

(Convenience translation into English from the original
previously issued in Portuguese)

WIPRO DO BRASIL SERVIÇOS LTDA.

Independent auditor's report

Financial statements
As at December 31, 2023

WIPRO DO BRASIL SERVIÇOS LTDA.

Financial statements
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the
Shareholders and Management of
Wipro do Brasil Serviços Ltda.
Curitiba -PR

Opinion

We have audited the financial statements of Wipro do Brasil Serviços Ltda. which comprise the statement of financial position as of December 31, 2023 and the respective statements of operations, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

Opinion the financial statements

In our opinion the financial statements present fairly, in all material respects, the financial position of Wipro do Brasil Serviços Ltda. as of December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with Brazilian accounting practices and IFRSs issued by IASB.

Responsibilities of management 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 Brazilian accounting practices, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout 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 sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Wipro do Brasil Serviços Ltda.;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Wipro do Brasil Serviços Ltda.. to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 controls that we identify during our audit.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Curitiba, May 03, 2024.

WIPRO DO BRASIL SERVIÇOS LTDA.

Balance sheets

As of December 31, 2023 and 2022

(In thousands of Brazilian Reais)

Assets				Liabilities and shareholders' equity			
	Note	2023	2022		Note	2023	2022
Current				Current			
Cash and cash equivalents	4	8,881	6,564	Trade accounts	13	308	4,308
Trade accounts receivable	5	10,130	10,731	Tax liabilities	14	2,109	2,617
Billable services	6	6,120	7,105	Liabilities of right use	11	35	85
Recoverable taxes	7	370	511	Labor liabilities	15	4,592	7,519
Coporate income tax and social contribution recoverable	8	3,227	3,080	Advances from customers		5	23
Other receivables	9	655	2,011	Others obligations	16	1,936	-
		29,383	30,002			8,985	14,552
Non current				Non current			
Other receivables	10	2,408	2,455	Liabilities of right use	11	685	163
Right use of assets	11	588	182			685	163
Fixed assets	12	559	2,143	Shareholders' equity			
Deferred assets		539	-	Capital stock	17a	12,324	12,324
		4,094	4,780	Profit reserves	17b	11,483	7,743
						23,807	20,067
Total assets		33,477	34,782	Total liabilities and shareholders' equity		33,477	34,782

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

WIPRO DO BRASIL SERVIÇOS LTDA.

Statements of operations

As of December 31, 2023 and 2022

(In thousands of Brazilian Reais)

	Note	2023	2022
(=) Net revenue from sales	18	72,279	83,422
(-) Cost of goods and services rendered	19	(55,590)	(74,440)
(=) Gross profit		16,689	8,982
General and administrative	20	(12,087)	(11,511)
Other income, net		120	1,238
(=) Operating profits before financial income/(expenses)		4,722	(1,291)
Financial revenues	21	(152)	(239)
Financial expenses	21	451	682
(=) Net financial income		299	443
(=) Income/(loss) before tax provisions		5,021	(848)
Income tax and social contribution		(693)	(1,590)
Subsidy - Trading profit incentive		(587)	1,112
(=) Net profit/(loss) for the year		3,741	(1,326)

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

WIPRO DO BRASIL SERVIÇOS LTDA.

Statements of comprehensive income (loss)
As of December 31, 2023 and 2022
(In thousands of Brazilian Reais)

	2023	2022
(=) Net profit/(loss) for the year	3,741	(1,326)
Other comprehensive results	-	-
Total comprehensive income for the year	3,741	(1,326)

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

WIPRO DO BRASIL SERVIÇOS LTDA.

Statements of changes in shareholders' equity

As of December 31, 2023 and 2022

(In thousands of Brazilian Reais)

	Capital stock	Profit reserves	Retained earnings	Total
Balance as of December 31, 2021	12,324	9,069	-	21,393
Loss of the year	-	-	(1,326)	(1,326)
Compensation of amounts with reserves	-	(1,326)	1,326	-
Loss absorption	-	(364)	364	-
Constitution of tax incentive reserve	-	1,112	(1,112)	-
Reversal of tax incentive reserves	-	(748)	748	-
Balance as of December 31, 2022	12,324	7,743	-	20,067
Profit of the year	-	-	3,741	3,741
Constitution of tax incentive reserve	-	872	(872)	-
Reversal of tax incentive reserves	-	(27)	27	-
Balance as of December 31, 2023	12,324	8,588	2,896	23,807

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

WIPRO DO BRASIL SERVIÇOS LTDA.

