Services, Inc.	BRQ IT	100%	100%
ThinkInternational LLC (indirect subsidiary)	ThinkInternacional	100%	80%
Workfacilit Soluções Digitais Ltda.	Workfacilit	51%	51%
Inspeon Soluções Digitais Ltda.	Inspeon	60%	60%
BMSIX Soluções em Informática Ltda (i)	BMSIX	100%	-
Livetouch Tecnologia Ltda. (i)	Livetouch	100%	-

(i) Companies acquired during 2021, see note 12d

3 Basis of accounting of the parent company and consolidated financial statements

a. Statement of conformity with IFRS standards and the standards of the Accounting Pronouncements Committee - CPC

The parent company and consolidated financial statements were prepared and are being presented in accordance with the accounting practices adopted in Brazil, which comprise the decisions issued by the Brazilian Securities Commission ("CVM") and the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee ("CPC"), which are in conformity with the rules and procedures of the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"). All relevant information proper of the financial statements, and only them, are being evidenced and correspond to those used by the Company's Management in its management.

Management has assessed the ability of the Company and its subsidiaries to continue as a going concern and is satisfied that they have the resources to continue as a going concern in the future. Management is not aware of any material uncertainty that may cast significant doubt on their ability to continue as a going concern. Accordingly, these Parent company and consolidated financial statements have been prepared on a going concern basis.

Statements of added value

The presentation of the parent company and consolidated of Statements of added value (DVA) is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to publicly-traded companies. The DVA was prepared in accordance with the criteria defined in the Technical Pronouncement NBC TG / CPC 09 - "Statements of added value". The IFRS do not require the presentation of this statement. As a consequence, under IFRS, this statement is presented as supplementary information, without prejudice to the set of parent company and consolidated financial statements.

b. Basis of preparation and presentation

The financial statements have been prepared using the historical cost as the value 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.

All amounts presented in these Parent company and consolidated financial statements are expressed in thousands of reais, unless otherwise indicated. Due to the use of rounding, the figures presented throughout these financial statements may not add up precisely to the totals shown.

Operating segment

The Company's revenue is basically composed of the development of applications and integrations. Consequently, the Company has concluded that it has only one reportable business segment.

Propagation of the New Coronavirus (Covid-19)

Since the beginning of the year 2020, we have been monitoring the spread of the New Coronavirus (“Covid-19”) around the world. The Company has performed an analysis of the risks and uncertainties related to Covid-19 in its operations and those of its subsidiaries and has not identified any material impact to date that would require adjustment to the Parent company and consolidated financial statements.

The Company has adopted home office for all employees, respecting the quarantine decrees of each state; as a consequence, we have reduced the size of the offices and strengthened the corporate health team.

Our IT tools have proven effective and, together with management discipline, the Company’s employees continue to work within the usual productivity level.

The Company understands that it is taking all appropriate measures to prevent the spread of Covid-19, as well as ensuring business continuity during the pandemic period. Although the Company’s operations have not been materially affected to date and it has not identified any events that would indicate indications of impairment and/or non-realization of its assets, the Company's management is unable to estimate or predict the occurrence of future events related to the Covid-19 pandemic that may impact the Company, but will continue with the monitoring and evaluation of actions to be taken.

c. Use of estimates and judgments

The parent company and consolidated financial statements have been prepared on a variety of valuation bases used in making accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported by objective and subjective factors, based on Management’s judgment to determine the appropriate amount to be recorded in the Parent company and consolidated financial statements and, when necessary, the judgments and estimates are supported by opinions prepared by experts. The Company reviews its estimates at least annually in the ordinary course of its business.

Settlement of transactions involving these estimates could result in amounts significantly different from those recorded in the parent company and consolidated financial statements due to the probabilistic treatment inherent in the estimation process.
Changes in estimates are treated prospectively.

Uncertainties about assumptions and estimates

Information about uncertainties related to assumptions and estimates at December 31, 2021 that have a significant risk of resulting in a material adjustment to the carrying balances of assets and liabilities within the next year are discussed below:

<u>Measurement of expected credit losses on receivables</u>

The criteria related to the credit risk analysis for determining expected credit losses are described in note 6.

Taxes

There are uncertainties with respect to the interpretation of tax regulations. The Company makes provisions, based on reasonable estimates, for possible matters identified in inspections carried out by the tax authorities of the respective jurisdictions in which it operates and whose likelihood of loss is evaluated as probable. The amount of such provisions is based on several factors, such as past audit experience and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. These differences in interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective domicile of the Company.

Uncertainties exist in determining the amount of deferred tax assets that can be recognized based on the probable timing of realization and level of future taxable profits, together with tax planning strategies.

Useful life of property, plant and equipment

The goods recorded in property, plant and equipment are depreciated according to the estimated useful economic life of the assets.

Recoverable value of tangible and intangible assets, including goodwill

The Company evaluates the recovery of the book value of the goodwill recorded using the "value in use" concept, through discounted cash flow models of the cash generating unit. The cash-generating unit evaluated was the subsidiary ThinkInternational.

The assumptions about cash flow growth projections and future cash flows are based on the Company's business plan, approved annually by management, as well as on comparable market data and represent management's best estimate of the economic conditions that will exist during the economic life of these assets for the cash generating unit. Future cash flows have been discounted based on a representative cost of capital rate.

Consistent with economic valuation techniques, the assessment of value in use is made for a period of five years and, thereafter, considering the perpetuity of the assumptions, in view of the business' ability to continue indefinitely.

The Company did not apply a growth rate to extrapolate the projections made at December 31, 2021. The estimated future cash flows were discounted at a discount rate of 12.2% p.a. (6.4% p.a. at December 31, 2020).

The main assumptions used in estimating the value in use are:

- Revenues: the Company's growth projection for the period from 2022 to 2026 was considered based on growth in service provision at base customers and acquisition of new customers.
- Cost of services rendered/general and administrative expenses: were projected based on the historical performance.
- Capital expenditures: were estimated considering the current infrastructure required to enable the service offering, based on the Company's history.

The key assumptions were based on the Company's historical performance and reasonable macroeconomic assumptions based on financial market projections, documented and approved by the Company's Management.

Financial assets

The criteria regarding the fair value analysis for financial assets are described in note 10.

Provision for losses on legal claims

The Company constitutes a provision for judicial and other proceedings based on the evaluation of the probability of loss. The estimates and assumptions used in recording the Company's provisions for legal and other proceedings are reviewed at least annually.

Share-based payment

The criteria for determining the estimated fair value of share-based payments are described in note 4(m).

d. Fair value measurement of financial instruments

The Company and its subsidiaries measure financial instruments at fair value at each balance sheet date. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are classified into different levels in a hierarchy based on the inputs used in valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the convertible loan contracts, classified as level 2, the Company measures their fair value based on transactions in the current year (new funding rounds), carried out between independent parties and under usual market conditions.

Additional information is included in explanatory note 31.

4 Significant accounting policies

The Group has applied the accounting policies described below consistently to all years presented in these parent company and consolidated financial statements.

(a) Basis of consolidation

(i) Business combination

Business combinations are recorded using the acquisition method when the set of activities and assets acquired meets the definition of a business and control is transferred to the Group. In determining whether a set of activities and assets is a business, the Group assesses whether the set of acquired assets and activities includes at least one input and one substantive process that together contribute significantly to the ability to generate output.

The consideration transferred is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill arising on the transaction is tested annually for impairment. Gains on an advantageous purchase are recognized immediately in the income statement. Transaction costs are recorded in income as incurred, except for costs related to the issuance of debt or equity instruments.

The consideration transferred does not include amounts relating to the payment of pre-existing relationships. Such amounts are generally recognized in the income statement.

Any contingent consideration payable is measured at its acquisition-date fair value. If the contingent consideration is classified as an equity instrument, then it is not remeasured and settlement is recorded within equity. The remaining contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value are recorded in the income statement.

(ii) Subsidiaries

The Group controls an entity when it is exposed to, or has rights over, variable returns from its involvement with the entity and has the ability to affect these returns by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases.

In the parent company's individual financial statements, financial information of subsidiaries is recognized using the equity method.

(iii) Non-controlling shareholders interest

The Group has elected to measure any non-controlling shareholders interest initially by the proportionate interest in the identifiable net assets of the acquiree at the acquisition date.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealized income or expense (except for gains or losses on foreign currency transactions) derived from intragroup transactions, are eliminated. Unrealized gains arising from transactions with investees recorded on an equity basis are eliminated against the investment in proportion to the Group's interest in the investee. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet on a current/non-current basis. An asset is classified as current when: it is expected to be realized or is intended to be sold or consumed in the normal operating cycle; it is held primarily for trading; it is expected to be realized within 12 months after the reporting year; or cash or cash equivalents, unless there are restrictions on its exchange or it is used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current, including deferred tax assets.

A liability is classified as current when: it is expected to be settled in the normal operating cycle; it is held primarily for trading; it is expected to be realized within 12 months after the reporting year; or there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting year. The Group classifies all other liabilities in non-current.

(c) Revenue recognition

Revenue is measured based on the fair value of the consideration received specified in the contract with the customer, excluding discounts, rebates and sales taxes or charges.

The following criteria must be met for revenue recognition:

<u>Rendered services</u>
Service revenue arises primarily from revenue from application development and integrations to meet customer demands.

Revenue is recognized over time as services are provided (contracted hours are incurred to perform the service). The stage of completion for determining the amount of revenue to be recognized is based on assessments of progress on each of the projects and the timing of when the performance obligation has been met. Other revenues are recognized to the extent that it is probable that economic benefits will be generated for the Group and when they can be measured reliably, regardless of when payment is received.

(d) Taxation

(i) <u>Sales Taxes</u>
Revenues from services provided are subject to the following taxes and contributions, at the basic rates:

- Social Integration Program (PIS): 0.65% and 1.65%;
- Contribution for Social Security Financing (COFINS): 3.0% and 7.6%;
- Service Tax (ISS): 2.0% and 5.0%; and
- Social Security Contribution on Gross Revenue (CPRB): 4.5%.

(ii) Income tax and social contribution - current and deferred

Current income tax and social contribution expense
The current tax expense is the estimated tax payable or receivable on the taxable profit or loss for the year and any adjustment to taxes payable in respect of previous years. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability for the best estimate of the expected value of taxes to be paid or received that reflects the uncertainties related to their determination, if any. It is measured based on the tax rates enacted on the balance sheet date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred income tax and social contribution expense
Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and those used for taxation purposes. Changes in deferred tax assets and liabilities in the year are recognized as deferred income and social contribution tax expense. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither taxable profit or loss nor accounting profit or loss;
- temporary differences related to investments in subsidiaries, affiliates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to fully recognize a deferred tax asset, future taxable profits will be considered, adjusted for reversals of existing temporary differences, based on the business plans of the parent company and its subsidiaries individually.

The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(e) Property, plant and equipment
Property, plant and equipment items are stated at historical cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated and recognized in income to write-off the cost of property, plant and equipment items on a straight-line basis over the estimated useful lives of the assets.

A fixed asset item is written off when it is sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the asset retirement (calculated as the difference between the net sales value and the book value of the asset) is included in the income statement in the year in which the asset is retired.

The residual value and useful life of assets and the depreciation methods are reviewed at each year-end and adjusted prospectively where appropriate.

Subsequent costs are capitalized only when it is probable that future economic benefits associated with the expenditure will accrue to the Group.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

The estimated useful lives are as follows:

Furniture and fixtures	12 years
Machinery and equipment	20 years
Telephone equipment	10 years
Computer equipment	3 years
Installations	20 years
Vehicles	5 years
Improvements in third party property	5 years

(f) Intangible assets and goodwill

Separately acquired intangible assets are measured at cost upon initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized, and the expenditure is reflected in the income statement in the year in which it is incurred.

The useful life of intangible assets is assessed as definite or indefinite.

