SOLO NETWORK BRASIL S.A.

Independent auditors' report

Financial statements
As of December, 2021

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Financial statements
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INDEPENDENT AUDITOR´S REPORT ON FINANCIAL STATEMENTS

To
Administrators and Shareholders of
Solo Network Brasil S.A.
Curitiba - PR

Opinion

We have audited the financial statements of Solo Network Brasil S.A. ,("Company"), which comprise the statement of financial position as at December 31, 2021 and the Statement of operations, Statement of comprehensive income, Statement of changes in shareholders' equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of Solo Network Brasil S.A. as at December 31, 2021, and its financial performance and its cash flows for the year then ended accordance to the accounting practices adopted in Brazil.

Basis for opinion

We conduct our audit in accordance with Brazilian and International Auditing Standards. Our responsabilities, under those standards are further described in Auditor's Responsabilities for Auditing of the Financial Statements section of our report. We are independent of the Solo Network Brasil S.A., within the meaning of Code of Ethics of International Federation of Accountants (IFAC) and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and for such internal control that it has determined to be necessary to enable the preparation of financial statements free of material misstatement, whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Solo Network Brasil S.A. 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 Solo Network Brasil S.A. or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Company´s financial reporting process.

Auditor´s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is appropriate and sufficient 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SOLO NETWORK S.A.;
- 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 SOLO NETWORK S.A. ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor´s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor´s report. However, future events or conditions may cause the SOLO NETWORK S.A. to cease to continue as going concern;
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtain appropriate and sufficient audit evidence regarding the financial information of the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit and, consequently, for the 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.

Curitiba, April 13, de 2022.

BDO RCS Auditores Independentes SS
CRC 2 PR 006853/F-9

Marisa Bernardino de Albuquerque
Contadora CRC 1 SP 143624-O/T – S - PR

SOLO NETWORK DO BRASIL S.A.

Balance sheets
As of December 31, 2021 and 2020
(In thousands of Brazilian Reais)

Assets	NE	2021	2020
Current			
Cash and banks	5	5,278	10,420
Short terms investments	5	15,877	21,145
Trade accounts receivable	6	57,148	30,293
Inventories	7	7,544	4,329
Recoverable taxes	8	116	207
Others accounts receivable	9	877	699
		86,840	67,093
Non current			
Security capitalization		-	10
Judicial deposits		33	101
Fixed assets	10	2,302	763
Intangible	11	631	99
		2,966	973
Total assets		89,806	68,066

Liabilities and shareholders' equity	NE	2021	2020
Current			
Trade accounts payable	12	61,902	50,157
Bank loans	13	1,466	3,326
Labor liabilities	14	4,040	1,176
Tax liabilities	15	2,714	1,190
Other obligations	16	1,465	2,318
		71,587	58,167
Non current			
Bank loans	13	456	674
		456	674
Shareholders' equity			
Capital stock	18	6,100	5,200
Capital reserves		1,408	630
Profit reserves		10,255	3,395
		17,763	9,225
		89,806	68,066

The accompanying notes are an integral part of these financial statements.

SOLO NETWORK DO BRASIL S.A.

Statements of operations
As of December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Note	2021	2020
(=) Net revenue from sales	19	378,494	238,683
(-) Cost of goods and services rendered	20	(325,305)	(205,808)
(=) Gross profit		53,189	32,875
(+/-) Operating (expenses)/revenues			
Selling	21	(22,488)	(17,185)
General and administrative	22	(6,865)	(5,748)
Other operating revenues		149	(139)
(=) Operating profits before financial income		23,985	9,803
Financial expenses	23	(5,064)	(6,923)
Financial revenues	23	4,393	2,347
(=) Income/(loss) before tax provisions		23,314	5,227
(+/-) Income tax current		(7,762)	(1,750)
(=) Net profit for the year		15,552	3,477

The accompanying notes are an integral part of these financial statements.

SOLO NETWORK DO BRASIL S.A.

Statements of comprehensive income
As of December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	2021	2020
Operating net profit for the year	15,552	3,477
Others comprenhensive reuslts		-
Total comprehensive income for the year	15,552	3,477

The accompanying notes are an integral part of these financial statements.

SOLO NETWORK DO BRASIL S.A.