Statements of operations

As of December 31, 2023 and 2022

(In thousands of Brazilian Reais)

	2023	2022
Cash flows from operating activities		
(=) Net profit/(loss) for the year	3,741	(1,326)
Adjustments		
Depreciation	1,681	779
Right off assets	39	-
Losses bad debt provision	(564)	131
	<u>4,897</u>	<u>(416)</u>
Changes in assets	<u>2,488</u>	<u>(2,348)</u>
Trade accounts receivable	1,165	(3,248)
Billable services	985	1,728
Other receivables	1,356	(189)
Recoverable taxes	141	169
Income tax na social contribution recoverable	(147)	(603)
Non current assets	(1,012)	(205)
Changes in liabilities	<u>(5,045)</u>	<u>134</u>
Trade accounts	(2,082)	1,632
Tax obligations	(3,435)	(1,383)
Lease liabilities	(50)	(49)
Other liabilities	522	(66)
(=) Net cash from operating activities	<u>2,340</u>	<u>(2,630)</u>
Cash flow from investing activities		
Acquisitions of fixed asset items	(23)	(2)
(=) Net cash from investing activities	<u>(23)</u>	<u>(2)</u>
(=) Increase/(decrease) in cash and cash equivalents	<u><u>2,317</u></u>	<u><u>(2,632)</u></u>
Cash and cash equivalents at beginning of period	6,564	9,196
Cash and cash equivalents at end of period	8,881	6,564
(=) Increase/(decrease) in cash and cash equivalents	<u><u>2,317</u></u>	<u><u>(2,632)</u></u>

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

Accompanying notes of financial statements
In December, 31 2023 and 2022
(In thousand of Brazilian Reais)

1. Operations

WIPRO do Brasil Serviços Ltda. (“Company”) was originally incorporated on March 26, 1996, currently headquartered in the City of Fortaleza, State of Ceará, at Avenida Pessoa Anta, 218, Centro CEP: 60.060-188, with the following corporate purpose: Development and software maintenance, consultancy specializing in software development, maintenance and support, specialized technical support comprising: service, technical support in monitoring and management of services, coordination, preparation, management and implementation of projects, coordination and management of teams, outsourcing of services, agency, intermediation and business prospecting.

The Company's main activities comprise the provision of information technology services, involving Business Intelligence (BI) solutions, outsourcing services, software and innovation services.

2. Basis of preparation and presentation of financial statements

2.1 Conformity declaration

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 30, 2024.

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

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

2.2 Measurement basis

The financial statements were prepared based on historical cost, except when indicated in a specific explanatory note.

2.3 Functional currency and presentation currency

The financial statements are presented in reais, which is the Company's functional currency. All financial information presented in Brazilian reais has been rounded to the nearest value, unless otherwise indicated.

2.4 Use of estimates and judgments

The financial statements were prepared in accordance with different valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, based on Management's judgment to determine the appropriate amount to be recorded in the financial statements.

3. Significant accounting practices adopted

The financial statements were prepared considering historical cost as the basis of value (except when different criteria are required) and adjusted to reflect the valuation of assets and liabilities measured at fair value or considering the mark-to-market, when such valuations are required by the International Standards of Financial reports (IFRS).

The main accounting policies applied in the preparation of these financial statements are defined below. These policies have been consistently applied in the years presented, unless otherwise stated.