Intangible assets with finite lives are amortized using the straight-line method over their economic useful lives and assessed for impairment whenever there is an indication that the economic value of the asset may be impaired. The amortization period and method for an intangible asset with a finite life are reviewed at least at each fiscal year end. Changes in the estimated useful life or expected consumption of future economic benefits of these assets are accounted for through changes in the amortization period or method, as the case may be, and are treated as changes in accounting estimates. Amortization of intangible assets with finite lives is recognized in the income statement in the expense category consistent with the use of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether this assessment continues to be justified.

Gains and losses resulting from the write-off of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the income statement when the asset is written off.

Goodwill
Goodwill is measured at cost less accumulated impairment losses.

Research and development costs
Research costs are expensed when incurred and development costs related to technological innovations of existing products are capitalized if they are technologically and economically feasible and amortized over the expected period of benefits within operating expenses.

The development costs of a specific project are recognized as intangible assets whenever it can be demonstrated: (i) the technical feasibility of completing the intangible asset in the manner in which it will be available for use or sale; (ii) the intention to complete the asset and the ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of resources to complete the asset; and (v) the ability to reliably assess the costs incurred during the development phase.

After initial recognition, the asset is stated at cost less accumulated amortization and impairment losses. Amortization begins when development is complete and the asset is available for use over the period of future economic benefits. During the development period, the asset's recoverable value is tested annually.

Once classified as held for sale, intangible assets are no longer amortized, and any investment measured by the equity method is no longer subject to the application of the method.

The estimated useful lives are as follows:

Software	5 years
Customer Relations	8.7 years
Non-compete clause	4.3 years
Goodwill	-
Trademarks and patents	-

(g) Financial Instruments

(i) Financial Assets

Initial Recognition and Measurement
Financial assets are classified, on initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the Group’s business model for managing these financial assets. All financial assets are recognized at fair value plus, for financial assets not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For subsequent measurement purposes, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instrument);
- Financial assets designated at fair value through other comprehensive income without reclassification of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets for the purpose of receiving contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the income statement when the asset is written-off, modified, or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade and related party receivables and restricted deposits.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group values debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets for the purpose of receiving contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows consisting solely of payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the income statement and calculated in the same manner as for financial assets measured at amortized cost. The remaining changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative change in fair value recognized in other comprehensive income is reclassified to profit or loss.

Financial assets at fair value through other comprehensive income (equity instruments)

At initial recognition, the Group may irrevocably elect to classify its equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under CPC 39 - Financial Instruments: Presentation and are not held for trading. The classification is determined by considering each instrument specifically.

Gains and losses on these financial assets are never reclassified to income.
Equity instruments designated at fair value through other comprehensive income are not subject to impairment testing.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets required to be measured at fair value. Financial assets are classified as held for trading if they are acquired with the purpose of being sold or repurchased in the short term.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a specified period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs) as well as a profit margin.

Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with net changes in fair value recognized in the income statement.

The Group has financial assets (debt instruments) at fair value through profit or loss classified as financial assets.

<u>Derecognition (write-off)</u>

A financial asset (or, where appropriate, a part of a financial asset or part of a group of similar financial assets) is derecognized primarily (i.e. excluded from income for the year) when the rights to receive cash flows from the asset have expired; the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the cash flows received in full, without material delay, to a third party under a pass-through arrangement; and (a) the Group has transferred substantially all the risks and rewards relating to the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards relating to the asset, but has transferred control over the asset.

(i) Impairment of financial assets

Credit exposures for which there has been no significant increase in credit risk since initial recognition are provisioned as a result of possible default events within the next 12 months (12-month expected credit loss). For credit exposures for which there has been a significant increase in credit risk since initial recognition, an allowance for expected credit losses is required over the remaining life of the exposure, regardless of the time of default (a lifetime expected credit loss).

This methodology is applicable to financial instruments classified as amortized cost or fair value through other comprehensive income (with the exception of investments in equity instruments).

For accounts receivable, given the short-term nature of the Company's receivables and its policy for granting and managing risk and credit used, the Company did not identify any material impact that would affect its Parent company and consolidated financial statements, by adoption.

For the other financial assets subject to impairment analysis no expected loss was recognized in the year ended December 31, 2021, because according to the Company’s evaluation, besides the associated risk being low, there is no history of losses.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

(ii)Financial liabilities

Initial Recognition and Measurement

Financial liabilities are classified, on initial recognition, as financial liabilities at fair value through profit or loss, loans and receivables or accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially recognized at fair value and, in the case of loans and financing and accounts payable, are increased by the directly related transaction cost.

The Group's financial liabilities include trade and other payables and loans and financing and leases

Subsequent measurement

After initial recognition, loans and financing subject to interest are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized, as well as during the process of amortization using the effective interest rate method.

A financial liability is derecognized when the obligation is discharged, canceled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are significantly changed, such a replacement or change is treated as a derecognition of the original liability and recognition of a new liability, with the difference in the corresponding carrying amounts recognized in the income statement.

Derecognition (write-off)

A financial liability is derecognized when the obligation is discharged, canceled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are significantly changed, such a replacement or change is treated as a derecognition of the original liability and recognition of a new liability, with the difference in the corresponding carrying amounts recognized in the income statement.

(h) Service inventories

Service inventories are stated at cost or net realizable value, whichever is lower.

(i) Impairment of non-financial assets

The Management annually reviews the net book value of the assets with the purpose of evaluating events or changes in the economic, operating or technological circumstances that may indicate deterioration or loss of their recoverable value. If such evidences are identified and the net book value exceeds the recoverable value, a provision for devaluation is constituted by adjusting the net book value to the recoverable value. The recoverable value of an asset or of a certain cash-generating unit is defined as the higher between the value in use and the net sales value.

For impairment testing, assets are grouped into Cash Generating Units (CGU), i.e. the smallest possible group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or CGUs. Goodwill from business combinations is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination

In estimating the asset’s value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. The net sales value is determined, whenever possible, based on a firm sales agreement in a transaction on a commutative basis, between knowledgeable and interested parties, adjusted by expenses attributable to the sale of the asset, or, when there is no firm sales agreement, based on the market price of an active market, or on the price of the most recent transaction with similar assets.

Impairment testing of goodwill paid for expected future profitability is performed annually or when circumstances indicate impairment of the carrying amount.

An impairment loss related to goodwill is not reversed. For all other assets, impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

(j) Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments, and not for investment or other purposes. The Group considers cash equivalents to be a financial investment of immediate convertibility into a known amount of cash and subject to an insignificant risk of change in value. Therefore, an investment normally qualifies as cash equivalent when it has a short-term maturity; for example, three months or less from the contracting date.

Cash resources should be optimized to meet short-term obligations (maturity of less than 30 days). All additional resources to the short-term obligations must be invested in financial applications with immediate liquidity.

The parameter for evaluating the expected yield is the CDI rate published by Cetip, and the investment options are fixed income applications, such as term deposits (CDBs - Bank Deposit Certificates, LFS, LCIs, or LCAs), savings, and fixed income funds.

The financial investments must be allocated only in first-line institutions, whose risk rating is of low credit risk attributed by reference rating agencies.

(k) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other capital reserves.

(l) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement, net of any reimbursement.

The Group is party to various legal and administrative proceedings. Provisions are made for all contingencies relating to legal proceedings for which it is probable that an outflow of resources will be made to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the probability of loss includes the evaluation of available evidence, the hierarchy of laws, available case law, most recent court decisions and their relevance in the legal system, as well as the evaluation of external lawyers. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, findings from tax inspections or additional exposures identified based on new matters or court decisions.

(m) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are recognized as personnel expenses as the corresponding service is provided. The liability is recognized at the amount of the expected payment if the Group has a present legal or constructive obligation to pay this amount due to past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

The cost of employee transactions settled with equity instruments, and awards granted, is measured based on the fair value at the date they were granted.
To determine fair value, the Group uses an external pricing specialist, who uses an appropriate valuation method.

The cost of settled transactions with equity securities is recognized, together with a corresponding increase in equity, over the period during which the service condition is fulfilled, ending on the date the employee becomes fully entitled to the award (vesting date). The cumulative expense recognized for equity-settled transactions at each reporting date up to the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity securities that will vest. The expense or credit in the income statement for the year is recorded in personnel expenses and represents the movement in accrued expense recognized at the beginning and end of that year.

Service conditions and other non-market related performance conditions are not considered in determining fair value at the date the awards were granted, however, the probability that the conditions will be met is assessed as part of the Group's best estimate of the number of equity instruments with awards that complete their vesting period. Market-related performance conditions are reflected in the fair value at the date of grant.

No expense is recognized for awards that do not complete their vesting period because performance and/or non-market service conditions have not been met.

(n) Functional currency

The Parent company and consolidated financial statements are presented in Brazilian reais (BRL), which is the functional currency of the parent company. Each Group entity determines its own functional currency, and for those entities whose functional currencies are different from the Brazilian Real, the financial statements are exchanged into the Brazilian Real on the closing date.

<u>Foreign Currency Exchange</u>
Foreign currency transactions are initially recorded at the exchange rate of the functional currency prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are exchanged at the functional currency exchange rate prevailing at the balance sheet date. All differences are recorded in the statement of comprehensive income.

Group Companies
The assets and liabilities of foreign subsidiaries are exchanged into Reais at the exchange rate on the balance sheet date, and the corresponding income statements are exchanged at the exchange rate on the date of the transactions. The exchange differences resulting from such exchange are accounted for separately in equity. Goodwill on the purchase of a foreign subsidiary after January 1, 2009 is treated as an asset of the foreign subsidiary and exchanged on the closing date.

(o) Present value adjustment of assets and liabilities

Long-term monetary assets and liabilities are monetarily restated and therefore adjusted to their present value. The adjustment to present value of short-term monetary assets and liabilities is calculated, and only recorded if considered relevant in relation to the financial statements as a whole. Based on the analyses performed and management's best estimate, the Group has concluded that the adjustment to present value of current monetary assets and liabilities is immaterial in relation to the parent company and consolidated financial statements taken as a whole and, therefore, no adjustment has been recorded.

(p) Leases

The Company assesses, at the inception date of a contract, whether that contract is or contains a lease. A contract is (or contains) a lease if the fulfillment of this contract is dependent on the use of a specific asset (or assets) and the contract transfers the right to use a specific asset (or assets), even if this asset (or these assets) is not explicit in the contract.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

Right-of-use assets
The Company recognizes right-of-use assets on the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the value of recognized lease liabilities, initial direct costs incurred and lease payments made up to the commencement date.

Lease liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of the lease payments, the Company uses its incremental borrowing rate at the commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the value of the lease liability is increased to reflect the interest accrual and reduced for the lease payments made. In addition, the carrying value of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes in future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the valuation of a call option on the underlying asset.

(q) Accounts payable to suppliers

Accounts payable to suppliers are obligations payable for goods or services that were purchased in the ordinary course of business and are classified as current liabilities if payment is due within one year. Otherwise, the accounts payable are presented as non-current liabilities. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

(r) Finance income and expenses

The Group's finance income and expenses comprise:

- Interest income;
- Interest expense; and
- Banking expenses.

For all financial instruments measured at amortized cost and interest-bearing financial assets, interest income or expense is recognized using the effective interest rate, which exactly discounts estimated future cash payments or receipts through the estimated life of the financial instrument or over a shorter period of time, when applicable, to the net carrying amount of the financial asset or liability. Interest income is included under interest income, and interest expense under interest expense, both in the income statement.

(s) New or revised pronouncements applied for the first time in 2021

<u>Amendments to CPC 48/IFRS 9, CPC 38/IAS 39, CPC 40/IFRS 7 and CPC 06/IFRS 16: Reform of the Reference Interest Rate - Phase 2</u>

The amendments to the Pronouncements provide exemptions that apply to all hedging relationships directly affected by the reference interest rate reform. A hedging relationship is directly affected if the reform raises uncertainties about the timing or amount of cash flows based on the reference interest rate of the hedged item or hedging instrument. These amendments have no impact on the Group's parent company and consolidated financial statements.