Statements of changes in shareholdres' equity
(In thousands of Brazilian Reais)

	Capital stock	Legal reserves	Profit reserves to perform	Accumulated profits	Total
Balance as of December 31, 2019	3,400	457	3,691	-	7,548
Capital increase	1,800	-	(1,800)		-
Net profit	-	-	-	3,477	3,477
Legal reserves constitution	-	173	-	(173)	-
Profit distribution	-	-		(1,800)	(1,800)
Profit reserves constitution	-	-	1,504	(1,504)	-
Balance as of December 31, 2020	5,200	630	3,395	-	9,225
Capital increase	900	-	-	-	900
Net profit	-	-	-	15,552	15,552
Legal reserves constitution	-	778	-	(778)	-
Profit distribution	-	-	-	(7,914)	(7,914)
Profit reserves constitution	-	-	6,860	(6,860)	-
Balance as of December 31, 2021	6,100	1,408	10,255	-	17,763

The accompanying notes are an integral part of these financial statements.

SOLO NETWORK DO BRASIL S.A.

Statements of operations
As of December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	2021	2020
Cash flows from operating activities		
Net profit for the year	15,552	3,477
Adjustments by:		
Depreciation and amortization	351	296
Incurred interest	272	-
	16,175	3,773
Net increase/decrease in assets and liabilities		
(-/+) (Increase)/decrease in accounts receivable	(26,855)	3,574
(-/+)(Increase)/decrease in inventories	(3,215)	(2,379)
(-/+)(Increase)/decrease in recoverable taxes	91	163
(-/+) (Increase)/decrease in other receivables	(178)	633
(-/+) (Increase)/decrease in security capitalization	10	-
(-/+)(Increase)/decrease in judicial deposits	68	(90)
(-/+) Increase/(decrease) in trade accounts payable	11,745	14,265
(-/+) Increase/(decrease) in labor liabilities	2,864	982
(-/+) Increase/(decrease) in tax liabilities	1,524	701
(+/-) Increase/(decrease) in other accounts payable	(853)	1,108
(+/-) Increase/(decrease) interest payment	(273)	-
(=) Net cash from investing activities	1,103	22,730
Cash flow from investing activities		
Acquisitions of fixed asset and intangible asset items	(2,439)	(315)
Write-off of fixed assets and intangible assets	17	18
(=) Net cash from investing activities	(2,422)	(297)
Cash flow from investing activities		
Loan aquisition	1,054	4,000
Loan payment	(3,131)	
Capital increase	900	-
Profit distribution	(7,914)	(1,800)
(=) Net cash from investing activities	(9,091)	2,200
(=) Increase/(decrease) in cash and cash equivalents	(10,410)	24,633
Increase/(decrease) in cash and cash equivalents demonstration		
Cash and cash equivalents at beginning of period	31,565	6,932
Cash and cash equivalents at end of period	21,155	31,565
(=) Increase/(decrease) in cash and cash equivalents	(10,410)	24,633

The accompanying notes are an integral part of these financial statements.

1. Operations

SOLO NETWORK BRASIL S.A. is a limited liability company, governed by the legal provisions applicable in particular Law No. 6,404, of December 15, 1976, and its subsequent amendments.

The Company is registered with the CNPJ under number 00.258.246 / 0001-68, it was incorporated on October 21, 1994, and is one of the largest corporate resellers and implementer of solutions in Information Technology in Brazil, operating in the retail and services provision.

The Company has a highly qualified technical staff with experience in consulting, supplying, implementing and managing Microsoft, HP, Lenovo, Huawei, Kaspersky, APC, Adobe and Autodesk products, among other internationally renowned manufacturers.

Solo Network Brasil S.A. is a value-added reseller and therefore brings projects and solutions that interrelate and optimize all tools for the best information technology experience for its customers.

Impacts of COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency due to a novel Coronavirus outbreak originating in Wuhan, China (the "COVID-19 outbreak") and the risks to international community, considering the ability of the virus to spread globally, going beyond its point of origin.

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in global exposure.

Throughout 2021, management continued to actively monitor the global situation in terms of its financial conditions, liquidity, operations, suppliers, sector and workforce. However, with the advancement of vaccination, restrictions by the Brazilian authorities began to be relaxed, and in this context we consider that the effects of the pandemic on the global economy and in Brazil began a process of dissipation, so until now the company has not identified a significant impact on its operations. , thus maintaining your sales budgets as well as your revenue.

