SOLO NETWORK BRASIL S.A.

Independent auditors' report

Financial statements
As of December, 2022

SOLO NETWORK BRASIL S.A.

Financial statements
As of December, 2022

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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, 2022 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, except for the matter referred to in the "basis for qualified opinion" paragraph, the above-mentioned financial statements present fairly, in all material respects, the financial position of Solo Network Brasil S.A. as of December 31, 2022, the results of its operations, and its cash flows for the year then ended in accordance with accounting principles generally accepted in Brazil.

Basis for qualified opinion on the financial statements

By administrative decision, as stated in explanatory note 6, the Company's Management decided not to constitute the provision for losses regarding the amount of R$18,000 receivable from operations with Lojas Americanas S.A., which is in judicial recovery process, contrary to the provisions of CPC (Accounting Pronouncements Committee) 24. Therefore, the Company's result is overstated by this amount.

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the section below entitled "Auditor's Responsibilities for the Audit of the Financial Statements." We are independent of Solo Network Brasil S.A., in accordance with the relevant ethical principles set forth in the Professional Code of Ethics for Accountants and professional standards issued by the Federal Accounting Council (CFC), and we comply with the other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support 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.

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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 27, 2023.

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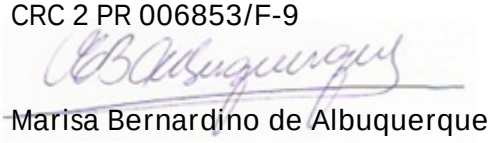

Marisa Bernardino de Albuquerque
Contadora CRC 1 SP 143624-O/T – S - PR

SOLO NETWORK DO BRASIL S.A.

Balance sheets
As of December 31, 2022 and 2021
(In thousands of Brazilian Reais)

Assets	NE	2022	2021
Current			
Cash and banks	5	6,060	5,278
Short terms investments	5	12,563	15,877
Trade accounts receivable	6	88,992	57,148
Inventories	7	6,275	7,544
Recoverable taxes	8	59	116
Others accounts receivable	9	2,467	877
		116,416	86,840
Non current			
Security capitalization		40	-
Judicial deposits		-	33
Fixed assets	10	2,680	2,302
Intangible	11	895	631
		3,615	2,966
Total assets		120,031	89,806

Liabilities and shareholders' equity	NE	2022	2021
Current			
Trade accounts payable	12	82,117	61,902
Bank loans	13	3,025	1,466
Labor liabilities	14	4,816	4,040
Tax liabilities	15	4,543	2,714
Other obligations	16	1,374	1,465
		95,875	71,587
Non current			
Bank loans	13	388	456
Provision for tax contingencies	17	6,000	-
		6,388	456
Shareholders' equity			
Capital stock	18	6,100	6,100
Capital reserves		11,668	11,663
		17,768	17,763
Total liabilities and equity		120,031	89,806

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

SOLO NETWORK DO BRASIL S.A.

Statements of operations
As of December 31, 2022 and 2021
(In thousands of Brazilian Reais)

	Note	2022	2021
(=) Net revenue from sales	19	523,078	378,494
(-) Cost of goods and services rendered	20	(456,503)	(325,305)
(=) Gross profit		66,575	53,189
(+/-) Operating (expenses)/revenues			
Selling	21	(23,522)	(22,488)
General and administrative	22	(20,990)	(6,865)
Other operating revenues		(44)	149
(=) Operating profits before financial income		22,019	23,985
Financial expenses	23	(9,634)	(5,064)
Financial revenues	23	7,136	4,393
(=) Income/(loss) before tax provisions		19,521	23,314
(+/-) Income tax current		(8,699)	(7,762)
(=) Net profit for the year		10,822	15,552

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, 2022 and 2021
(In thousands of Brazilian Reais)

	2022	2021
Operating net profit for the year	10,822	15,552
Others comprenhensive reuslts	-	-
Total comprehensive income for the year	10,822	15,552

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, 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
Capital increase	-	-	-	-	-
Net profit	-	-	-	10,822	10,822
Legal reserves constitution	-	541	-	(541)	-
Profit distribution	-	-	(10,817)		(10,817)
Profit reserves constitution	-	-	10,281	(10,281)	-
Balance as of December 31, 2022	6,100	1,949	9,719	-	17,768

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

SOLO NETWORK DO BRASIL S.A.