(t) New standards and interpretations not yet effective

A number of new standards will be effective for fiscal years beginning after January 1, 2021. The Group has not adopted these standards in the preparation of these parent company and consolidated financial statements.

(i) Onerous Contracts - costs to fulfill a contract (amendments to CPC 25/IAS 37)
The amendments specify which costs an entity includes when determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply to annual periods beginning on or after January 1, 2022 for contracts existing on the date the amendments are first applied. At the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment of the opening balance in retained earnings or other components of equity, as appropriate. Comparatives are not restated. The Group has determined that the adoption of the new standard will have no effect on its Parent company and consolidated financial statements based on existing contracts as of December 31, 2021.

(ii) Deferred tax related to assets and liabilities arising from a single transaction (amendments to CPC 32/IAS 12)
The amendments limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - for example, leases and dismantling cost liabilities. The amendments apply to annual periods beginning on or after January 1, 2023. For leases and dismantling cost liabilities, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group has assessed that the amendment has no impact on the Group.

(iii) Other Standards
The following new and amended standards are not expected to have a significant impact on the Group's Parent company and consolidated financial statements:

- Annual Review of IFRS 2018-2020.
- Reference to the Conceptual Framework (Amendments to CPC 15/IFRS 3).
- Classification of Liabilities into Current or Non-Current (Amendments to CPC 26/IAS 1).
- IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to CPC 23/IAS 8).

5 Cash and Cash Equivalents

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash	**1**	5	**1**	6
Banks - transaction account (i)	**221**	229	**15,970**	19,731
Short-term investments (ii)	**139,514**	114,240	**145,646**	114,978
	139,736	114,474	**161,617**	134,715

(i) As of December 31, 2021, checking account balances were remunerated at 5.0% of the CDI variation, and as of December 31, 2020 the remuneration was between 10.0% and 50.0% of the CDI variation

(ii) Short-term financial investments correspond to transactions carried out with institutions operating in the domestic financial market and contracted at normal market conditions and rates, characterized by high liquidity (less than 90 days), low credit risk and remuneration at the Interbank Deposit Certificate (CDI) variation, according to the company's policy. On December 31, 2021 and December 31, 2020 the percentages vary from 75.0% to 106.0% and 75.0% to 107.0%, respectively.

At December 31, 2021 and December 31, 2020 the Company has no derecognized financial assets and derivative transactions.

Information about the Company's exposure to liquidity and market risks is included in note 32.

6 Accounts receivable

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Trade bills receivable	**36,906**	36,127	**52,199**	44,389
Amounts to be billed (i)	**40,321**	38,865	**40,321**	38,865
Accounts receivable from related parties (note 11)	**895**	533	**13**	71
(-) Expected credit losses (ii)	**(908)**	(2,029)	**(908)**	(2,029)
	77,214	73,496	**91,625**	81,296
Current	**77,214**	73,246	**91,625**	81,296
Non-current	**-**	250		-

(i) The "Amounts to be billed" correspond to services that had already been provided up to December 31, 2021 and 2020, but had not been billed by the end of the respective years.

(ii) The expected credit losses were calculated based on the credit risk assessment performed by the Company. These expected losses consider the history of losses, the individual situation of the customers, the situation of the economic group to which they belong and the respective real guarantees received. The Company has no recent history of losses.

We present below the changes in expected credit losses as of December 31, 2021 and 2020:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Initial balance	**(2,029)**	(391)
Reversal	**1,638**	-
Constitution	**(517)**	(1,638)
Closing balance	**(908)**	(2,029)

The balances of trade bills receivable at December 31, 2021 and 2020 are segregated according to the following maturity ranges:

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Maturing	**33,750**	33,124	**46,019**	41,386
Due up to 30 days	**2,403**	884	**4,753**	884
Past due from 31 to 180 days	**296**	-	**1,150**	-
Past due for more than 180 days	**457**	2,119	**457**	2,119
	36,906	36,127	**52,199**	44,389

The balances of amounts to be billed at December 31, 2021 and 2020 are segregated according to the following open times:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Up to 30 days	19,564	13,825
Between 30 and 60 days	13,766	9,122
Between 60 and 90 days	1,641	4,570
Between 90 and 120 days	1,574	1,387
More than 120 days	3,776	9,961
	40,321	38,865

7 Inventories of services in progress (parent company and consolidated)

The balances at December 31, 2021 and 2020 refer to the initial expenses with the acquisition of IBM technical support services for resale. These expenses are incurred as the sales contracts for these services are signed and, therefore, there is no risk of this asset not being realized. Based on the current contracts, a portion equivalent to BRL 260 of this inventory will be realized within 12 months after the closing of the referred fiscal years (BRL 689 as of December 31, 2020), and the remaining balance of BRL 23 (BRL 43 as of December 31, 2020) after 12 months, classified as non-current assets.

8 Prepaid expenses

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Advance on vacation	**1,059**	1,154	**1,095**	1,155
Software license renewal	**1,109**	511	**1,109**	511
Insurance to be appropriated	**1,234**	1,677	**1,234**	1,686
Advance to suppliers	**72**	180	**191**	192
Supply costs (ii)	**3,331**	-	**3,331**	-
Meal and food vouchers (i)	**3,779**	2,959	**3,779**	2,959
Visa and work permit costs	**-**	-	**1,676**	533
Other expenses to be appropriated	**40**	26	**105**	40
	10,624	6,507	**12,520**	7,076

(i) These refer to prepaid expenses in the current month, but accrued in the month following the fiscal year presented.

(ii) These refer to costs with lawyers and auditors for the IPO.

9 Recoverable and deferred taxes

a. Taxes recoverable

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Income tax and social contribution (i)	**8,041**	5,480	**8,407**	6,428
PIS and COFINS recoverable	**983**	482	**1,004**	482
INSS to offset	**145**	544	**145**	544
Other taxes to offset	**625**	316	**779**	316
	9,794	6,822	**10,335**	7,770

(i) This refers to the withholding of taxes on financial investments and services provided to third parties, which will be offset against future tax debts of the same nature.

b. Deferred income tax and social contribution

Deferred income tax and social contribution are recorded to reflect the future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective book values.

Deferred income tax and social contribution have the following origin:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Tax depreciation	**635**	460
Provision for payments (i)	**7,051**	1,657
Labor provision	**2,255**	2,190
Provision for expected credit losses	**307**	689
Finance leases	**(1,036)**	(837)
Other provisions	**252**	236
	9,464	4,395

i) Refers to the provision for the payment of PLR, the overtime bank, and severance pay.

10 Financial assets

The Company makes investments in startups through loan agreements with an option to convert into equity interest on a certain date.

The medium to long term strategy of the assets is to generate synergy with the Company's business, or a planned exit for the moment when the financial returns are favorable, thus they are recognized as financial instruments (level 2).

The financial assets are measured at fair value through profit or loss, and because they represent privately-held startups and do not have budgeted prices in an active market, the fair value for these investments is measured by one or multiple valuation techniques practiced by the market, such as discounted cash flow or revenue multiples, considering the reasonableness of the range of values indicated by them, being the fair value measurement the point within that range that best represents the fair value in the circumstances, or through observable market transactions, such as new rounds of investments, being considered the Post Money Valuation as the new fair value reference for that asset. The Company used this reference for active investments as of December 31, 2021.

These startups are part of the Company's Innovation Hub and connect to its services platform to accelerate digital transformation at customers. In 2021 the following startups are part of the portfolio: IU Pay, Jobecam, LegalBot, Payface and Certdox.

The value of these investments at December 31, 2021 was BRL 10,771 (BRL 10,143 at December 31, 2020).

11 Related party transactions

The main balances at December 31, 2021 and 2020, as well as the transactions that influenced the result of the year, related party transactions, arise from transactions between the Company and its subsidiaries and key management professionals.

a. Accounts Receivable

	Parent company		**Consolidated**	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
ThinkInternacional (i)	**738**	212	**-**	-
BNDES (ii)	**13**	71	**13**	71
Inspeon (iii)	**19**	-	**-**	-
Inspeon (iv)	**125**	250	**-**	-
	895	533	**13**	71
Current	**895**	283	**13**	71
Non-current	**-**	250	**-**	-

(i) The balance receivable from the subsidiary ThinkInternational refers to services provided by the Company to this subsidiary and has an average collection term of 60 days. The balance is denominated in US dollars and is subject to exchange variation.

(ii) The National Bank for Economic and Social Development - BNDES is the parent company of BNDESPAR Participações S.A., which holds 23% interest in the Company. The balance receivable from BNDES refers to the provision of IT services.

(iii) The balance receivable from Inspeon refers to services rendered by the Company to this subsidiary and has an average collection term of 30 days.

(iv) The balance receivable from Inspeon refers to a private loan instrument with the right to conversion into shares, with a term of 12 months, maturing in June 2022. This contract was settled by the subsidiary during the year ended December 31, 2021.

b. Transactions that affected the result

During the year ended December 31, 2021 and 2020, the transactions between related parties were as follows:

	Parent company		Consolidated	
Service Revenue	**12/31/2021**	12/31/2020	**12/31/2021**	**12/31/2020**
BNDES	**1,430**	2,546	**1,430**	2,546
ThinkInternacional	**4,033**	2,829	-	-
Inspeon	**242**	-	-	-
Total	**5,705**	5,375	**1,430**	**2,546**

	Parent company		Consolidated	
Cost of Services	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Inspeon	-	**(638)**	-	-
BMSIX	**(187)**	-	-	-
Workfacilit	**(430)**	**(66)**	-	-
Total	**(617)**	(704)	-	-

Remuneration	**2021**	**2020**
Salary or pro-labore	4,839	2,943
Direct and indirect benefits	830	-
Profit sharing	2,554	-
Total	**8,223**	**2,943**

12 Investments

Details of the Company's subsidiaries are presented below:

a. Details of Subsidiaries

Name of Subsidiary	Investment Type	Assets		Liabilities		Shareholders' Equity	Company's Investment		Invested Activities	Incorporation and operation
		Current	Non-current	Current	Non-current		12/31/2021	12/31/2020		
BRQ IT Services, Inc.	Direct	27,908	6,903	8,200	1,515	25,096	**100%**	**100%**	Holding	United States
Workfacilit Soluções Digitais Ltda.	Direct	396	225	95	-	526	**51%**	**51%**	IT Solutions	Brazil
Inspeon Soluções Digitais Ltda.	Direct	5,133	1,041	1,919	-	4,255	**60%**	**60%**	IT Solutions	Brazil
BMSIX Soluções em Informática Ltda.	Direct	5,746	259	6,173	280	(448)	**100%**	**-**	IT Solutions	Brazil
Livetouch Tecnologia Ltda.	Direct	627	-	303	-	324	**100%**	**-**	IT Solutions	Brazil

b. Subsidiaries information

Subsidiary	Shareholders' Equity			Net income for the year		Total investment		Equity	
	Parent Company	Non-controllers	Interest (%)	Parent Company	Non-controllers	12/31/2021	12/31/2020	12/31/2021	12/31/2020
BRQ IT Services, Inc.	25,096	-	100%	6,667	1,363	**25,095**	23,223	**6,667**	2,671
Inspeon Soluções Digitais Ltda.	2,477	1,778	60%	2,177	1,897	**2,667**	843	**2,177**	1,124
Workfacilit Soluções Digitais Ltda.	411	115	51%	111	263	**327**	255	**111**	-
BMSIX Soluções em Informática Ltda.	(448)	-	100%	(222)	-	**12,854**	-	**(222)**	-
Livetouch Tecnologia Ltda.	324	-	100%	82	-	**5,035**	-	**82**	-
Total	**27,860**	**1,893**		**8,815**	**3,524**	**45,978**	**24,321**	**8,815**	**3,795**

c. Movement of investments

	BRQ IT	Inspeon	Workfacilit	BMSIX	Livetouch	Total
Investments as of December 31, 2019	**15,734**	**-**	**-**	**-**	**-**	**15,734**
Paid-in capital	-	-	255	-	-	255
Dividend distribution	-	(281)	-	-	-	(281)
Equity result	2,671	1,398	62	-	-	4,131
Loss (disproportionate distribution of profits)		(274)	(62)	-	-	(336)
Exchange variation on foreign investment	4,818	-	-	-	-	4,818
Investments as of December 31, 2020	**23,223**	**843**	**255**	**-**	**-**	**24,321**
Paid-in capital	-	300	-	-	-	300
Acquisition of investments	-	-	-	(227)	242	15
Equity result	6,667	2,177	111	(222)	82	8,815
Transaction between shareholders (i)	(5,080)	-	-	-	-	(5,080)
Dividend distribution	-	(653)	(39)	-	-	(692)
Exchange variation on foreign investment	285	-	-	-	-	285
Goodwill on operation	-	-	-	11,816	3,315	15,131
Other assets acquired in the operation	-	-	-	1,540	1,443	2,983
Amortization of assets acquired in the operation	-	-	-	(53)	(47)	(100)
Investments as of Friday, December 31, 2021	**25,095**	**2,667**	**327**	**12,854**	**5,035**	**45,978**

(i) In May 2021, BRQ IT acquired 20% of ThinkInternational's stake for BRL 5,080 (USD 1,016) compared to the book value of the non-controlling interest acquired, with an outlay of BRL 3,685 (USD 737). As of December 31, 2021, the remaining payable balance was reduced by BRL 42 (USD 7) due to the benefit acquired by the non-controlling interest in the payment of taxes by ThinkInternational. Currently the balance payable is USD 271, equivalent to BRL 1,515. Considering that the transaction was carried out between shareholders, the amount paid in excess of the book value of the non-controlling interest acquired was recorded as a reserve in shareholders' equity.