2. Basis of preparation and presentation of financial statements

2.1. Statement of compliance (with International Financial Reporting Standards - IFRS and the standards of CPC)

The financial statements were prepared and are being presented in accordance with accounting practices adopted in Brazil, which include corporate law, Pronouncements, Guidelines and Interpretations issued by the Accounting Pronouncements Committee (CPC).

The financial statements were approved by management on April 13, 2022.

After its issuance, only shareholders have the power to amend the financial statements.

All relevant information specific to the financial statements, and only these, are being evidenced, and correspond to those used by Management in its management.

2.2. Basis of mensuration

The Accounting Statements were prepared in accordance with the accounting practices adopted in Brazil.

2.3. Translation of foreign-currency transactions

These financial statements are presented in Reais, which is the Company's functional currency. All balances have been rounded to the nearest thousand, except where otherwise indicated.

3. Significant accounting practices adopted

The financial statements are structured in accordance with the accounting standards in current use and in accordance with the provisions in force in the corporate law, where applicable, being presented in a comparative manner with those of the previous year, including, in accordance with Law No. 11,638/ 07.

The financial statements were prepared in accordance with the accounting practices adopted in Brazil, taking into account the following main guidelines:

3.1. Translation of foreign-currency transactions

Transactions in foreign currency are translated into the respective functional currencies of the Company's entities at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted to the functional currency at the exchange rate on that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are reconverted to the functional currency at the exchange rate on the date the fair value was determined.

Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the transaction date. Foreign currency differences resulting from translation are generally recognized in profit or loss.

3.2. Financial Instruments

- Non – derivative financial assets;

The Company recognizes loans and receivables and debt instruments on the date they were originated. All other financial assets are recognized on the trade date when the Company becomes part of the contractual provisions of the instrument.

The Company does not recognize a financial asset when the contractual rights to the asset's cash flows expire, or when the Company transfers the rights to receive the contractual cash flows on a financial asset in a transaction in which essentially all the risks and rewards of ownership of the financial asset are transferred. Any participation that is created or retained by the Company in the transferred financial assets is recognized as a separate asset or liability.

The Company does not recognize a financial liability when its contractual obligation is withdrawn, canceled or expired.

The financial assets or liabilities will be offset and the net amount presented in the balance sheet when, only when, the Company currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets:

Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. After their initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include money in cash, bank deposits and other highly-liquid short-term investments with maturities of up to three months (with immaterial risk of change in values), whose balance is reported net of overdraft protection balances in the statement of cash flow.

- Non – derivative financial liabilities.

A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading or designated as such at the time of initial recognition. The transaction costs are recognized in the income statement as incurred. These financial liabilities are measured at fair value and changes in fair value, including gains from interest and dividends, are recognized in income for the year.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company has the following non derivative financial liabilities:

suppliers and other accounts payable.

Such financial liabilities are initially recognized at fair value plus any attributable transaction costs when applicable. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

3.3. Fixed assets

- Recognition and measurement

Fixed assets are shown at the acquisition cost less accumulated depreciation up to the balance sheet date, through the straight-line method and based on the accounting data recorded in the respective accounts.

When significant parts of an item of property, plant and equipment have different useful lives, they are recorded as separate items (main components) of property, plant and equipment.

- Subsequent costs

Subsequent costs are capitalized only when it is probable that future economic benefits associated with the expenses will be earned by the Company.

- Depreciation

Depreciation is calculated to amortize the cost of property, plant and equipment items, net of their estimated residual values, using the straight-line method based on the estimated useful life of the items. Depreciation is recognized in the income statement. Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Description	Years
Furniture and fixtures	10
Vehicle	20
Computer and equipment	20
Improvements in third-parties properties	20

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropried.

3.4. Intangible Assets

- Software

Purchased software that is not an integral part of a device's functionality is capitalized on intangible assets

- Subsequents spending

Subsequent spending are capitalized only when they increase the future economic benefits incorporated in the specific asset to which they relate. All other expenses, including expenses with internally generated goodwill and brands, are recognized in the income statement as incurred.