Statements of operations
As of December 31, 2022 and 2021
(In thousands of Brazilian Reais)

	2022	2021
Cash flows from operating activities		
Net profit for the year	10,822	15,552
Adjustments by:		
Depreciation and amortization	1,355	351
Incurred interest	530	272
	12,707	16,175
Net increase/decrease in assets and liabilities		
(-/+) (Increase)/decrease in accounts receivable	(31,844)	(26,855)
(-/+)(Increase)/decrease in inventories	1,269	(3,215)
(-/+)(Increase)/decrease in recoverable taxes	17	91
(-/+) (Increase)/decrease in other receivables	(1,590)	(178)
(-/+) (Increase)/decrease in security capitalization	-	10
(-/+)(Increase)/decrease in judicial deposits	33	68
(-/+) Increase/(decrease) in trade accounts payable	20,215	11,745
(-/+) Increase/(decrease) in labor liabilities	776	2,864
(-/+) Increase/(decrease) in tax liabilities	1,829	1,524
(+/-) Increase/(decrease) in other accounts payable	5,909	(853)
(+/-) Increase/(decrease) interest payment	(467)	(273)
(=) Net cash from investing activities	8,854	1,103
Cash flow from investing activities		
Acquisitions of fixed asset and intangible asset items	(1,997)	(2,439)
Write-off of fixed assets and intangible assets	-	17
(=) Net cash from investing activities	(1,997)	(2,422)
Cash flow from investing activities		
Loan aquisition	5,895	1,054
Loan payment	(4,467)	(3,131)
Capital increase	-	900
Profit distribution	(10,817)	(7,914)
(=) Net cash from investing activities	(9,389)	(9,091)
(=) Increase/(decrease) in cash and cash equivalents	(2,532)	(10,410)
Increase/(decrease) in cash and cash equivalents demonstration		
Cash and cash equivalents at beginning of period	21,155	31,565
Cash and cash equivalents at end of period	18,623	21,155
(=) Increase/(decrease) in cash and cash equivalents	(2,532)	(10,410)

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.

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 27, 2023.

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;
- Restructuring of an amount due to the Company under conditions that would not be accepted under normal conditions;
- Indications that the debtor or issuer will go bankrupt or 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 that 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

The following amendments to standards were issued by the IASB but are not effective for the 2022 financial year. Early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

Amendment to IAS 1 - Presentation of Financial Statements

According to IAS 1 (Presentation of financial statements), for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid settling the liabilities for at least twelve months from the balance sheet date. In January 2020, the IASB issued an amendment to IAS 1 (Classification of liabilities as current or non-current), whose application date was for years starting from January 1, 2023, which determined that the entity would not have the right to avoid the settlement of a liability for at least twelve months, if, on the balance sheet date, it had not complied with the indices provided for in restrictive clauses (eg covenants), even if the contractual measurement of the covenant was only required after the balance sheet date within twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities that contain restrictive contractual clauses requiring the achievement of ratios under covenants only after the balance sheet date, do not affect the classification as current or non-current. Only covenants that the entity is required to comply with by the balance sheet date affect the classification of the liability, even if the measurement only takes place after that date.

The 2022 amendment introduces additional disclosure requirements that allow users of financial statements to understand the risk of the liability being settled within twelve months after the balance sheet date. The 2022 amendment changed the date of application of the 2020 amendment. Accordingly, both amendments apply for fiscal years beginning on or after January 1, 2024.

Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the IASB issued a new amendment to IAS 1 on disclosure of "material" accounting policies instead of "significant" accounting policies. The amendments define what is "material accounting policy information" and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, that it should not obscure the relevant accounting information. To support this amendment, the IASB also amended "IFRS Practice Statement 2 Making Materiality Judgments" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. Said amendment is effective as of January 1, 2023.

Amendment to IAS 8 - Accounting Policies, Change in Estimates and Correction of Errors

The amendment issued in February 2021 clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to prior transactions and other prior events, as well as to the current period. Said amendment is effective as of January 1, 2023.

Amendment to IAS 12 - Income Taxes

The amendment issued in May 2021 requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This would typically apply to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations as an example, and will require the recognition of additional deferred tax assets and liabilities. Said amendment is effective as of January 1, 2023.

These amendments are not expected to have a significant impact on the Company's financial statements.

There are no other IFRS standards or IFRIC interpretations that are not yet effective that could have a material impact on the Company's financial statements.

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.

5. 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.

