IVIA Serviços de Informática Ltda.

Financial statements
December 31, 2020

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil (BRGAAP).

Contents

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Independent auditors' report on the financial statements

To the Executive Board of
IVIA Serviços de Informática Ltda.
Fortaleza - CE

Opinion

We have audited the financial statements of IVIA Serviços de Informática Ltda. ("Company"), comprising the balance sheet as of December 31, 2020 and the related statements of operations, comprehensive income and changes in quotaholders' equity, and cash flows for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other clarifying information.

In our opinion, the individual aforementioned financial statements present fairly, in all material respects, the financial position of WIPRO do Brasil Tecnologia Ltda. as of December 31, 2020, the performance of its operations and its cash flows for the year then ended, in conformity with Technology practices adopted in Brazil.

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities, in compliance with such standards, are described in the following section, titled "Auditors' Responsibilities for the Audit of Financial Statements." We are independent in relation to the Company, according to the relevant ethical principles established in the Accountants' Professional Code of Ethics and the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities according to these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of management for the financial statements

The Management is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil, and the internal controls it deemed necessary to enable the preparation of financial statements free of material misstatements, regardless of whether caused by fraud or error.

In the preparation of financial statements, Management is responsible for evaluating the Company's ability of going concern, and disclosing – where applicable – matters related to its going concern and the use of this accounting basis in the preparation of the financial statements, unless Management intends to liquidate the Company or cease its operations, or has no realistic alternative to avert closing down operations.

Responsibilities of the auditors regarding the audit of financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatements, regardless of whether any such misstatement is caused by fraud or error, and issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted pursuant to Brazilian and international auditing standards will always detect any existing material misstatements. Misstatements may be due to fraud or error and are considered material when, individually or taken as a whole, can influence, within a reasonable perspective, the economic decisions of users taken based on these financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. In addition:

- 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 material misstatement resulting from fraud is greater than that of misstatement resulting from error, since fraud may involve intentional misrepresentation, circumvention of internal controls, collusion, falsification or omission.
- 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern accounting basis by management, and based on the audit evidence obtained, whether there is significant uncertainty in relation to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that there is material uncertainty, we will call attention in our audit report to the respective disclosures in the financial statements or include any change in our opinion, if the disclosures are inappropriate. Our findings are based on audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer remain in 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 management 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.

Fortaleza, May 27, 2021

KPMG Auditores Independentes
CRC SP-014428/O-6 S-CE

Original report in Portuguese signed by

Pedro Barroso Silva Junior
Accountant CRC CE-021967/0-5

IVIA Serviços de Informática Ltda.

Balance sheets at December 31, 2020 and 2019

(In thousands of reais)

Assets	Note	2020	2019
Current assets			
Cash and cash equivalents	4	7,556	7,211
Interest earning bank deposits	5	-	1,027
Accounts receivable	6	6,359	9,332
Services to be billed	7	5,963	3,994
Recoverable taxes		89	165
Recoverable income tax and social contribution	8	1,402	1,239
Other receivables		989	194
Total current assets		**22,358**	**23,162**
Non-current assets			
Long-term assets			
Other receivables		1,579	547
Total non-current assets		**1,579**	**547**
Right-of-use assets	9	497	659
Property, plant and equipment		551	143
Total non-current assets		**2,627**	**1,349**
Total assets		**24,985**	**24,511**

Liabilities	Note	2020	2019
Current liabilities			
Suppliers		342	392
Income tax and social contribution	8	231	378
Deferred income tax and social contribution	8	910	609
Taxes payable	10	2,205	1,808
Lease liability	9	197	181
Labor obligations	11	5,955	4,359
Other liabilities		50	146
Total current liabilities		**9,890**	**7,873**
Non-current liabilities			
Lease liability	9	336	493
Total non-current liabilities		**336**	**493**
Quotaholders' equity	12		
Capital		5,324	5,324
Profit reserves		4,156	2,453
Retained earnings		5,279	8,368
		14,759	**16,145**
Total liabilities and quotaholders' equity		**24,985**	**24,511**

See the accompanying notes to the financial statements.

IVIA Serviços de Informática Ltda.

Statement of operations

Years ended December 31, 2020 and 2019
(In thousands of reais)

	Note	2020	2019
Net revenue	13	81,584	72,540
Cost of services rendered	14	(64,774)	(54,796)
Gross income		**16,810**	**17,744**
Administrative and general expenses	15	(7,208)	(5,407)
Other revenues (expenses), net		79	(148)
Impairment losses on accounts receivable	6	(1,131)	(542)
Income (loss) before net financial revenues (expenses) and taxes		**8,550**	**11,647**
Financial revenues	16	457	373
Financial expenses	16	(198)	(114)
Net financial income (loss)		**259**	**259**
Income (loss) before taxes		**8,809**	**11,906**
Income tax and social contribution	17	(3,416)	(4,140)
Grants - Exploration profit incentives		1,589	2,201
Net income for the year		**6,982**	**9,967**

See the accompanying notes to the financial statements.