- Amortization

Amortization is calculated using the straight-line method based on the estimated useful life of the items, net of their estimated residual values.

Amortization is recognized in the income statement based on the straight-line method in relation to the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use, since this method is the one that most closely reflects the standard consumption of future economic benefits incorporated in the asset.

Amortization methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other highly liquid short-term investments, with original maturities of up to three months (with an insignificant risk of change in value), the balance being presented net of balances in guaranteed accounts at cash flow statement.

3.6. Trade accounts receivable

The receivable values are recorded and included in balance sheet at the nominal value of the trade notes representing such credits, plus monetary or exchange rate gains (losses), when applicable, deducting provision to cover eventual realization loss. Allowance for doubtful accounts is made at an amount considered enough by the Management to cover eventual estimated losses in realization. The estimated value of the allowance for doubtful accounts may be changed due to the Management's expectations regarding the possibility of recovering the involved values, as well as due to changes in the financial position of the clients.

3.7. Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories are measured at average acquisition costs and include expenses incurred in acquiring inventories, production and transformation costs and other costs incurred in bringing them to their existing locations and conditions. In the case of manufactured inventories and products in preparation, the cost includes a portion of the general manufacturing costs based on normal operating capacity.

The net realizable value is the estimated sale price in the normal course of business, less estimated costs and expenses for the sale.

3.8. Impairment

(i) Financial assets (including receivables)

Financial assets not classified as financial assets at fair value through profit or loss are valued at each balance sheet date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets have lost value includes:

- Debtor's default or arrears;
- Reestructuring na amount due to the Company under conditions that would not be accepted under normal conditions;
- Indications that the debtor or issuer will be crash/judicial recovery;
- Negative changes in the payment situation of debtors or issuers;
- Disappearance of an active Market for the instrument due to financial difficulties; or
- Observable data indicating that there was a decline in the measurement of expected cash flows for a group of financial assets.

Financial assets measured at amortized cost.

The Company considers evidence of impairment of assets measured at amortized cost, both individually and collectively. All individually significant assets are assessed for impairment. Those who have not suffered loss of value individually are then assessed collectively for any loss of value that may have occurred, but has not yet been identified. Assets that are not individually significant are assessed collectively for impairment based on the grouping of assets with similar risk characteristics.

When assessing the impairment loss collectively, the Company uses historical trends in the recovery period and the loss amounts incurred, adjusted to reflect Management's judgment as to whether the current economic and credit conditions are such that the actual losses likely to be larger or smaller than suggested by historical trends.

An impairment loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognized in the income statement and reflected in a provision account. When the Company considers that there are no reasonable expectations of recovery, the amounts are written off. When a subsequent event indicates a loss reduction, the provision is reversed through profit or loss.

(ii) Non financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is an indication of impairment. If such indication occurs, then the asset's recoverable amount is estimated. In the case of goodwill, the recoverable amount is tested annually.

3.9. Provisions

Provisions are determined by discounting estimated future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and specific risks for the related liability. The effects of not recognizing the discount due to the passage of time are recognized in profit or loss as financial expense.

3.10. CPC 47 / IFRS 15 Receita de contrato com cliente

The Company adopted CPC 47/IFRS 15 as of January 1, 2018. This standard establishes a comprehensive structure to determine whether, when, and for how much revenue should be recognized, replacing CPC 30 / IAS 18 Revenue. The main impacts of the adoption of CPC 47 / IFRS 15 are presented below:

a) Performance obligations

In the contracts with customers, the Company has not identified distinct execution obligations relevant to sales and concluded that there was no significant impact on the Company's financial statements. Revenue recognition is expected to occur when control of the asset is transferred to the customer, usually upon delivery of the goods.

b) Variable consideration

Some contracts with customers are entitled to commercial discounts or volume rebates. Currently, the Company recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of commercial discounts, when these exist. According to IFRS 15, due to the fact that the contract allows the customer to return the products, the consideration received from the customer is variable. The Company does not have contracts with the right to return sales, and they occur sporadically, with no relevant amounts. For this reason, the Company chooses not to apply the restriction rule on revenue. The Company has sales incentive programs that pay financially to participants who reach the regulated targets. IFRS 15 requires that the estimated variable consideration be restricted to avoid excessive recognition of revenue.