Workfacilit Soluções Digitais Ltda. ("Workfacilit") was incorporated on December 3, 2019 to market Atend software, an innovation platform for managing and digitizing processes for service channels and corporate control. The paid-in capital, in the amount of BRL 255 was held on January 24, 2020 and represents 51% interest in the company.

Inspeon Soluções Digitais Ltda. ("Inspeon") was incorporated on December 10, 2019, with the purpose of providing services via the internet, through its multi-market and multi-branch software platform for managing the provision of inspection, audit, claims regulation, field team supervision and customer relationship services. The Company has a 60% interest in Inspeon, and its capital was fully paid up in August 2021, in the amount of BRL 300.

On August 21, 2021 and September 3, 2021, the Company acquired 100% of the interest in BMSIX Soluções em Informática Ltda. ("BMISIX") and Livetouch Tecnologia Ltda. ("Livetouch"), respectively. The details of the transaction are described in the business combination note below.

d. Business combination

(i) Acquisition BMSIX Soluções em Informática Ltda.

On July 29, 2021, the Company signed the agreement for the purchase and sale of all the shares of interest of BMSIX Soluções em Informática Ltda., a company that operates in the development, migration and support of customized Cloud Computing solutions. The transaction was concluded on August 31, 2021.

The acquisition price to be paid by the Company to BMSIX's partners is limited to BRL 18,187, and is composed of the following installments: a fixed installment of BRL 3,987 already paid on the transaction closing date; and three annual contingent installments, of which two (2) installments in a fixed amount (BRL 350 each) and one (1) installment in a variable amount, but whose sum is limited to BRL 14,200, being the payment conditioned to the achievement, by BMSIX, of goals linked to the performance of its business in the period of 36 months from the first day of the month consecutive to the closing date, as well as the fulfillment of certain obligations by the sellers.

At December 31, 2021, the expected payment of the contingent consideration is BRL 9,143 according to the updated projections of the subsidiary, considering the reduction provided for in the contract of the net debt and other receivables from previous shareholders of BRL 5,057.

The following is a summary of the fair value on the acquisition date of the consideration:

In thousands of reais	Note	
Cash payment		3,987
Contingent consideration	25	9,143
Total consideration		13,130

(ii) Acquisition of Livetouch Tecnologia Ltda.

On August 5, 2021, the Company signed the contract for the purchase and sale of all the shares of Livetouch Tecnologia Ltda., a company that develops software, mobile applications and technical support.

The acquisition price to be paid by the Company to Livetouch's members is limited to BRL 5,000 thousand, and is composed of the following installments: a fixed installment of BRL 1,800 thousand paid on the closing date of the transaction; and two annual contingent installments, being one (1) fixed value installment, BRL 500 thousand, and one (1) variable value installment, but whose sum is limited to BRL 3,200 thousand, being the payment conditioned to the achievement of goals linked to the performance of Livetouch in the period of 24 months from the first day of the month consecutive to the closing date and the fulfillment of certain obligations by the sellers. The transaction was concluded on August 31, 2021.

The following is a summary of the fair value on the acquisition date of the consideration:

In thousands of reais	Note	
Cash payment		1,800
Contingent consideration	25	3,200
Total consideration		5,000

(iii) Identifiable assets acquired and goodwill

The following presents information of the identified acquired assets and preliminary assumed liabilities at their fair value, goodwill and cost of participation that impacted the December 31, 2021 financial statements:

Preliminary Fair Value	**BMSIX**	**Livetouch**
Base date of acquisition	**8/31/2021**	**8/31/2021**
Cash and cash equivalents	1,968	300
Accounts Receivable	3,267	635
Advancements	210	54
Anticipated Expenses	30	-
Preliminary Fair Value	**BMSIX**	**Livetouch**
Base date of acquisition	**8/31/2021**	**8/31/2021**
Recoverable taxes	395	439
Current Assets	**5,870**	**1,428**
Accounts Receivable	259	-
Property, plant and equipment	149	23
Other intangibles	38	-
Customer Relations	1,133	1,300
Non-compete clause	407	143
Non-Current Assets	**1,986**	**1,466**
Suppliers	1,777	35
Loans and financing	1,627	-
Salaries and social charges	1,690	390
Taxes and contributions payable	478	433
Advance payments from customers	251	-
Other liabilities	91	351
Current liabilities	**5,914**	**1,209**
Loans and financing	348	-
Tax installments	280	-
Non-current liabilities	**628**	**-**
Net assets and liabilities	**1,887**	**1,685**
Amount paid in cash	3,987	1,800
Long-term portion (i)	9,143	3,200
Goodwill on operation (Note 14)	**11,816**	**3,315**

(i) The long-term payments were brought to present value for the acquisition date.

The assets and liabilities at fair value presented above are preliminary and if new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date indicates adjustments to the amounts mentioned, or any additional provision that existed at the acquisition date, the accounting for the acquisition will be reviewed.

The goodwill of BRL 11,816 and BRL 3,315 comprises the value of future economic benefits arising from the synergies of the businesses arising from the acquisition and aligned with the Company's strategy.

The contingent consideration was recorded at fair value on the acquisition date and is presented in note 25.

The acquired companies contributed consolidated net revenues of BRL 4,621 in the period ended December 31, 2021 (BRL 3,667 BMSIX and BRL 954 Livetouch).

Had these acquisitions occurred on January 1, 2021, management estimates that the contribution in consolidated net revenue would have been BRL 14,784 (BRL 10,788 BMSIX and BRL 3,996 Livetouch) and the loss of (BRL 1,059), ((BRL 1,899) BMSIX and BRL 840 Livetouch).

The transaction cost involving the acquisitions of these companies for the year ended December 31, 2021 was BRL 408, recognized in the result as general and administrative expenses.

13 Property, plant and equipment

	Parent company								
	Furniture and utensils	Machinery and equipment	Telephone equipment	Computer equipment	Installations	Vehicles	Fixed asset in progress	Third party leasehold improvements	Total
As of January 1, 2020									
Initial balance	3,009	88	254	5,599	769	5	679	980	11,383
Acquisitions	15	-	-	561	-	263	5,852	-	6,691
Costs Write-offs	(3,494)	(129)	(643)	(3,365)	(1,015)	(325)	-	(3,736)	(12,707)
Depreciation Write-offs	2,101	66	547	3,264	421	325	-	3,016	9,740
Transfer	53	-	-	4,948	9	-	(5,225)	215	-
Depreciation	(484)	(9)	(74)	(3,522)	(66)	(13)	-	(346)	(4,514)
Book balance, net	1,200	16	84	7,485	118	255	1,306	129	10,593
As of December 31, 2020									
Cost	3,779	18	617	24,986	190	419	1,306	3,688	35,003
Accumulated depreciation	(2,579)	(2)	(533)	(17,501)	(72)	(164)	-	(3,559)	(24,410)
Book balance, net	1,200	16	84	7,485	118	255	1,306	129	10,593
As of January 1, 2021									
Initial balance	**1,200**	**16**	**84**	**7,485**	**118**	**255**	**1,306**	**129**	**10,593**
Acquisitions	**3**	**-**	**-**	**80**	**-**	**-**	**7,090**	**-**	**7,173**
Costs Write-offs	**(224)**	**(2)**	**(11)**	**(449)**	**-**	**-**	**-**	**-**	**(686)**
Depreciation Write-offs	**186**	**1**	**9**	**413**	**-**	**-**	**-**	**-**	**609**
Transfer	**-**	**-**	**(30)**	**6,414**	**(74)**	**-**	**(6,428)**	**118**	**-**
Depreciation	**(231)**	**(1)**	**(22)**	**(5,229)**	**(3)**	**(26)**	**-**	**(53)**	**(5,565)**
Book balance, net	**934**	**14**	**30**	**8,714**	**41**	**229**	**1,968**	**194**	**12,124**
As of December 31, 2021									
Cost	**3,558**	**16**	**576**	**31,031**	**116**	**419**	**1,968**	**3,806**	**41,490**
Accumulated depreciation	**(2,624)**	**(2)**	**(546)**	**(22,317)**	**(75)**	**(190)**	**-**	**(3,612)**	**(29,366)**
Book balance, net	**934**	**14**	**30**	**8,714**	**41**	**229**	**1,968**	**194**	**12,124**
Estimated useful life (years)	**12**	**20**	**10**	**3**	**20**	**5**	**-**	**5**	

	Consolidated								
	Furniture and utensils	Machinery and equipment	Telephone equipment	Computer equipment	Installations	Vehicles	Fixed asset in progress	Third party leasehold improvements	Total
As of January 1, 2020									
Initial balance	3,036	88	254	5,624	769	5	679	980	11,435
Acquisitions	15	-	-	634	-	263	5,852	-	6,764
Costs Write-offs	(3,494)	(129)	(643)	(3,365)	(1,015)	(325)	-	(3,736)	(12,707)
Exchange rate variation	-	-	-	38	-	-	-	-	38
Depreciation Write-offs	2,101	66	547	3,264	421	325	-	3,016	9,740
Transfer	53	-	-	4,948	9	-	(5,225)	215	-
Depreciation	(484)	(9)	(74)	(3,544)	(66)	(13)	-	(346)	(4,536)
Book balance, net	1,227	16	84	7,599	118	255	1,306	129	10,734
As of December 31, 2020									
Cost	3,806	18	617	25,189	190	419	1,306	3,688	35,233
Accumulated exchange rate variation	-	-	-	38	-	-	-	-	38
Accumulated depreciation	(2,579)	(2)	(533)	(17,628)	(72)	(164)	-	(3,559)	(24,537)
Book balance, net	1,227	16	84	7,599	118	255	1,306	129	10,734
As of January 1, 2021									
Initial balance	**1,227**	**16**	**84**	**7,599**	**118**	**255**	**1,306**	**129**	**10,734**
Acquisitions	**10**	**-**	**-**	**260**	**8**	**-**	**7,090**	**-**	**7,368**
Costs Write-offs	**(224)**	**(2)**	**(11)**	**(449)**	**-**	**-**	**-**	**-**	**(686)**
Exchange rate variation	**-**	**-**	**-**	**(103)**	**-**	**-**	**-**	**-**	**(103)**
Depreciation Write-offs	**186**	**1**	**9**	**413**	**-**	**-**	**-**	**-**	**609**
Transfer	**-**	**-**	**(30)**	**6,414**	**(74)**	**-**	**(6,428)**	**118**	**-**
Depreciation	**(245)**	**(1)**	**(22)**	**(5,253)**	**(3)**	**(27)**	**-**	**(52)**	**(5,603)**
Book balance, net	**954**	**14**	**30**	**8,881**	**49**	**228**	**1,968**	**195**	**12,319**
As of December 31, 2021									
Cost	**3,592**	**16**	**576**	**31,414**	**124**	**419**	**1,968**	**3,806**	**41,915**
Accumulated exchange rate variation	**-**	**-**	**-**	**(65)**	**-**	**-**	**-**	**-**	**(65)**
Accumulated depreciation	**(2,638)**	**(2)**	**(546)**	**(22,468)**	**(75)**	**(191)**	**-**	**(3,611)**	**(29,531)**
Book balance, net	**954**	**14**	**30**	**8,881**	**49**	**228**	**1,968**	**195**	**12,319**
Estimated useful life (years)	**12**	**20**	**10**	**3**	**20**	**5**	**-**	**5**	

As of December 31, 2021 and 2020, the Company has no indications of impairment and idle assets. The Company has no assets with restricted ownership or pledged as collateral for obligations.