3.1. Foreign currency

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 translated into the functional currency at the exchange rate on the date on which the fair value was determined. Non-monetary items that are measured based on 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

a) Financial assets

The Company classifies financial assets, based on the Company's business model, in two main categories: measured at Amortized Cost (AC) and Fair Value through Profit and Loss. There are no financial assets classified as and Fair Value through Other Comprehensive Income (FVOCI):

- Financial assets at amortized cost: ▫ these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, gains and foreign exchange losses and impairment are recognized in the result. Any gain or loss in derecognition is recognized in the Result;
- Financial assets to be Fair Value: these assets are measured subsequently at fair value. Net income, including interest or dividend income, is recognized in the income.

A financial asset (unless it is an accounts receivable from clients without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not measured to fair value, transaction costs that are directly attributable to its acquisition or issue. A accounts receivable from customers without a significant financing component is initially measured at the price of the transaction.

Initial recognition and derecognition

The Company recognizes a financial asset in its balance sheet when the Company becomes part of the contractual provisions of the instrument.

The Company disrecognizes a financial asset when the contractual rights to the cash flows of the financial asset expire or when the Company transfers the financial asset and the transfer qualifies as derecognition.

Measurement

Assets measured at amortized cost, fair value through income and fair value through other comprehensive results are initially initially recorded at fair value. If the fair value differs from the transaction, the difference between the initial fair value and the transaction price as gain or loss must be recognized. If the measurement is made at amortized cost, interest income must be calculated.

Accompanying notes of financial statements
In December, 31 2023 and 2022
(In thousand of Brazilian Reais)

Financial assets - assessment of whether contractual cash flows are only principal and interest payments

For the purposes of this valuation, the 'principal' is defined as the fair value of the financial asset in the initial recognition. 'Interest' is defined as a payment for the value of the money in time and the credit risk associated with the outstanding principal value over a given period of time and for the other risks and basic costs of loans (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Company considers the contractual terms of the instrument to assess whether contractual cash flows are only principal and interest payments. This includes the assessment of whether the financial asset contains a contractual term that could change the time or value of contractual cash flows so that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that change the value or time of cash flows;
- Terms that may adjust the contractual rate, including variable fees;
- Prepayment and extension of the deadline; and
- Terms that limit the Company's access to cash flows from specific assets (e.g. based on the performance of an asset).

The prepayment is consistent with the principal's payment criterion and interest if the prepayment amount represents, for the most part, unpaid principal amounts and interest on the outstanding principal amount – which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a value less than or greater than the nominal value of the contract, the permission or requirement of prepayment for an amount representing the nominal value of the contract plus contractual interest (which may also include reasonable compensation for early termination of the contract) accumulated (but not paid) are treated as consistent with this criterion if the fair value of the prepayment is negligible in recognition initial.

b) Financial liabilities

The Company classifies liabilities as measured at amortized cost or fair value through Income. A financial liability is classified as measured at fair value through the result when it is held for trading or is designated as such in the initial recognition. Financial liabilities measured at fair value are measured at fair value and net income, including interest, is recognized in the result.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The expense of interest, gains and foreign exchange losses is recognized in the income. Any gain or loss in derecognition is also recognized in the result.

Initial recognition, derecognition and measurement

The Company recognizes a financial liability in its balance sheet when the Company becomes part of the contractual provisions of the instrument.

The Company disrecognizes the financial liability (or part of the financial liability) of its balance sheet when it is extinguished, i.e. when the obligation specified in the contract is settled, cancelled or expired.

3.3. Fixed assets

▪ Recognition and measurement

Property, plant and equipment items are measured at the historical cost of acquisition or construction, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses (impairment).

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 lives of the items. Depreciation is recognized in income. Leased assets are depreciated over the shortest period between the estimated useful life of the asset and the lease term, unless it is reasonably certain that the Company will obtain ownership of the asset at the end of the lease term. Land is not depreciated.

3.4. 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.

3.5. Trade accounts receivable and bad debt provision

Receivables are recorded and maintained in the balance sheet at the nominal value of the securities representing these credits, plus monetary or exchange variations, when applicable, less the provision to cover possible losses on their realization. The allowance for doubtful accounts is constituted in an amount considered sufficient by Management to cover possible estimated losses on the realization of these credits. The estimated amount of the allowance for doubtful accounts may be modified depending on Management's expectations regarding the possibility of recovering the amounts involved, as well as changes in the financial situation of customers.