6. Cash and cash equivalents

	2022	2021
Banks	6,60	5,278
Short terms investments	12,563	15,877
	18,623	21.155

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

7. Trade accounts receivable

	2022	2021
Trade accounts receivable	90,006	57,716
(-) Alowance for doubtful accounts	(1.014)	(568)
	88,992	57,148

The provision for doubtful accounts was established in an amount considered sufficient by management to cover potential losses in the realization of credits.

Management does not believe it is necessary to establish a provision for losses regarding the amount of R$18,000 that is due from Lojas Americanas, which is currently undergoing judicial recovery.

This understanding is based on the position of the Company's lawyer who represents it in the judicial recovery process, as demonstrated below:

The credits were properly registered in the process;
There is a request for recognition of the Company as a collaborating supplier, which will have the unsecured credits fully paid in a single installment without discount or correction;
The Company continues to operate with Lojas Americanas, and the invoices are being regularly paid.

Trade accounts receivable Aging list:

	2022	2021
Trade accounts receivable due	74,739	45,602
Overdue until 30 days	7,971	5,303
Overdue of 31 to 60 days	3,207	2,237
Overdue of 61 to 90 days	351	1,836
Overdue of 91 to 120 days	899	162
Overdue of 121 to 180 days	199	2,109
Overdue of 181 to 365 days	1,916	5
Overdue after 366 days	724	462
(-)Alowance for doubtful accounts	(1,014)	(568)
	88,992	57,148

8. Inventories

	2022	2021
Microsoft Brasil	4,589	5,118
Acorp	-	42
Pars	169	315
Corel Corporation	-	48
Adobe	21	552
Goods in transit	-	301
Others	1,496	1,168
	6,275	7,544

9. Recoverable taxes

	2022	2021
ISS recoverable	58	100
ICMS ST recoverable	1	1
ICMS recoverable	-	-
CSLL recoverable	59	15
	58	116

10. Other receivables

	2022	2021
Advances	135	58
Judicial deposits GVT	-	57
Microsoft Corporation – credit	892	218
Adobe Systems do Brasil – credit	1,275	429
Others credits	165	115
	2,467	58

11. Fixed assets

		2022			2021
	Rate deprec. % a.a.	Cost	Accumulated depreciation	Net	Net
Furniture and fixtures	10	275	(55)	220	61
Vehicle	20	-	-	-	-
Computer and equipment	20	1,986	(783)	1,203	1,098
Fixed Assets in progress		-	-	-	-
Leasing - Computers Lease	50	1,566	(709)	857	966
Equipment for Services	20	277	(43)	234	6
Improvments in thrid-parties properties	20	617	(451)	166	171
		4,721	(2,041)	2,680	2,302

Changes in fixed assets

	2021	2022			
	Net	Additions	Write off	Depreciation	Net
Furniture and fixtures	61	172	-	(12)	221
Computer and equipment	1,098	274	-	(168)	1,204
Leasing - Computers Lease	966	512	-	(622)	856
Equipment for Services	6	271	-	(43)	234
Improvements in thrid-parties' properties	171	60	-	(66)	165
	2,302	1,289	-	(911)	2,680

12. Intangible

	2021	2022			
	Net	Additions	Write off	Amortization	Net
Software	631	708	-	(444)	895
	631	708	-	(444)	895

13. Trade accounts payable

As of December 31, 2022 and 2021, the balances consist substantially of suppliers of goods for resale.

	2022	2021
Microsoft do Brasil Imp. Com. Ltda	65,535	41,712
Scansource - Intersmart Com. Impor. Ltda	1,175	1,136
Microsoft Corporation	4,588	9,361
Pewars Prod. De Processamento de Dados	2,168	1,740
Adobe System Software Ireland	3,471	3,238
Westcom Brasil Ltda	-	10
Aplex Distrib. de Produtos	848	-
Atrium São Paulo Consultoria	921	-
Suppliers several	3,411	4,705
	82,117	61,902

14. Loans

Institution	2021	Increase	VC	Interest incurred	Principal payment	Interest Payment	2022
Banco ABC	858	-	-	154	(998)	(14)	-
DLL	-	1,426	-	137	(966)	(54)	543
HP Financial Services Arrendamento Mercantil S/A	1,064	670	-	71	(737)	-	1,068
Mercantil S/A	-	-	-	-	-	-	-
Safra	-	3,800	(36)	150	(2,033)	(79)	1,802
	4.000	5,896	(36)	512	4,734	(147)	3,413