There are assets net of depreciation in the amount of BRL 5,562 (BRL 3,157 at December 31, 2020) obtained through leasing contracts, with purchase option clauses at the end of the contract, which on average is 3 years (see note 17).

14 Intangible

	Parent company			
	Development costs	Software	Trademarks and patents	Total
As of January 1, 2020				
Initial balance	1,424	518	2	1,944
Addition	1,411	121	-	1,532
Amortization	-	(236)	-	(236)
Book balance, net	2,835	403	2	3,240
As of December 31, 2020				
Cost	2,835	11,236	2	14,073
Accumulated amortization	-	(10,833)	-	(10,833)
Book balance, net	2,835	403	2	3,240
As of January 1, 2021				
Initial balance	**2,835**	**403**	**2**	**3,240**
Addition	**1,505**	**46**	**-**	**1,551**
Write-off	**-**	**(1,134)**	**-**	**(1,134)**
Transfer	**(3,026)**	**3,026**	**-**	**-**
Amortization Write-offs		**834**	**-**	**834**
Amortization		**(709)**	**-**	**(709)**
Book balance, net	**1,314**	**2,466**	**2**	**3,782**
As of December 31, 2021				
Cost	**1,314**	**13,174**	**2**	**14,490**
Accumulated amortization	**-**	**(10,708)**	**-**	**(10,708)**
Book balance, net	**1,314**	**2,466**	**2**	**3,782**
Estimated useful life (years)		**5**		

	Consolidated								
	Development costs	**Software**	**Trademarks and patents**	**Goodwill (*)**	**Customer Relations**	**Non-compete clause**	**Impairment Goodwill**	**Other**	**Total**
As of January 1, 2020									
Initial balance	1,424	518	2	5,581	-	-	(691)	21	6,855
Addition	1,411	121	-	-	-	-	-	-	1,532
Write-off							-		-
Exchange rate variation	-	-	-	1,413	-	-	-	6	1,419
Transfer	199	(199)	-	-	-	-	-	-	-
Provision for impairment	-	-	-	-	-	-	-	-	-
Amortization	-	(236)	-	-	-	-	-	(14)	(250)
Book balance, net	3,034	204	2	6,994	-	-	(691)	13	9,556
As of December 31, 2020									
Cost	2,835	11,236	2	2,852	-	-	(691)	73	16,307
Accumulated exchange rate variation	-	-	-	4,142	-	-	-	16	4,158
Provision for impairment	-	-	-	-	-	-	-	-	-
Accumulated amortization	-	(10,833)	-	-	-	-	-	(76)	(10,909)
Book balance, net	2,835	403	2	6,994	-	-	(691)	13	9,556
As of January 1, 2021									
Initial balance	**2,835**	**403**	**2**	**6,994**	**-**	**-**	**(691)**	**13**	**9,556**
Addition	**1,505**	**1,307**	**-**	**15,131**	**2,433**	**550**		**-**	**20,926**
Write-off	**-**	**(1,134)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,134)**
Transfer	**(3,026)**	**3,026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exchange rate variation	**-**	**-**	**-**	**437**	**-**	**-**	**-**	**1**	**438**
Amortization Write-offs	**-**	**834**	**-**	**-**	**-**	**-**	**-**	**-**	**834**
Amortization	**-**	**(764)**	**-**	**-**	**(71)**	**(29)**	**-**	**(15)**	**(879)**
Book balance, net	**1,314**	**3,672**	**2**	**22,562**	**2,362**	**521**	**(691)**	**(1)**	**29,741**
As of December 31, 2021									
Cost	**1,314**	**14,435**	**2**	**17,983**	**2,433**	**550**	**(691)**	**73**	**36,099**
Accumulated exchange rate variation	**-**	**-**	**-**	**4,579**	**-**	**-**	**-**	**17**	**4,596**
Accumulated amortization	**-**	**(10,763)**	**-**	**-**	**(71)**	**(29)**		**(91)**	**(10,954)**
Book balance, net	**1,314**	**3,672**	**2**	**22,562**	**2,362**	**521**	**(691)**	**(1)**	**29,741**
Estimated useful life (years)		**5**			**8.7**	**4.3**			

(*) Refers to:
i. Goodwill paid for the acquisition of 80% of ThinkInternational, LLC by BRQ IT Services, Inc. in total value of BRL 7,259
ii. Goodwill paid for the acquisition of 100% of BMSIX Soluções em Informática Ltda. In value of BRL 11,816.
iii. Goodwill paid for the acquisition of 100% of Livetouch Tecnologia Ltda. In value of BRL 3,315.

The additions referring to goodwill, customer relationships and non-competition clause are due to the business combination by the acquisition of BMSIX and Livetouch described in note 12 (e).

15 Suppliers

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Domestic suppliers	**8,212**	8,272	**8,479**	8,322
Foreign suppliers	**393**	156	**4,339**	1,026
	8,605	8,428	**12,818**	9,348

16 Loans and financing

		Parent company		Consolidated	
	Effective rate	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Itaú working capital	2.43% p.a + 100% CDI	-	716	-	716
Santander	1.6% p.m	-	-	**5,000**	-
Chase Bank	0.98%	-	-	-	4,000
Caixa Economica Federal	0.18% p.m + 100%CDI	-	6,984	-	6,984
Santander	Libor + 2.25% p.a	-	-	**1,618**	1,507
		-	7,700	**6,618**	13,207
	Current	-	7,700	**6,618**	13,207

The loans have maturities as shown below:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Up to one year	-	7,700	**6,618**	13,207
Over one year and up to two years	-	-	-	-
	-	7,700	**6,618**	13,207

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Initial balance	**7,700**	9,255	**13,207**	10,424
Admissions	-	6,965	**5,000**	11,235
Charges	**208**	437	**409**	482
Exchange rate variation (OCI)	-	-	**240**	68
Business combination	-	-	**1,975**	-
Loan remission in subsidiary (Cares Act)	-	-	**(4,129)**	-
Amortization	**(7,716)**	-	**(9,691)**	-
Interest payments	**(192)**	(8,957)	**(393)**	(9,002)
Closing balance	-	**7,700**	**6,618**	13,207

The Company does not have loan agreements with restrictive financial (Covenants).

In October 2021, the subsidiary BMSIX contracted a loan in the amount of BRL 5,000 with Banco Santander for its cash flow.

17 Lease financing

		Parent company and Consolidated		
	Effective rate	**12/31/2021**	**12/31/2020**	**Items**
Santander Leasing S.A.	0.94% to 1.24% p.m.	**6,889**	3,282	IT equipment
Bradesco Leasing S.A.	1.02% to 1.19% p.m.	**43**	705	IT equipment
Banco Daycoval	0.88% p.m.	**492**	-	
Safra Leasing S.A.	0.99% p.m	**154**	352	IT equipment
		7,578	4,339	
Current		**4,433**	2,556	
Non-current		**3,145**	1,783	

The lease financing matures as shown below:

	Parent company and Consolidated			
	Book value		Nominal value	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Up to one year	**4,433**	2,556	**5,203**	2,587
Over one year and up to two years	**1,947**	1,690	**2,232**	1,778
Over two years and up to five years	**1,198**	93	**1,290**	95
	7,578	4,339	**8,725**	4,460

The changes in the Company's lease financing are as follows:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Initial balance	**4,339**	4,061
Admissions	**6,854**	2,443
Charges	**671**	416
Amortization	**(3,628)**	(2,210)
Interest payments	**(658)**	(371)
Closing balance	**7,578**	4,339

18 Debentures

On March 27, 2020, the Company carried out the 1st issue of simple debentures, not convertible into shares, in the total amount of BRL 60,000, as part of its financial strategy.
The balance is composed as follows:

		Parent company and Consolidated	
	Effective rate	**12/31/2021**	**12/31/2020**
Bradesco	6.4 % a.a	**48,889**	**60,055**
(-) Transaction cost		**(1,396)**	**(1,606)**
		47,493	**58,449**
	Current	**14,634**	**11,095**
	Non-current	**32,859**	**47,354**

The debenture will have a monthly payment of interest and principal after a 12-month grace period, with final maturity on March 18, 2025. The funds obtained are intended for investments and working capital reinforcement.

The debt is guaranteed by the service agreement between Bradesco and BRQ and by an additional fiduciary guarantee registered in the registry offices of the City of Barueri, the City of São Paulo and the City of Rio de Janeiro.

The maturity of the debenture is as follows

	Parent company and Consolidated	
	Book value	**Nominal value**
	12/31/2021	**12/31/2021**
Up to one year	**14,634**	15,728
Over one year and up to two years	**16,806**	17,258
Over two years and up to five years	**16,053**	16,167
	47,493	**49,153**

The movement of the debenture is demonstrated as follows:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Initial balance	**58,449**	-
Admissions	-	60,000
(-) Cost of funding	-	(1,715)
Interest and charges	**3,359**	1,842
(-) Amortization	**(11,250)**	-
(-) Interest payments	**(3,065)**	(1,678)
Closing balance	**47,493**	**58,449**

Financial commitments - Covenants

As a way of monitoring the financial situation of the Company by the creditors involved in the debenture agreement, a financial covenant clause was negotiated.
The company monitors the financial index of its indebtedness capacity, which measures the level of net indebtedness in relation to EBITDA for the last 12 months. As defined in the contract, this index cannot exceed 2.5 times.

Failure to comply with the index, for two consecutive or alternate quarters, implies the possibility of anticipating the maturity of the debt. On December 31, 2021, the Company was in compliance with the terms of the covenants.

19 Salaries and social charges

	Parent Company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Salaries payable	**12**	276	**1,898**	2,229
INSS payable	**3,393**	2,768	**3,553**	2,804
FGTS to be collected	**2,528**	2,174	**2,576**	2,179
Provision for personnel costs (i)	**5,382**	4,585	**5,382**	4,585
Provision for profit sharing	**12,858**	-	**12,858**	-
Other amounts payable	**242**	4	**247**	4
	24,415	9,807	**26,514**	11,801

(i) Refers to the provision for the payment of PLR, the overtime bank, and severance pay.

20 Taxes and contributions payable

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
IRRF payable on payroll	**5,725**	4,783	**5,969**	4,791
Social security contribution on gross revenue	**4,013**	3,072	**4,104**	3,072
ISS to be collected	**2,163**	1,670	**2,240**	1,712
PGFN - Individual transaction agreement (i)	**35,028**	-	**35.028**	-
Special tax regularization program (ii)	**-**	-	**310**	-
Other taxes and contributions to be collected	**20**	32	**151**	149
	46,949	9,557	**47,802**	9,724
Current	**25,480**	9,557	**26,023**	9,724
Non-current	**21,469**	-	**21,779**	-

(i) On September 2, 2021, the individual transaction agreement related to the tax assessment notice for underpayment of social security contributions on profit sharing at BRQ was granted and consolidated, and the payment will be made in 36 installments.