3.6. Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event that can be reliably estimated, and an economic resource is likely to be required to pay off the obligation. The provisions are recorded based on the best estimates of the risk involved.

3.7. Revenue recognition

Revenue is shown net of taxes, returns, rebates and discounts. Its recognition is based on the fair value of the consideration received or to be received, to the extent that it is probable that future economic benefits will flow to the Company, and the revenues and costs can be reliably measured.

3.8. Financial revenue and expenses

Financial income includes interest income on financial investments and is recognized in profit or loss using the effective interest rate method.

Financial expenses mainly include expenses with loans and exchange variation.

3.9. Income tax and social contribution

Income Tax for the year comprises Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL"), composed of current tax, calculated based on taxable income (adjusted accounting income), (i) Tax revenue - calculated at the rate of 25% on adjusted accounting income (15% on taxable income, plus an additional 10%); (ii) Social contribution - calculated at the rate of 9% on adjusted accounting profit.

3.10. Other current liabilities and non current

Current and non-current liabilities are stated at known or estimated amounts plus, when applicable, the corresponding charges, monetary and/or exchange variations incurred up to the balance sheet date. When applicable, current and non-current liabilities are recorded at present value, transaction by transaction, based on interest rates that reflect the term, currency and risk of each transaction.

3.11. IFRS 9 Financial instruments

CPC 48 (IFRS 9) replaced the existing guidelines in CPC 38 (IAS 39) Financial Instruments: Recognition and Measurement. CPC 48 (IFRS 9) included new models for classifying and measuring financial instruments and measuring expected credit losses for financial and contractual assets, as well as new requirements on hedge accounting. The new standard maintained the existing guidelines on the recognition and derecognition of financial instruments from CPC 38 (IAS 39).

With the enactment of that standard, the classification started to be based on the business model by which a financial asset is managed by its contractual cash flows.

The new rule preserved part of the requirements of the previous rule for the classification of financial liabilities. Substantial changes in fair value classification are presented below: (i) the portion of the change in fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and (ii) the remaining portion of the change in fair value is presented in income for the year.

3.12. IFRS 15 Revenue from contracts with customers

CPC 47 (IFRS 15) introduced a comprehensive framework for determining whether and when revenue is recognized and how much revenue is measured. CPC 47 (IFRS 15) replaced the current rules for revenue recognition, including CPC 30 (IAS 18) Revenues, CPC 17 (IAS 11) Construction Contracts and the corresponding interpretations. The Company's Management analyzed its operations based on the five-step model defined by this new standard and did not identify significant impacts. Note 3.10 above describes the Company's different types of revenue and the way in which each of these revenues is recognized.

In the case of the sale of products, revenues will continue to be recognized when the products are delivered to the customer's location, considered as the moment when the customer accepts the goods and the risks and benefits related to ownership are transferred. Revenue is recognized at this time provided revenue and costs can be reliably measured, receipt of consideration is probable and there is no ongoing involvement of the Company with the products.

In the case of the sale of services, revenues will continue to be recognized based on the services actually performed up to the balance sheet date, since the fair value and selling prices of individual services are relatively similar.

3.13. Lease

As a lessee, the Company leases various assets. Pursuant to CPC 06(R2), the Company recognizes right-of-use assets and lease liabilities for most of these leases - ie these leases are on the balance sheet. Upon inception or modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on its individual price.

The right-of-use asset is initially measured at cost, which comprises the initial measurement value of the lease liability, adjusted for any lease payments made up to the commencement date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the lease right-of-use asset reflects that the lessee will exercise the purchase option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of the property, plant and equipment. In addition, the right-of-use asset is periodically written down for impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not made at the commencement date, discounted at the interest rate implicit in the lease or, if that rate cannot be immediately determined, at the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental rate on borrowings by obtaining interest rates from various external funding sources and making certain adjustments to reflect the terms of the lease and the type of leased asset.