In analyzing the effect of the deferral on revenue, Management concluded that there was no significant impact on the Company's financial statements.

c) Financing components

In accordance with IFRS 15, the Company must determine whether there is a significant financing component in its contracts. In some sales contracts, advances are received from their customers, however, only in the short term. The Company decided to use the practical expedient set forth in IFRS 15 and will not adjust the amount of the consideration due to the effects of significant financing components in the contracts, in which the Company expects, at the beginning of the contract, that the transfer of a promised good or service to a customer, and the moment the customer pays for that good or service, whether it is one year or less. Therefore, for short-term advances, the Company will not have a financing component, even if it is significant.

3.11. Financial income and financial expenses

Financial income includes interest income on financial investments and is recognized in the income statement, using the effective interest method.

Financial expenses mainly comprise expenses with loans and exchange variation.

3.12. Income tax and social contribution

Current and deferred income tax and social contribution is calculated based on the rates of 15%, plus a 10% surcharge on taxable income in excess of R$240 (annual basis) for income tax and 9% on the taxable income for social contribution on net income, and consider, when applicable, the offset of tax losses and negative basis of social contribution, limited to 30% of the Taxable Income.

The income tax and social contribution expense comprises current and deferred taxes. Current tax and deferred tax are recognized in profit or loss unless they relate to items recognized directly in equity or other comprehensive income.

Current tax is the tax payable or receivable expected on taxable profit or loss for the year, at tax rates enacted or substantively enacted on the date of presentation of the financial statements and any adjustment to taxes payable in relation to previous years

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the corresponding amounts used for tax purposes. Deferred tax is measured at the rates expected to be applied to temporary differences when they reverse, based on the laws that were enacted or substantially enacted up to the date of presentation of the financial statements.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same entity subject to taxation.

A deferred income tax and social contribution asset is recognized for unused tax losses, tax credits and deductible temporary differences when it is probable that future taxable profits will be available and against which they will be used.

Deferred income tax and social contribution assets are reviewed at each reporting date and will be reduced to the extent that their realization is no longer likely.

3.13. Provision for contingencies

Provision for contingencies is made always when a loss is evaluated as probable, resulting in a probable outflow of resources to settle the obligation, and when the amounts involved are measurable with sufficient assurance taking into consideration the opinion from legal advisors, the nature of the process, similarity with previous processes, complexity and positioning of the Courts of Law.

Contingent liabilities classified as of possible loss are not recognized in accounting and are only disclosed in financial statements. Contingencies classified as remote loss do not require provision or disclosure.

3.14. Others current liabilities and no current liabilities

A liability is recognized in the balance sheet when Heel has a legal obligation as a result of a past event, and it is probable that an economic resource will be required to settle it. Provisions are recorded based on the best estimates of the risk involved.

They are stated at known or estimated amounts, plus corresponding charges and monetary variations, when applicable, up to the balance sheet dates.

3.15. Fair value

Fair value is the price that would be received on the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date, in the main market or, in its absence, in the most advantageous market to which the Company has access on that date. The fair value of a liability reflects its risk of non-performance. The default risk includes, among others, the Company's credit risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities (see note 2 (d))

When available, the Company measures the fair value of an instrument using the price quoted in an active market for that instrument. A market is considered to be an asset if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted in an active market, the Company uses valuation techniques that maximize the use of relevant observable data and minimize the use of unobservable data. The chosen valuation technique incorporates all the factors that market participants would take into account when pricing a transaction.

If an asset or liability measured at fair value has a purchase price and a sale price, the Company measures assets based on purchase prices and liabilities based on sale prices.

The best evidence of the fair value of a financial instrument at initial recognition is usually the price of the transaction - that is, the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced either by a price quoted in an active market for an identical asset or liability or based on a valuation technique for which any unobservable data are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at the fair value adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, this difference is recognized in profit or loss on an appropriate basis over the life of the instrument, or until such time as the valuation is fully supported by observable market data or the transaction is closed, whichever comes first.

3.16. New standards and interpretations not yet effective

A series of new standards will be effective for years beginning after January 1, 2022. The Company has not adopted these standards in the preparation of these financial statements.