(ii) Refers to the installment payment of taxes under the Special Tax Adjustment Program - other debts, in subsidiary BMSIX.

21 Lease liabilities

The Company has obligations arising from lease agreements and characterized as finance leases in accordance with CPC 06 (R2) / IFRS 16. These leases were measured at present value on January 1, 2019, recognized in the balance sheet as right-of-use assets and lease liabilities. In 2020, due to actions arising from the Covid-19 pandemic, the Company adopted remote working for all employees and, as a consequence, we reduced the size of the offices, resulting in write-offs in right-of-use assets and lease liabilities.

a. Right-of-use assets

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Initial balance	**1,694**	4,493
Contractual amendments	**-**	61
New contract additions	**465**	741
Terminated contracts write-off	**-**	(1,856)
Depreciation	**(754)**	(1,745)
Closing balance	**1,405**	1,694

b. Lease liabilities

The Company's lease contracts with third parties are indexed by the IGPM and are recognized in the income statement when incurred.

The lease liabilities have maturities as shown below:

	Parent company and Consolidated			
	Book value		Nominal value	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Up to one year	**793**	785	**913**	850
Over one year and up to two years	**517**	771	**553**	802
Over two years and up to five years	**140**	267	**154**	286
	1,450	1,823	**1,620**	1,938
Short-term	**793**	785	**913**	850
Long-term	**657**	1,038	**707**	1,088

The changes in the Company's lease liabilities are as follows:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Initial balance	**1,823**	**4,831**
Contractual amendments	**-**	61
New contract additions	**-**	741
Contracts amendments	**465**	-
Terminated contracts write-off	**-**	(2,259)
Charges	**64**	112
Payments	**(902)**	(1,663)
Closing balance	**1,450**	1,823

The maturity of the Company’s lease liabilities is as follows:

	Parent company and Consolidated
2022	913
2023	553
2024	87
2025	67
Total undiscounted values	**1,620**
Interest	(170)
Lease liabilities as of December 31, 2021	**1,450**

The Company arrived at its discount rate (BM&FBovespa benchmark rate of DIxpré, 252 business days, obtained from B3) based on a weighting of risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to the Company’s reality (credit spread). The spreads were obtained based on the Company's current credit operations.

In accordance with IASB conclusion 161 and 162, references of IFRS16/CPC06(R2) and CVM Circular Official Letter SNC/SEP 02/2019, Management used the incremental rate as a criterion for calculating the assets and liabilities in the scope of IFRS16/CPC06(R2) and are presented as such in the Company’s balance sheet.

Management understands that the rate used represents the cash flow closest to the actual and are aligned with the characteristics of the lease contracts, as determined by item 27b of the CVM official letter.

22 Income tax and social contribution expenses

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Income before income tax and social contribution	**55,901**	61,732	**61,528**	66,295
Combined tax rate	**34%**	34%	**34%**	34%
Income tax and social contribution at the combined rate	**(19,006)**	(20,989)	**(20,920)**	(22,540)
Tax benefit - Lei [law] do Bem	**-**	202		202
Permanent (additions) / exclusions	**(617)**	929	**(617)**	929
PAT - Workers' feeding program	**435**	388	**435**	388
Tax rate difference of subsidiaries	**-**	-	**(189)**	(729)
Additional 10% income tax difference	**24**	24	**24**	24
Income tax and social contribution at the effective rate	**(19,164)**	(19,446)	**(21,267)**	(21,726)
Current	**(24,233)**	(21,573)	**(26,336)**	(23,853)
Deferred	**5,069**	2,127	**5,069**	2127
Income tax and social contribution as presented in the result for the year	**(19,164)**	(19,446)	**(21,267)**	(21,726)
Effective rate	**34.3%**	31.5%	**34.6%**	32.8%

The direct subsidiary BRQ IT Services Inc. and indirect subsidiary ThinkInternational LLC, Inc. are based in the United States and subject to local taxation. ThinkInternational LLC does not pay income taxes; such responsibility is passed to BRQ IT Services Inc. which is subject to New York City taxation.

23 Provision for contingencies

The Company is a defendant in lawsuits and administrative proceedings before various courts and government agencies, arising from the normal course of its operations, involving labor and tax issues.

Management, based on information from its legal advisors, analysis of pending legal demands and, with respect to labor claims, based on prior experience in relation to the amounts claimed, has recorded a provision for an amount considered sufficient to cover probable losses estimated from the on-going claims, as follows:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Labor	**6,626**	6,435

Below, we present the changes in the provision:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Balances at the beginning of the period	**6,435**	2,395
Constitution	**7,991**	6,290
Payments made	**(5,609)**	(2,238)
Reversal of provision	**(2,191)**	(12)
Balances at the end of the period	**6,626**	**6,435**

Additionally, the Company is party to tax and labor lawsuits assessed by its legal advisors as having a possible risk of loss, for which no provision has been made to cover eventual risks. The amounts involved in these lawsuits are as follows:

	Parent company and Consolidated	
	12/31/2021	**12/31/2020**
Tax	**79,506**	131,092
Labor	**12,187**	4,286
	91,693	135,378

a. Tax

a.1 Notice of Infraction - ISS collection

On August 28, 2015, the Company received notices of infraction from the Municipal Finance Department of Rio de Janeiro due to alleged non-payment of ISS. Management's assessment, based on the opinion of its legal advisors, is that the Company has a possible loss and the amount involved is BRL 74,793 (BRL 68,928 as of December 31, 2020).

a.2 *Notice of infraction - IRPJ collection*

On March 27, 2012, the Company received a notice of infraction from the Brazilian Federal Revenue Service due to alleged underpayment of IRPJ related to the 3rd quarter of 2016. Management's assessment, based on the opinion of its legal advisors, is that the Company faces a possible loss, and the amount involved is BRL 1,319.

a.3 *Administrative proceedings - Requests for compensation*

The Company received decisions from the Brazilian Federal Revenue Service informing that the requested offsets were not approved. Management's assessment, based on the opinion of its legal advisors, believes that the Company is likely to lose the case, and the amount involved is BRL 3,394.

b. Labor

The Company maintains a provision for certain lawsuits and, based on the opinion of its legal advisors, estimates that the total amount of BRL 12,187 as of December 31, 2021 is a possible loss (BRL 4,286 as of December 31, 2020).

24 Deferred revenue

	Parent company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Advances from customers (i)	**11,849**	15,907	**11,851**	15,907
Upfront commissions (ii)	**800**	1,200	**800**	1,200
	12,649	17,107	**12,651**	17,107
Current	**12,249**	16,307	**12,251**	16,307
Non-current	**400**	800	**400**	800

(i) The amount recorded under "Advances from customers" refers to amounts received in advance from customers, whose services were not provided by the end of the year; as the services are delivered, the Company recognizes these amounts as revenue in the result, consequently decreasing the amounts recorded under this heading.

(ii) In December 2018, the Company received the amount of BRL 2,000 as commission arising from the loyalty contract for banking operations with the employees belonging to its payroll, for a period of five (5) years; the portion referring to 1/60 of the total amount is recorded monthly in the result.

25 Investment acquisition obligation

The obligations for the acquisition of investments refer to amounts due to the previous shareholders of the acquired companies negotiated with contingent payment. The obligations are recorded in non-current liabilities, as follows:

	Parent company and Consolidated
	12/31/2021
Contingent payment:	
BMSIX	9,143
Livetouch	3,200
Non-current liabilities	**12,343**

The installments are due in the year 2024.

26 Shareholders' equity

Capital Stock

The authorized capital stock is 141,163,000 common shares, all book-entry, with no par value.

The subscribed and paid-in capital as of December 31, 2021 and 2020 is BRL 56,277 and BRL 56,106, respectively, represented by 133,186,083 shares, fully paid up in Brazilian currency as follows:

As of December 31, 2021 and 2020

	12/31/2021		12/31/2020	
Shareholders	**Registered shares**	**% interest**	**Registered shares**	**% interest**
Netstrategy Participações Ltda. (i)	-	-	94,999,905	71.33%
BNDESPAR Participações S.A.	**29,870,100**	**22.43%**	29,870,100	22.43%
Benjamin Ribeiro Quadros (i)	**49,400,613**	**37.09%**	4,999,995	3.75%
Antonio Eduardo Pimentel Rodrigues (i)	**24,700,307**	**18.55%**	-	-
Monica de Araujo Pereira (i)	**12,350,153**	**9.27%**	-	-
Andrea Ribeiro Quadros (i)	**12,350,153**	**9.27%**	-	-
Acquisition by Employees	**4,132,584**	**3.10%**	3,105,127	2.33%
Total held by shareholders	**132,803,910**	**99.71%**	132,975,127	99.84%
Treasury Shares	**382,173**	**0.29%**	210,956	0.16%
Total Shares Issued	**133,186,083**	**100.00%**	133,186,083	100.00%

(i) Redistribution of shares due to the reverse merger of Nestrategy Participações Ltda. by the Company on November 26, 2021. The net asset of the operation was zero, and the amount of BRL 186 was recorded in assets and liabilities.

Each common share alone gives voting rights in the deliberations of the General Meetings.

Treasury Shares

Treasury shares may in the future be delivered to other beneficiaries of the share option plan.

Capital Reserve

It is represented by the amounts paid by the Company that do not go through the result, and is constituted by the acquisition of 20% of ThinkInternational's interest by the subsidiary BRQ IT, in addition to the recording of the provision for the stock option plan.

Legal Reserve

Is constituted at the rate of 5% of the net income calculated at the end of each fiscal year in accordance with art. 193 of Law 6.404/76, up to the limit of 20% of the capital stock.

Profit retention reserve
It is constituted, in accordance with art. 196 of Law 11.638/07, to meet the needs of additional resources to meet the proposed investment plan at the end of each fiscal year.

Dividends
The Company bylaws provide for the distribution of minimum mandatory dividends equivalent to 25% of the net profit, calculated in accordance with article 202 of Law 6.404/76 and subsequent amendments, at the end of each fiscal year.

The movement of the dividends is as follows:

	Parent company	Consolidated
Balance as of December 31, 2019	6,880	6,880
Mandatory minimum dividends for 2020	10,042	10,801
Proposed additional dividends 2020	20,642	20,642
Distribution of profit reserve	19,627	20,489
(-) Payment of dividends	(47,149)	(48,582)
Balance as of Thursday, December 31, 2020	**10,042**	**10,230**
Mandatory minimum dividends for 2021	8,725	9,197
Proposed additional dividends 2021	10,043	13,075
(-) Payment of dividends	(20,085)	(23,305)
Balance as of Friday, December 31, 2021	**8,725**	**9,167**

Cumulative exchange adjustments
Since January 1, 2009, when the Company adopted CPC 02 – Effect of Changes in the Exchange Rate and Translation of Interim Financial Statements, the exchange variation on investments in foreign subsidiaries has been recognized in accumulated exchange adjustments.

Stock option plan
The stock option plan consists of the right to purchase a certain number of Company shares, granted to the beneficiary employee of the program, at a certain exercise price per share – or share purchase price – which must be exercised within an exercise period, or term.

On the date of exercise of the right, the shares sold to the beneficiary of the primary plan must be subject to a new subscription or must be held in treasury. Under the plan, the other shareholders of the Company do not have subscription rights on the shares assigned to the option plans. The beneficiary of the plan can exercise the right to purchase the shares made available as of one of the plan’s vesting dates.

1st Plan
On September 2, 2011 the resolution that approved the “Class B Preferred Shares Option Plan” was recorded in the Minutes of the Extraordinary General Meeting (“EGM”). The minutes of the EGM held on July 13, 2012 approved the change in the number of class B preferred shares for the execution of the option plan, which now correspond to 8% of the Company’s capital stock. On April 29, 2015, due to the approval of the conversion of all the Company’s preferred shares into common shares, it was decided, through the minutes of the EGM, to change the regulation of the plan to “Common Stock Option Plan”.