Accompanying notes of financial statements
In December, 31 2023 and 2022
(In thousand of Brazilian Reais)

The Company has chosen not to recognize right-of-use assets and lease liabilities for low-value asset leases and short-term leases, including IT equipment. The Company recognizes lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company does not act as a lessor in contracts that contain a lease component.

3.14. New standards and interpretations not yet effective

The new and amended standards and interpretations issued, but not yet in force as of the date of issuance of the Company's financial statements, are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they come into force. The Company is still evaluating the impacts of these changes on future financial statements.

Amendments to CPC 26 (R1) - Classification of Liabilities as Current or Non-Current and - Non-Current Liabilities with Covenants

The amendments introduce new disclosures related to financing arrangements with suppliers ("Downloaded Risk") that help users of financial statements assess the effects of these arrangements on an entity's liabilities and cash flows and on the entity's exposure to credit risk. liquidity. Changes apply to annual periods beginning on or after January 1, 2024.

Changes to CPC 06 (R2) - Lease liabilities in a "Sale and Leaseback" transaction

The changes affect how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The changes introduce a new accounting model for variable payments and will require the seller-lessee to reevaluate and potentially restate sale and leaseback transactions made since 2019. The changes apply to annual periods beginning on or after 1. January 2024.

Changes to CPC 02 - Lack of convertibility

The amendments propose that companies use an exchange rate based on their best estimate, rather than using an unaffordable official rate, which should reflect the spot rate at which an orderly foreign exchange transaction would take place on the date of measurement between market participants under prevailing economic conditions. The amendments do not contain specific requirements for estimating a cash rate. Its applicability is for annual periods beginning on or after January 1, 2025.

Accompanying notes of financial statements
In December, 31 2023 and 2022
(In thousand of Brazilian Reais)

4. Cash and cash equivalents

	2023	2022
Banks	8.881	6.564
	<u>8.881</u>	<u>6.564</u>

5. Trades accounts receivable

a. Composition

	2023	2022
Services trades accounts receivable	11.260	12.425
(-) Allowance for doubtful accounts (*)	(1.130)	(1.694)
	<u>10.130</u>	<u>10.731</u>

(*) To recognize the expected losses with credit, the Company performs an analysis based on its experience of historical loss, as well as individualized analysis per client and obtains the estimated losses for the entire life of the credits. Management chose to constitute a provision for losses as follows: Invoices issued above 180 days provision of 35% and invoices issued at more than 360 days provision of 100%.

b. Age of accounts receivable balance from customers

	2023	2022
Receivable	3.429	5.360
Due to 90 days	3.802	3.979
Due to more 90 days	4.029	3.086
	<u>11.260</u>	<u>12.425</u>

6. Billable services

Service revenue is recognized to the extent that services are transferred to customers for a value that reflects the payoff to which the Company expects to be entitled in exchange for these services. For revenues from the provision of software development services revenue recognition is carried out based on the stage of completion of the service.

In the services to be invoiced are all services already completed and not yet billed, but that has already been properly validated and formally accepted by the customer.

The balance of services to be invoiced is lowered in return for the "Accounts receivable from customers" account, when billing occurs, which usually happens in the following month. Based on historical experience and expectations of future losses, there is no evidence of losses on this balance.

Accompanying notes of financial statements
In December, 31 2023 and 2022
(In thousand of Brazilian Reais)

The estimated losses on the balance of accounts receivable from customers were disclosed in note 5.a.:

	2023	2022
Billable services	6.120	7.105
	<u>6.120</u>	<u>7.105</u>

7. Recoverable taxes

	2023	2022
Deferred recoverable taxes and contributions	370	511
	<u>370</u>	<u>511</u>

This balance refers to taxes that will be withheld in the settlement of invoices already issued and not settled from public agencies.

8. Recoverable Income tax and social contribution

	2023	2022
Recoverable income tax and social contribution	3.227	3.080

This balance refers to withholding IRPJ (income tax) and CSLL (social contribution) from invoices issued to customers in 2023, which became a tax credits in the subsequent year.