Onerous Contracts – costs to fulfill a contract (changes to CPC 25)

The amendments specify what costs an entity includes when determining the cost of performing a contract for the purpose of assessing whether the contract is onerous. The changes apply to annual periods beginning on or after January 1, 2022 for contracts existing on the date the changes are first applied. On the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment to the opening balance in retained earnings or other components of equity, as appropriate. Comparatives are not re-displayed. The Company has determined that all existing contracts as of December 31, 2021 will be completed before the changes take effect.

Deferred tax related to assets and liabilities arising from a single transaction (amendments to CPC 32)

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 changes 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 changes apply to transactions that occur after the beginning of the earliest period shown.

Other Standards

- The following new and amended standards are not expected to have a significant impact on the Company's individual and consolidated financial statements:
- Rental concessions related to COVID-19 after June 30, 2021 (change to CPC 06);
- Fixed assets: Revenues before intended use (changes to CPC 27);
- Reference to the Conceptual Structure (Amendments to CPC 15);
- Classification of Current or Non-Current Liabilities (Amendments to CPC 26);
- IFRS 17 Insurance Contracts;

- Disclosure of Accounting Policies (Amendments to CPC 26);
- Definition of Accounting Estimates (Amendments to CPC 23).

4. Financial risk management

Overview

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;
- Currency risk;
- Interest rate risk.

This note presents information about the Company's exposure to each of the aforementioned risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's capital management. Additional quantitative disclosures are included throughout these financial statements.

Risk management framework

The Company has and follows the risk management policy that guides in relation to transactions and requires diversification of transactions and counterparts. Under this policy, the nature and general position of financial risks are regularly monitored and managed in order to assess the results and impacts on cash flow.

Credit Risk

Credit risk is the Company's financial loss risk if a customer or counterparty in a financial instrument fails to comply with its contractual obligations, which arise mainly from receivables from customers and in investment securities.

The Company's credit risk management in relation to customers adopts the practice of analyzing the financial and equity situation of its customers, as well as the definition of credit limits, as well as seeking to include guarantees in amounts sufficient to minimize the risk of operations credit, in addition to the permanent monitoring of the outstanding portfolio.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in complying with the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to liquidity management is to ensure, as much as possible, that it always has sufficient liquidity to meet its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the Company's reputation.

Market Risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates or, also, in the prices of products sold or produced by the Company and of the other inputs used in the production process, have on the gains of Company. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing return.

Currency Risk

The Company is subject to currency risk in sales, purchases denominated in a currency other than the respective functional currency of the Company, the Real (R $). The currency in which these transactions are primarily denominated is the US dollar (US $).

With respect to other monetary assets and liabilities denominated in foreign currency, the Company considers that its net exposure is managed at an acceptable level, buying or selling in foreign currencies at sight rates, when necessary, to address short-term instabilities.

Interest Rate Risk

It arises from the possibility that the Company may suffer gains or losses arising from fluctuations in interest rates on its financial assets and liabilities. The financial investments contracted are valued based on the variation of the CDI, and the charges are calculated according to the usual conditions practiced by the Market.

5. Cash and cash equivalents

	2021	2020
Banks	5.278	10.420
Short terms investments	15.877	21.145
	21.155	31.565

The company maintains funds in checking accounts with application of immediate liquidity and comprises Bank Deposit Certificates - CDB, in its entirety of fixed income.

6. Trade accounts receivable

	2021	2020
Trade accounts receivable	57.716	30.900
(-) Alowance for doubtful accounts	(568)	(607)
	57.148	30.293

The allowance for doubtful accounts was set up in an amount considered sufficient by Management to cover possible losses on the realization of its credits, based on the financial analysis of each client, and in the event of judicial collection proceedings, the respective advisory opinions are presented legal basis.