The details of the grants made by the Company through the Stock Option Plan are as follows:

Date of grant	Qty. of shares granted	Exercise price	Price Correction	Maturation period	Expiration period
9/2/2011	2,391,298	0.36	IPCA	30% after 2 years 30% after 3 years 40% after 4 years	8 years
9/3/2012	2,565,216	0.38	IPCA	30% after 2 years 30% after 3 years 40% after 4 years	8 years
9/2/2013	2,030,000	0.41	IPCA	30% after 2 years 30% after 3 years 40% after 4 years	8 years
9/1/2014	1,840,000	0.42	IPCA	30% after 2 years 30% after 3 years 40% after 4 years	8 years
11/13/2018	554,348	0.43	IPCA	(*) (*) (*)	8 years
(*)**Total**	**9,380,862**				

(*) The 2018 grants were issued with no maturity period and have already been exercised in their entirety.

The exercised shares can be sold to third parties if they are traded on the stock exchange. Before that, the participant can sell his or her shares to the Company at their equity value, calculated in the last fiscal year and corrected by the IPCA. The participant has tag along rights proportional to the ownership interest held and has drag along duties, in which case the Company may require the sale of the position held by the participant

The fair value of the plan was estimated based on Merton's option valuation model, using the following assumptions:

Plan	Unit fair value	Annual volatility	Risk-free rate (*)
Grant 2011	0.24	**32.4%**	**5.2%**
Grant 2012	0.24	**31.3%**	**3.8%**
Grant 2013	0.29	**29.2%**	**5.7%**
Grant 2014	0.27	**26.6%**	**5.4%**
Grant 2018	0.21	**25.3%**	**5.2%**

The methodology used to calculate the volatility was to proxy the volatility of the market, represented by the theoretical portfolio of IBOVESPA, weighted by an adjustment factor that was obtained through the beta of the shares of companies in the computer services sector in the American market.

(*) Based on the IPCA coupon.

In the current fiscal year, no new shares were issued, nor were any shares exercised or expired.

2nd Plan

On December 17, 2020, the minutes of the Extraordinary General Meeting ("EGM") recorded the resolution which approved a new stock option plan which replaced Plan 1. In the new plan, only and exclusively the statutory and non-statutory directors, and other employees of the Company and subsidiaries, including those who may already be owners of Company shares, can be beneficiaries of the Plan. Controlling partners and members of the Board of Directors are not eligible for the Plan.

The Company and its subsidiaries, through its Board of Directors, in accordance with the 2nd Plan, elected the professionals who will be entitled to the granting of the option, as well as the number of stock options for each beneficiary. These professionals, during the month of September 2021, were duly invited in writing to participate in the 2nd Plan through the formalization of a Stock Option Agreement.

The terms and conditions of the Stock Options granted were established in the Stock Option Agreement.

Maximum Number of Shares Covered

The options included in the 2nd Plan will be backed by a maximum of 7,325,235 (seven million three hundred and twenty-five thousand two hundred and thirty-five) shares, corresponding to up to 5.5% of the total shares of the Company on December 31, 2021, including the options to purchase the Common Shares held in treasury, with proportional dilution of the current shareholders in case of issuance. Once the Stock Option is exercised by the Beneficiaries, the corresponding Common Shares shall be subject to issuance, by means of a capital increase of the Company to be resolved by the Board of Directors, within the limit of the authorized capital, or sale, if options to purchase shares issued by the Company held in treasury are offered, according to the conditions established in this Plan and in the respective Stock Option Agreements.

Conditions for the acquisition of shares

The option grant price was determined by applying the following pricing formula 5% of the Net Equity on the date of grant, divided by the total number of shares of the Company. For the options granted in September 2021, the value of BRL 0.04 per option was calculated.

The Stock Option can only be exercised if and when one of the following liquidity events occurs: (a) disposal of equity interest that implies a change in the Company's shareholding control; or (b) holding of an initial public offering of shares issued by the Company ("IPO").

Stock options must be exercised in full, within the deadlines and under the conditions established in the respective Stock Option Agreements. The exercise term will be up to five (5) years as from the occurrence of one of the foreseen liquidity events.

If after the lapse of the four (4) year period no liquidity event has occurred, the Stock Options granted will be repurchased by the company for the amount paid by the beneficiary, adjusted by the IPC-A.

Criteria for setting the acquisition or exercise price

The exercise price of each Stock Option will be determined based on the Enterprise Value, calculated on the basis of the annual EBITDA of the last three closed and audited fiscal years of the Company immediately prior to the option purchase date ("Call Option Exercise Price").

The Call Option exercise price will be adjusted by the IPC-A +3.00% (three percent) per year, from the grant to the exercise.

The details of the grants made by the Company in the month of September 2021 are as follows:

Grant date	Qty. of granted shares	Correction in share price exercise	Maturation period	Exercise price	Expiration period
			30%, after 1 year	3.53	
			30% after 2 years	4.68	
9/9/2021	5,354,863	IPCA + 3% p.a	40% after 3 years	5.64	5 years after liquidity event
			30%, after 1 year	3.53	
			30% after 2 years	4.68	
9/10/2021	332,317	IPCA + 3% p.a	40% after 3 years	5.64	5 years after liquidity event
			30%, after 1 year	3.53	
			30% after 2 years	4.68	
9/13/2021	868,479	IPCA + 3% p.a	40% after 3 years	5.64	5 years after liquidity event

Date of grant	Qty. of shares granted	Exercise Price Correction	Period of	Exercise price	Expiration period
			30%, after 1 year	3.53	
9/14/2021	316,310	IPCA + 3% p.a	30% after 2 years	4.68	
			40% after 3 years	5.64	5 years after liquidity event
			30%, after 1 year	3.53	
			30% after 2 years	4.68	
9/15/2021	258,757	IPCA + 3% p.a	40% after 3 years	5.64	5 years after liquidity event
			30%, after 1 year	3.53	
			30% after 2 years	4.68	
9/20/2021	8,000	IPCA + 3% p.a	40% after 3 years	5.64	5 years after liquidity event
Total:	**7,138,726**				

The value of the options issued in the scope of Plan 2 was determined using the "Barone-Adesi and Whaley" methodology, a variant of the "Black & Scholes" model, which allows the pricing of the American type, in which the holder may exercise it at any time until the option expiration date. The model establishes the fair value considering the dividend expectation, the volatility expectation, the risk-free interest rate and the maturity term, according to the assumptions described below:

- Stock Price: As the Company had no shares traded until the evaluation date of the stock option plan, an estimate of fair value was performed by Management considering the methodology called discounted cash flow. The estimated share value was BRL 7.92.

- Expected volatility: A volatility proxy of similar companies in the US stock market with an average rate of 31.8% was used.

- Option life: we considered a life of 5 years from the date of the liquidity event (IPO or sale of control), as set forth in the Options Plan.

- Expected dividends: The dividend yield was considering a minimum distribution of 25% of profits in the form of dividends from the 2021 and 2020 results. The dividend rate obtained was 1.00204% per year.

- Risk-free interest rate: It was used as a proxy for the risk-free rate the reference rates for adjustments of DI x Pre Swap contracts. The average rates used were 9.60% and 9.53%.

In the year ending December 31, 2021, the amount of BRL 1,403 was recognized in the result for the year as a result of the fair value of the grants made regarding Plan 2.

In the current year, no new shares were issued.

27 Net revenue from services provided

	Parent company		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Gross revenue from services provided	**640,084**	526,974	**696,446**	570,744
Sales Taxes	**(69,746)**	(56,623)	**(70,899)**	(57,032)
Net revenue	**570,338**	470,351	**625,547**	513,712

The following is the breakdown of gross revenue by geographic location:

	Parent company		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Brazil	**635,577**	521,742	**646,233**	521,742
United States	**4,205**	5,232	**49,911**	49,002
Other countries	**302**	-	**302**	-
Gross revenue	**640,084**	526,974	**696,446**	570,744

28 Cost of sales and services provided

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
With personnel	**(356,756)**	(306,301)	**(377,946)**	(328,750)
With licenses and technical support services	**(775)**	(2,998)	**(775)**	(2,998)
With third parties	**(6,497)**	(6,875)	**(14,993)**	(8,829)
With imports	**(1,497)**	(1,463)	**(1,781)**	(1,463)
Depreciation and amortization	**(4,703)**	(2,836)	**(4,742)**	(2,836)
Other	**(184)**	(375)	**(254)**	(375)
	(370,412)	(320,848)	**(400,491)**	(345,251)

29 Operating expenses and income

	Parent company		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
With personnel	**(96,759)**	(72,349)	**(106,337)**	(79,659)
Services with third parties	**(7,251)**	(5,082)	**(9,816)**	(6,651)
Rents and condominiums	**(311)**	(657)	**(666)**	(904)
Depreciation and amortization	**(2,425)**	(3,659)	**(2,494)**	(3,695)
Communications	**(539)**	(588)	**(580)**	(608)
Electric energy	**(158)**	(331)	**(173)**	(332)
Other administrative expenses	**(8,822)**	(3,264)	**(10,358)**	(4,561)
Administrative expenses	**(116,265)**	(85,930)	**(130,424)**	(96,410)
Expected credit loss	**1,121**	(1,638)	**1,121**	(1,638)
Taxes and fees (a)	**(17,144)**	(152)	**(17,317)**	(152)
Union/Trade Association contributions	**(310)**	(283)	**(310)**	(283)
IPTU	**(35)**	(105)	**(49)**	(110)
Tax expenses	**(17,489)**	(540)	**(17,676)**	(545)
Revenue from property, plant and equipment	**-**	(2,594)	**-**	(2,594)
Other operating expenses	**(12)**	(205)	**(35)**	(212)
Other operating expenses	**(12)**	(2,799)	**(35)**	(2,806)
Loan remission (b)	**-**	-	**4,150**	-
Loyalty contract income	**2,087**	1,706	**2,087**	1,706
Other operating income	**26**	-	**26**	-
Other operating income	**2,113**	1,706	**6,263**	1,706
Total	**(130,532)**	(89,201)	**(140,751)**	(99,693)

(a) In September 2021 the individual transaction agreement was approved, as described in note 20. The Company recorded the amount of BRL 17,028 related to the principal payable in the installment transaction.
(b) In April 2021 the subsidiary ThinkInternational obtained a loan remission from the US government in the amount of BRL 4,150. This remission was granted due to the Company maintaining the volume of employees during the last year.

30 Finance result

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income on financial investments	**3,417**	2,140	**3,540**	2,141
Interest and monetary restatement	**1,146**	736	**1,147**	737
Other finance income	**20**	175	**29**	179
Finance income	**4,583**	3,051	**4,716**	3,057
Interest (a)	**(17,474)**	(3,786)	**(17,943)**	(3,862)
IOF	**(51)**	(98)	**(70)**	(109)
Banking expenses	**(113)**	(116)	**(173)**	(139)
Other financial expenses (a)	**(9,253)**	(1,416)	**(9,307)**	(1,420)
Finance expenses	**(26,891)**	(5,416)	**(27,493)**	(5,530)
Finance result	**(22,308)**	(2,365)	**(22,777)**	(2,473)

(a) Due to the approval of the individual transaction agreement, described in note 20, the Company recorded BRL 13,064 related to interest and BRL 8,008 related to the fine of this transaction.

31 Financial instruments

31.1 Financial instruments

31.1.1 Fair value and classification of financial instruments

As of December 31, 2021, the book value of financial instruments is a reasonable approximation of fair value. The Company has elected to disclose them at amounts equivalent to the carrying amount.

The Company maintains operations with financial instruments that are managed by means of operational strategies and internal controls aimed at ensuring liquidity and profitability. The control policy consists of a permanent follow-up of the contracted conditions versus the conditions prevailing in the market. The Company does not make speculative investments, in derivatives or any other risky assets and, therefore, the results obtained with these operations are consistent with the policies and strategies defined. The Company's operations are subject to the risk factors described below:

31.1.2 Fair value hierarchy

The table below presents the financial instruments recorded at fair value, according to the measurement method:

	Parent company		Consolidated	
Financial Assets	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Level 2				
Financial assets at fair value through profit or loss				
Financial Assets	**10,771**	-	**10,771**	.
Level 3				
Financial assets at fair value through profit or loss				
Financial Assets	**-**	10,143	**-**	10,143
	10,771	10,143	**10,771**	10,143

	Parent company		Consolidated	
Financial liabilities	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Level 2				
Amortized cost				
Debentures	**47,493**	58,449	**47,493**	58,449
Loans and financing	**-**	7,700	**6,618**	13,207
Lease financing	**7,578**	4,339	**7,578**	4,339
	55,071	70,488	**61,689**	75,995

The other financial assets and liabilities not shown in the table above are measured as level 1.