9. Other credits

	2023	2022
Intercompany credits	-	802
Employees credits	604	530
Clients credits	-	94
Advances to suppliers	-	436
Expenses forecasts	51	149
	<u>655</u>	<u>2.011</u>

10. Non current assets

	2023	2022
Other credits - non current	2.408	2.454
	<u>2.408</u>	<u>2.454</u>

Accompanying notes of financial statements
In December, 31 2023 and 2022
(In thousand of Brazilian Reais)

11. Right use of assets

As of January 1, 2019, the Company applied NBC TG 06 (R3) / CPC 06 (R2) / IFRS 16 – Leasing Operations, using the modified retrospective approach, which does not require the comparative presentation of previous periods.

At initial adoption, liabilities were measured at the present value of the remaining payments, discounted at the incremental rate (nominal rate) and the right-of-use assets were measured at the same value as the rental liabilities at present value.

The Company applied the practical expedient in relation to the definition of a lease agreement, applying the criteria of control right and obtaining benefits of the identifiable asset, contracting period of more than 12 months, expectation of term of contract renewal, fixed payment and relevance of the value of the leased asset.

a) Right use of assets

Right use of assets	
Balance in December 31, 2022	182
Addition by new contracts	666
Reversal contracts	(904)
Reversal of depreciation	722
	666
Depreciation expenses	(78)
Balance in December 31, 2023	588

b) Liabilities of right use

Liabilities right use	
Balance in December 31, 2022	248
Recognized leases	666
Canceled leases	(248)
Accumulated interest amortization (AVP)	54
Balance in December 31, 2023	720
Current	35
Non current	685

12. Fixed assets

	Aquisition Costs	Acummulated Depreciation	2023	2022
Computer equipments	95	47	48	46
Furniture and fixtures	39	21	18	20
Computers and peripherals	3.220	1.174	1.446	2.077
Accelerated depreciation	-	953	(953)	-
	3.354	2.795	559	2.143

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13. Trade accounts

	2023	2022
Wipro do Brasil Tecnologia	111	4.161
Other accounts payable	197	147
	<u>308</u>	<u>4.308</u>

- Trade accounts: the amounts recorded in this heading in almost its entirety refer to the accounts payable from suppliers (partners) who carried out the work and are equalized with the progress and approval of customers to be invoiced. Work already carried out and approved by the client;
- The related parties refer to subcontracting services payable and reimbursement of expenses payable to another entity in Brazil (WIPRO do Brasil Tecnologia Ltda.) being: costs of subcontracting services between entities R\$ 111.

14. Tax liabilities

	2023	2022
Social security contribution on gross revenue	771	888
PIS and COFINS	558	578
Income tax withheld at source payable (IRRF)	754	1.099
Other tax payable	26	52
	<u>2.109</u>	<u>2.617</u>

15. Labor liabilities

	2023	2022
Vacations and charges payable	4.011	5.985
INSS National Institute of Social Security payable	256	475
FGTS employment security fund payable	323	488
Other labor liabilities	2	571
	<u>4.592</u>	<u>7.519</u>

16. Other obligations

The balance of other obligations payable refers to the amount owed to the Company's former shareholders due to the receipt of accounts receivable that was overdue at the time of negotiation and which, by agreement between the parties, should be passed on to the former shareholders.

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The amounts recorded in provisions of a managerial nature correspond to costs with suppliers and service providers according to due competence, as well as some provisions for employee benefits (Bonus and awards).

	2023	2022
Provisions of managerial nature	443	-
Others obligations	1.493	-
	<u>1.936</u>	<u>-</u>

17. Shareholder's equity

a. Stock capital

The Company's authorized capital is represented by 1,232,400 (one million, two hundred and thirty-two thousand and four hundred) quotas, with a nominal value of R\$ 10.00 (ten reais) each, totaling R\$ 12,324,000 in 2021 and 532,400 (five hundred and thirty-two thousand and four hundred) shares, with a nominal value of R\$ 10.00 (ten reais) each, totaling R\$ 5,324,000 in 2020.

b. Profits reserves

The amount recorded in Tax Incentive Reserves refers to tax incentives and benefits administered by SUDENE, corresponding to the 75% reduction of IRPJ and additional non-refundable, according to Constitutive report 0199/2015. The benefit period runs until December 31, 2024.

c. Retained earnings

Refers to the value that became available for later distribution.