Trade accounts receivable Aging list:

	2021	2020
Trade accounts receivable due	45.602	25.921
Overdue until 30 days	5.303	1.985
Overdue of 31 to 60 days	2.237	2.367
Overdue of 61 to 90 days	1.836	17
Overdue of 91 to 120 days	162	2
Overdue of 121 to 180 days	2.109	59
Overdue of 181 to 365 days	5	537
Overdue after 366 days	462	12
(-)Alowance for doubtful accounts	(568)	(607)
	57.148	30.293

7. Inventories

	2021	2020
Microsoft Brasil	5.118	1.603
Acorp	42	42
Pars	315	98
Corel Corporation	48	63
Adobe	552	140
Goods in transit	301	2.060
Others	1.168	323
	7.544	4.329

8. Recovarable taxes

	2021	2020
ISS recovarable	100	84
ICMS ST recovarable	1	89
ICMS recovarable	-	19
CSLL recovarable	15	15
	116	207

9. Other receivables

	2021	2020
Advances	58	74
Judicial deposits GVT	57	57
Microsoft Corporation – credit	218	256
Capitalization titles	0	10
Adobe Systems do Brasil – credit	429	251
Others credits	115	51
	877	699

10. Fixed assets

		2021			2020
	Rate deprec. % a.a.	Cost	Accumulated depreciation	Net	Net
Furniture and fixtures	10	127	(66)	61	66
Vehicle	20	-	-	-	-
Computer and equipment	20	1.712	(615)	1.098	662
Fixed Assets in progress		-	-	-	15
Leasing - Computers Lease	50	1.054	(88)	966	-
Equipment for Services	20	6	-	6	-
Improvments in thrid-parties properties	20	556	(385)	171	20
		3.455	(1.154)	2.302	763

Changes in fixed assets

	2020	2021			
	Net	Additions	Write off	Depreciation	Net
Furniture and fixtures	66	15	-	(20)	61
Vehicle	-	-	-	-	-
Computer and equipment	662	636	(2)	(198)	1.098
Fixed Assets in progress	15	-	(15)		-
Leasing - Computers Lease	-	1.054	-	(88)	966
Equipment for Services	-	6	-	-	6
Improvments in thrid-parties properties	20	178	-	(27)	171
	763	1.889	(17)	(333)	2.302

11. Intangible

	2020	2021			
	Net	Additions	Write off	Amortization	Net
Software	99	550	-	(18)	631
	99	550	-	(18)	631

12. Trade accounts payable

As of December 31, 2021 and 2020, the balances consist substantially of suppliers of goods for resale.

	2021	2020
Microsoft do Brasil Imp. Com. Ltda	41.712	37.222
Scansource - Intersmart Com. Impor. Ltda	1.136	-
Microsoft Corporation	9.361	4.253
Pars Prod. De Processamento de Dados	1.740	1.145
Adobe System Software Ireland	3.238	1.972
Westcom Brasil Ltda	10	961
Suppliers payable - goods in transit	-	2.060
Suppliers several	4.705	2.544
	61.902	50.157

13. Loans

Institution	31/12/2020	Increase	Interest incurred	Principal payment	Interest Payment	31/12/2021
Banco ABC	4.000	-	111	3.000	253	858
HP Financial Services Arrendamento Mercantil S/A	-	1.054	161	131	20	1.064
	4.000	1.054	272	3.131	273	1.922

Loans composition in December 2021:

Institution	Modality	Rates	Garantee	Final date	2021	2020
Banco ABC	Cédula de crédito bancário	8,6016% a.a	Aval	04/03/2022	858	4.000
HP Financial Services Arrendamento Mercantil S/A	Leasing Financeiro	7,6376% a.a.	Produto	30/11/2023	1.064	-
					1.922	4.000
Current					1.466	3.326
No current					456	674
					1.922	4.000

14. Labor obligations

	2021	2020
Salary payable	983	177
INSS payable	261	257
FGTS payable	77	44
Management fees payable	45	8
Provisão de férias e encargos	1.108	688
Accrued vacation pay	2	2
Freelance payments	1.564	-
	4.040	1.176

15. Tax obligations

	2021	2020
IRPJ payable	700	364
CSLL payable	154	-
PIS payable	91	78
Cofins payable	418	360
ICMS payable	116	113
ISS payable	877	209
Others tax obligations	358	66
	2.714	1.190

16. Other obligations

	2021	2020
BNDES card	30	202
Advances from customers	219	118
Rent payable	-	2
Itáu card	42	1
Santander card	8	10
Sales commissions to partners	1.120	1.985
Bradesco card	46	-
Direct partners payable	-	-
	1.465	2.318

17. Contingencies

According to the analyzes carried out by the lawyers responsible for the Solo Network processes, there are no contingencies considered to have a possible risk of loss, therefore, they were neither provisioned nor disclosed as of December 31, 2021.