The measurement of financial instruments is grouped into levels 1 to 3, based on the degree to which their fair value is quoted:

- **Level 1 -** quoted prices in active markets for identical assets and liabilities;

- **Level 2 -** other techniques for which all inputs that have a significant effect on the recorded fair value are observable, directly or indirectly; and

- **Level 3 -** techniques that use inputs that have a significant effect on the fair value recorded that are not based on observable market data.

31.2 Risk Management

The Company is mainly exposed to market, credit, liquidity and operational risks, besides the additional risks described in this explanatory note. The occurrence of any of the risks below may adversely affect the Company, which may have an effect on its operations, financial condition or results of operations. The main risk factors are described below:

a. *Credit risk*

Credit risk is the risk that the counterparty to a business fails to fulfill an obligation under a financial instrument or customer contract, which would lead to financial loss. The Group is exposed to credit risk in its operating activities (mainly with respect to accounts receivable) and financing activities, including deposits with banks and financial institutions and other financial instruments.

To mitigate these risks, the Group adopts the practice of analyzing the financial and equity situation of its counterparties, as well as permanently monitoring open positions and actively managing defaults. Management does not expect any losses arising from the default of these counterparties.

Regarding financial investments, the Group in accordance with its financial policy only carries out operations in first class institutions, whose risk classification is of low credit risk attributed by reference rating agencies, using exclusively financial instruments and fixed income investment funds, classified as low risk.

b. *Liquidity risk*

The Company continuously monitors the cash flow projection in order to guarantee and assure the liquidity requirements, the loan agreement clauses and sufficient cash to meet the operational needs of the business. Excess cash generated by the Company is invested in interest bearing checking accounts and time deposits, choosing instruments with appropriate maturities to provide sufficient margin as determined by the aforementioned forecasts.

	Consolidated			
	Up to 1 year	1 to 2 years	2 to 5 years	Total
Balances as of December 31, 2021				
Loans and financing	6,618	-	-	6,618
Debentures	14,634	16,806	16,053	47,493
Lease financing	4,433	1,947	1,198	7,578
	25,685	**18,753**	**17,251**	**61,689**

c. *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices encompass two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans payable, deposits, and financial instruments measured at fair value through profit or loss.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to the risk of variation in the Interbank Deposit Certificate ("CDI") rate for its financial investments and loans and, therefore, its financial result may suffer variation due to the oscillation in the variation of this financial index. The Company manages interest rate risk by maintaining a balanced portfolio between financial investments and loans payable subject to fixed rates and variable rates.

Exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in exchange rates. The Company is exposed to fluctuations in the exchange rates of foreign currencies, mainly in relation to the U.S. dollar, for the operations of software purchases, receivables and investments in foreign subsidiaries; in order to mitigate these risks the Company permanently evaluates exchange rate fluctuations. The Company understands that the exposure to this risk is low considering that the amounts involved are not significant.

d. *Capital management*

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to support the business, and to maximize shareholder value. Consistent with industry best practices, the Company monitors return on invested capital. There were no changes to the objectives, policies or processes during the year ended December 31, 2021.

e. *Sensitivity analysis of financial assets and liabilities*

At December 31, 2021, the main risks linked to the Company's operations are linked to the CDI variation for loans and financing and financial investments.

With the purpose of verifying the indexer sensitivity on financial investments and loans, three different scenarios were defined; based on projections disclosed by Bradesco's Economic Research and Study Department ("DEPEC"), the CDI projection for the next 12 months was obtained and this was defined as the probable scenario; From this, variations of 25% and 50% were calculated.

For each scenario the "gross financial income and expenses" was calculated, not taking into consideration the incidence of taxes on the income from the investments. The base date used for the portfolio was December 31, 2021, projecting one year and verifying the sensitivity of the CDI in each scenario.

	Parent company						
	Risk factor	**Exposed amounts on 12/31/2021**	**-50%**	**-25%**	**Probable scenario**	**25%**	**50%**
Financial investments	CDI	139,514	8,854	10,625	13,282	16,602	19,923
Debentures	CDI	(47,493)	(3,014)	(3,617)	(4,521)	(5,652)	(6,782)
Rates considered	CDI		6.35%	7.62%	9.52%	11.90%	14.28%

	Consolidated						
	Risk factor	**Exposed amounts on 12/31/2021**	**-50%**	**-25%**	**Probable scenario**	**25%**	**50%**
Financial investments	CDI	145,646	9,244	11,092	13,866	17,332	20,798
Loans and financing	CDI	(6,618)	(420)	(504)	(630)	(788)	(945)
Debentures	CDI	(47,493)	(3,014)	(3,617)	(4,521)	(5,652)	(6,782)
Rates considered	CDI		6.35%	7.62%	9.52%	11.90%	14.28%

These sensitivity analyses are intended to illustrate sensitivity to changes in market variables in the Company's financial instruments. The sensitivity analyses shown above are established using assumptions and forecasts in relation to future events. The Company's management regularly reviews these estimates and assumptions used in the calculations. Nevertheless, the settlement of transactions involving these estimates may result in amounts different from those estimated due to the subjectivity inherent in the process used in preparing these analyses.

32 Earnings per share

Basic earnings per share is calculated by dividing net income for the year attributable to the holders of the parent company's common shares by the weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income attributable to holders of common shares of the parent company by the weighted average number of common shares available during the year plus the weighted average number of common shares that would be issued upon conversion of all potential common shares diluted in common shares.

The table below demonstrates the calculation of basic and diluted earnings per share together, as there are no potential dilutive shares that could impact the calculation of diluted earnings per share.

	Basic	
	12/31/2021	12/31/2020
Profit attributable to equity holders of the parent company	**36,737**	42,286
Basic earnings per share:		
Earnings available to common shareholders	**36,737**	42,286
Weighted-average common shares (in thousands of shares)	**132,819**	132,256
Earnings per share	**0.2766**	0.3197

	Diluted	
	12/31/2021	12/31/2020
Profit attributable to equity holders of the parent company	**36,737**	42,286
Diluted earnings per share:		
Earnings available to common shareholders	**36,737**	42,286
Weighted-average common shares (in thousands of shares)	**133,186**	132,758
Diluted earnings per share	**0.2758**	0.3185

33 Non-cash transactions

In the years ended December 31, 2021 and 2020, the following transactions did not affect cash:

	Parent company		Consolidated	
	2021	2020	2021	2020
Dividends receivable from subsidiary	**690**	281	**-**	281
Addition of new contracts - Right of use	**-**	741	**-**	741
Amendment of new contracts - Right of Use	**465**	-	**465**	-
Purchase of IT equipment - Leasing	**6,854**	2,443	**6,854**	2,443
Exchange variation on foreign investment	**583**	4,818	**-**	-
Payment of capital in subsidiary with intangible	**300**	-	**300**	-
	8,594	8,283	**7,619**	3,465

The opening balances of the subsidiaries acquired in a business combination (note 12) did not affect cash in the Parent company and consolidated financial statements.

34 Changes in liabilities from financing activities

	Parent company							
	On January 1st, 2020	**New inflows**	**Principal paid / Payments**	**Interest Paid**	**Accrued Interest**	**Exchange rate variation**	**Transfers (*)**	**As of December 31, 2020**
Current								
Loans and financing	7,827	6,965	(8,568)	(389)	437	-	1,428	7,700
Finance leases	1,881	2,443	(2,210)	(371)	416	-	397	2,556
Debentures	-	-	-	-	-	-	11,095	11,095
Related-party loans	4,676		(8,395)	(237)	746	-	3,210	-
Dividends payable	6,880	10,042	(6,880)	-	-	-	-	10,042
Non-current								
Loans and financing	1,428	-	-	-	-	-	(1,428)	-
Finance leases	2,180	-	-	-	-	-	(397)	1,783
Debentures	-	58,285	-	(1,678)	1,842	-	(11,095)	47,354
Related-party loans	3,210	-	-	-	-	-	(3,210)	-
Total	**28,082**	**77,735**	**(26,053)**	**(2,675)**	**3,441**	**-**	**-**	**80,530**

	Consolidated							
	On January 1st, 2020	**New Loans / Inflows**	**Principal paid / Payments**	**Interest Paid**	**Accrued Interest**	**Exchange rate variation**	**Transfers (*)**	**As of December 31, 2020**
Current								
Loans and financing	8,996	11,235	(8,568)	(434)	482	68	1,428	13,207
Finance leases	1,881	2,443	(2,210)	(371)	416	-	397	2,556
Debentures	-	-	-	-	-	-	11,095	11,095
Related-party loans	4,676	-	(8,395)	(237)	746	-	3,210	-
Dividends payable	6,880	10,230	(6,880)	-	-	-	-	10,230
Non-current								
Loans and financing	1,428	-	-	-	-	-	(1,428)	-
Finance leases	2,180	-	-	-	-	-	(397)	1,783
Debentures	-	58,285	-	(1,678)	1,842	-	(11,095)	47,354
Related-party loans	3,210	-	-	-	-	-	(3,210)	-
Total	**29,251**	**82,193**	**(26,053)**	**(2,720)**	**3,486**	**68**	**-**	**86,225**

(*) Segregation between current and non-current.

(**) Refers to acquisition of property, plant and equipment with no cash effect.

	Parent company							
	On January 1st, 2021	**New Loans**	**Principal paid**	**Interest Paid**	**Accrued Interest**	**Exchange rate variation**	**Others (*)**	**As of December 31, 2021**
Current								
Loans and financing	7,700	-	(7,716)	(192)	208	-	-	-
Finance leases	2,556	6,854	(3,628)	(658)	671	-	(1,362)	4,433
Debentures	11,095	-	(11,250)	(3,065)	3,359	-	14,495	14,634
Dividends payable	10,042	18,768	(20,085)	-	-	-	-	8,725
Non-current								
Finance leases	1,783	-	-	-	-	-	1,362	3,145
Debentures	47,354	-	-		-	-	(14,495)	32,859
Total	**80,530**	**25,622**	**(42,679)**	**(3,915)**	**4,238**	**-**	**-**	**63,796**

	Consolidated							
	On January 1st, 2021	**New Loans**	**Principal paid**	**Interest Paid**	**Accrued Interest**	**(note 16) Exchange variation**	**Others (*)**	**As of December 31, 2021**
Current								
Loans and financing	13,207	6,975	(9,691)	(393)	409	(3,889)	-	6,618
Leasing (**)	2,556	6,854	(3,628)	(658)	671	-	(1,362)	4,433
Debentures	11,095	-	(11,250)	(3,065)	3,359	-	14,495	14,634
Dividends payable	10,230	22,272	(23,305)	-	-	-	-	9,197
Non-current								
Leasing (**)	1,783	-	-	-	-	-	1,362	3,145
Debentures	47,354	-	-	-	-	-	(14,495)	32,859
Total	86,225	36,101	(47,874)	(4,116)	4,439	(3,889)	-	70,886

(*) Segregation between current and non-current.

(**) Refers to the acquisition of property, plant and equipment with no cash effect.

35 Subsequent events

- Merger of companies

On January 3, 2022 the Company completed the merger of Livetouch Tecnologia Ltda. (“Livetouch”).

- Acquisition of companies

On February 1, 2022 the Company concluded the acquisition process of TOPI (a company specialized in Salesforce), by signing the closing term and payment of the amount of BRL 4,140, referring to the fixed installment, as provided for in the purchase and sale agreement entered into on November 11, 2021.