18. Net revenues

	2023	2022
Revenue from services in Brazil billed	82.391	95.222
Revenue from services to be invoiced in Brazil	(1.105)	(1.948)
Gross Service Revenue	<u>81.286</u>	<u>93.274</u>
(-)Taxes on services and other deductions	(9.007)	(9.852)
	<u>72.279</u>	<u>83.422</u>

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19. Cost of services provided

	2023	2022
Wage costs	41.389	54.589
Payroll social charges	6.916	8.346
Costs of services provided	2.171	5.211
Food costs	2.759	3.491
Healthcare and dental costs	1.944	2.592
Other personnel costs	411	211
	<u>55.590</u>	<u>74.440</u>

20. General and administration expenses

	2023	2022
Depreciation of the right of use	1.670	779
Personnel expenses	5.604	6.361
Social charges with staff	956	1.074
Services provided by a legal entity	963	1.035
Staff feeding expenses	454	573
Medical and dental care expenses	705	489
Other overheads	1.735	1.200
	<u>12.087</u>	<u>11.511</u>

21. Net financial result

	2023	2022
Financial revenue		
Financial application interest	178	174
Others financial revenue	273	508
	<u>451</u>	<u>682</u>
Financial expenses		
Leasing interest	54	-
Others financial expenses	98	239
	<u></u>	<u></u>
Net financial revenues (expenses)	<u>152</u>	<u>239</u>

22. Related parties transactions

In 2023, we had Intercompany operations with the company Wipro Brasil Tecnologia Ltda.

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Below, we show the volume of transactions carried out in the year, as well as the balance of outstanding assets and liabilities:

	Nature of operation	2023			2022		
		Assets	Liabilities	Gain (loss)	Assets	Liabilities	Gain (loss)
Accounts payable							
Wipro do Brasil Tecnologia Ltda	Serviços	91	114	23	1.754	2.227	473

23. Government subsidy - tax incentives

The Company is a beneficiary of federal grants obtained on account of investments in units based in the area covered by the Northeast Development Superintendence (Sudene). This benefit was granted for a fixed period of 10 years, with an effective period from January 1, 2015 to December 31, 2024.

The tax incentive for the reduction of Income Tax and non-refundable surcharges, consists of an amount equivalent to the result of applying up to 75% on a calculation base legally called "exploitation profit", from the activity of developing custom computer programs, technical support, maintenance and other services in information technology, resulting from the implementation project.

In addition, the benefit managed by SUDENE is one of the only differentials for the Northeast region in the information technology sector, considering that the other incentives available for the IT sector, such as the resources managed by FINEP, for example, are available for companies located in any region of the country.

The federal subsidy is presented in the Statement of Income for the Year as a deduction from the corporate income tax.

24. Financial risk management

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 provides information on 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 structure

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

Credit risk

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting 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, to the maximum extent possible, that it always has sufficient liquidity to meet its obligations when they fall due, under normal and stressed conditions, without causing unacceptable losses or risking damage to the Company's reputation.

Market risk

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

Currency risk

The Company is subject to currency risk on sales, purchases denominated in a currency other than the Company's respective functional currency, 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 to an acceptable level, buying or selling in foreign currencies at spot rates, when necessary, to deal with short-term instabilities.

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Interest rate risk

It arises from the possibility of the Company incurring gains or losses arising from fluctuations in interest rates on its financial assets and liabilities. The contracted financial investments are valued based on the CDI variation, with the charges being calculated in accordance with the usual conditions practiced by the market.

25. Insurance coverage (unaudited)

The Company maintains insurance coverage in an amount considered sufficient by Management to cover possible risks on its assets and/or liabilities. The risk assumptions, given their nature, are not part of the scope of the audit of the financial statements, therefore, they were not reviewed by our independent auditors.