18. Shareholders' Equity

a) Capital Stock

a. As of December 31, 2021, the paid-in capital stock is represented by 6,100,000 shares (5,200,000 shares in 2020), with a par value of BRL 1.00 (one real) each, totaling BRL 6,100,000 (five million, two hundred thousand reais) and in 2020 R$5,200,000.00 (three million, four hundred thousand reais), as shown below:

Shareholder	Stocks	Value	Percentagel (%)
Audreyn Justos	2.745.000	2.745.000,00	45,00%
João Paulo Costa Pereira	2.745.000	2.745.000,00	45,00%
Maximiliano Dias Camargo	549.000	549.000,00	9,00%
Zenilda Zanardini de Almeida	30.500	30.500,00	0,50%
Eduardo Vinicius Vieira Martins	30.500	30.500,00	0,50%
Ações em tesouraria	-	0,00	-
	6.100.000	6.100.000	100%

19. Net Sales

	2021	2020
Operacional revenues		
Goods resale	342.791	219.780
Services revenue	78.792	50.659
	421.583	270.439
Deductions		
Cofins on billing	(27.665)	(17.218)
Pis on billing	(6.006)	(3.737)
ISS services tax	(7.560)	(1.589)
ICMS on sale	(134)	(183)
DIFAL on sale	(16)	(43)
Clients return	(1.373)	(8.494)
Canceles services	(335)	(492)
	(43.089)	(31.756)
	378.494	238.683

20. Costs

	2021	2020
Cost of goods sold	(263.887)	(170.697)
Cost of services provided	(61.418)	(35.111)
	(325.305)	(205.808)

21. Commercial expenses

	2021	2020
Commercial consulting	-	(357)
Publicity	(1.416)	(632)
Third services - PJ	(5.622)	(10.906)
Travel expenses	(150)	(86)
Events	(694)	(520)
Personnel expenses	(14.489)	(3.894)
Others commercial expenses	(117)	(790)
	(22.488)	(17.185)

22. General expenses

	2021	2020
General expenses	(2.610)	(3.509)
Personnel expenses	(4.143)	(1.993)
Tax expenses	(112)	(246)
	(6.865)	(5.748)

23. Financial result

	2021	2020
Financial expenses		
Interest of dicounts given	(232)	(228)
Banks tariffs	(304)	(158)
Cards rates administration	(15)	(18)
Exchange tariffs	-	(336)
Exchange rates expense	(3.971)	(5.954)
Banks rates	(273)	(229)
IOF Tax on financial transactions	(269)	
	(5.064)	(6.923)
Financial revenue		
Interest of discounts obtained	242	100
Earnings from financial aplications	412	222
Exchange rates revenue		
	4.393	2.347
Resultado financeiro líquido	(671)	(4.576)

24. Financial instruments

The Company has operations with financial instruments. These instruments are managed through operational strategies and internal controls to ensure liquidity, profitability and security. The contracting of financial instruments for the purpose of protection is made through a periodic analysis of the risk exposure that management intends to cover (exchange rate, interest rate, etc.). The control policy consists of permanent monitoring of contracted conditions versus market conditions.

Statement of financial instruments in their respective classifications:

- Financial investments: are defined as assets designated at fair value through profit or loss and held for trading. The book values reported in the balance sheet are identical to the fair value due to the fact that their remuneration ratés are based on the CDI variation;
- Accounts receivable: arise directly from the Company's operations, being measured at amortized cost and are recorded at their original value, less a provision for losses and adjustment to presente value when applicable. The book value is equivalent to the fair value in view of the very short settlement period for these operations (less than 90 days);
- Loans and suppliers: are classified as financial liabilities not measured at fair value and are recorded using the amortized cost method in accordance with the contractual conditions. This definition was adopted, as the amounts are not kept for trading which, accounting information. The fair values of these financial liabilities are equivalent to their book values, as they are financial instruments with rates that are equivalent to Market rates.

25. Insurance coverage (not audit)

The insurance policy takes into account, mainly, the concentration of risks, the relevance and the replacement value of the assets. As of December 31, 2021, the company maintained insurances whose coverage was considered adequate by management.