15. Labor obligations

	2022	2021
Salary payable	1,178	983
INSS payable	310	261
FGTS payable	90	77
Management fees payable	34	45
Provision for vacation and charges	1,309	1,108
Accrued vacation pay	3	2
Freelance payments	1.892	1,564
	4,816	4,040

16. Tax obligations

	2022	2021
IRPJ payable	1,100	700
CSLL payable	369	154
PIS payable	235	91
Cofins payable	1,081	418
ISS payable	1,216	877
Others tax obligations	542	358
	4,543	2,714

17. Other obligations

	2022	2021
BNDES card	2	30
Advances from customers	85	219
Rent payable	-	-
Itáu card	101	42
Santander card	38	8
Sales commissions to partners	1,134	1,120
Bradesco card	14	46
Direct partners payable	-	-
	1,374	1,465

18. Contingencies

The Company made a provision of R$ 6,000 for tax contingency related to the PIS and COFINS process in tax execution no. 5010505-59.2023.4.04.7000 pending before the 15th Federal Court of Curitiba, made judicial deposits updated and in full of the executed CDAS in order to suspend the enforceability of the debt.

19. Shareholders' Equity

a) Capital Stock

As of December 31, 2022, the paid-in capital stock is represented by 6,100,000 shares (5,100,000 shares in 2021), with a par value of BRL 1.00 (one real) each, totaling BRL 6,100,000 (five million, two hundred thousand reais) and in 2021 R$6,100,000.00 (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%

20. Net Sales

	2022	2021
Operacional revenues		
Goods resale	481,820	342,791
Services revenue	105,869	78,792
	587,689	421,583
Deductions		
Cofins on billing	(40,444)	(27,665)
Pis on billing	(8,779)	(6,006)
ISS services tax	(11,618)	(7,560)
ICMS on sale	(19)	(134)
DIFAL on sale	-	(16)
Clients return	(154)	(1,373)
Canceles services	(3,597)	(335)
	(64,611)	(43,089)
	523,078	378,494

21. Costs

	2022	2021
Cost of goods sold	(365,499)	(263,887)
Cost of services provided	(91,004)	(61,418)
	(456,503)	(325,305)

22. Commercial expenses

	2022	2021
Commercial consulting	-	-
Publicity	(1,523)	(1,416)
Third services - PJ	(2,799)	(5,622)
Travel expenses	(382)	(150)
Events	(949)	(694)
Personnel expenses	(17,541)	(14,489)
Others commercial expenses	(328)	(117)
	(23,522)	(22,488)

23. General expenses

	2022	2021
General expenses	(15,590)	(2,610)
Personnel expenses	(5,130)	(4,143)
Tax expenses	(270)	(112)
	(20,990)	(6,865)

24. Financial result

	2022	2021
Financial expenses		
Interest of dicounts given	(149)	(232)
Banks tariffs	(325)	(304)
Cards rates administration	(16)	(15)
Exchange tariffs	(2)	-
Exchange rates expense	(7,387)	(3,971)
Banks rates	(1,039)	(273)
IOF Tax on financial transactions	(716)	(269)
	(9,634)	(5,064)
Financial revenue		
Interest of discounts obtained	315	242
Earnings from financial aplications	1,521	412
Exchange rates revenue	5,300	
	7,136	4,393
Resultado financeiro líquido	(2,498)	(671)

25. 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 rates 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 present 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.

26. 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.

27. The Supreme Court ("STF") changes understanding related to res judicata in tax matters

On February 8th, 2023, the Brazilian Supreme Court (STF) judged Themes 881 - Extraordinary Appeal n° 949.297 and 885 - Extraordinary Appeal n° 955.227.

The judges who participated in these themes concluded, unanimously, that court decisions taken definitively in favor of taxpayers should be annulled if, afterwards, the STF has a different understanding about the subject. That is, if years ago a company was authorized by the Judiciary to stop paying some tax, this permission will automatically lose validity if, and when, the STF understands that the payment is due.

The Administration evaluated with its internal Legal Advisors the possible impacts of this STF decision and concluded that the STF decision does not result, based on the Administration's evaluation supported by its Legal Advisors, and in accordance with CPC25/IAS37 Provisions, Contingent Liabilities and Contingent Assets, CPC 32/IAS 12 Income Taxes, ICPC 22/IFRIC 23 Uncertainty over Income Tax Treatments, and CPC24/IAS10 Subsequent Events, in significant impacts on its financial statements as of December 31, 2022.