IVIA Serviços de Informática Ltda.

Statements of comprehensive income

Years ended December 31, 2020 and 2019
(In thousands of reais)

	2020	2019
Net income for the year	**6,982**	**9,967**
Other comprehensive income	-	-
Total comprehensive income	**6,982**	**9,967**

See the accompanying notes to the financial statements.

IVIA Serviços de Informática Ltda.

Statements of changes in quotaholders’ equity

Years ended December 31, 2020 and 2019
(In thousands of reais)

	Note	Capital	Profit reserve	Retained earnings	Total
Balance at December 31, 2019		**1,000**	**4,576**	**3,879**	**9,455**
Net income for the year		-	-	9,967	**9,967**
Capital increase	12	4,324	(4,324)	-	**-**
Allocation of income for the year:	12				
Income distributed		-	-	(2,980)	**(2,980)**
Interest on own capital		-	-	(297)	**(297)**
Formation of tax incentive reserve		-	2,201	(2,201)	**-**
Balance at December 31, 2020		**5,324**	**2,453**	**8,368**	**16,145**
Net income for the year		-	-	6,982	**6,982**
Allocation of income for the year:	12				
Income distributed		-	-	(8,368)	**(8,368)**
Formation of tax incentive reserve		-	1,703	(1,703)	**-**
Balance at December 31, 2020		**5,324**	**4,156**	**5,279**	**14,759**

See the accompanying notes to the financial statements.

IVIA Serviços de Informática Ltda.

Statements of cash flows

Years ended December 31, 2020 and 2019
(In thousands of reais)

	Note	2020	2019
Cash flow from operating activities			
Net income for the year		**6,982**	**9,967**
Adjustments:			
Depreciation and amortization		298	272
Write-off of investment		-	157
Lease interest	9	62	46
Impairment losses on accounts receivable	6	1,131	542
Income tax and social contribution	17	1,827	1,939
		10,300	**12,923**
Changes in assets		**(2,041)**	**(6,135)**
Trade accounts receivable		1,842	(3,348)
Services to be billed		(1,969)	(2,629)
Other credits		(795)	167
Recoverable taxes		76	(34)
Recoverable income tax and social contribution		(163)	(291)
Non-current assets		(1,032)	-
Changes in liabilities		**1,753**	**206**
Suppliers and other accounts payable		(146)	(18)
Taxes payable		551	(178)
Lease liability		(248)	-
Labor obligations		1,596	402
Other non-current liabilities		-	-
Net cash from operating activities		**10,012**	**6,994**
Interest paid		(62)	(46)
Income tax paid		(1,674)	(1,161)
Net cash from operating activities		**8,276**	**5,787**
Cash flow used in investment activities			
Acquisition of property, plant and equipment		(504)	(26)
Funds received from the write-off of property, plant and equipment		96	11
Financial redemptions (investments)		1,027	(1,027)
Net cash from (invested in) investment activities		**619**	**(1,042)**
Cash flow from financing activities			
Profits paid	12	(8,368)	(2,980)
Payment of interest on own capital		-	(252)
Payment of lease	9	(182)	(147)
Net cash invested in financing activities		**(8,550)**	**(3,379)**
Net increase in cash and cash equivalents		**345**	**1,366**
Cash and cash equivalents at the beginning of the year	4	7,211	5,845
Cash and cash equivalents at the end of year		7,556	7,211
Net increase in cash and cash equivalents		**345**	**1,366**

See the accompanying notes to the financial statements.

Notes to the financial statements

(In thousands of reais, unless otherwise indicated)

1 Operations

IVIA Serviços de Informática Ltda. ("Company") was incorporated as a limited liability company, headquartered at Avenida Pessoa Anta, 218, Centro CEP: 60.060-188, Fortaleza/CE.

On August 13, 2020, the Company's corporate structure changed. The three former partners transferred and assigned their shares to company WIPRO do Brasil Tecnologia Ltda., which became the sole holder of the Company's capital, and began to operate as a single-member private limited company. The change in the Membership and Board of Directors was made through the 15^{th} Private Instrument for Amendment to the Articles of Incorporation. As disclosed in note 21, the Company's corporate name changed to WIPRO do Brasil Serviços Ltda in February 2021.

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

Coronavirus (Covid-19) impacts

In March 2020, the World Health Organization (WHO) classified the coronavirus outbreak (COVID-19) as a pandemic. As the virus spreads, impacts on companies and the financial market are observed around the world.

It is an event that affects people's lives in general, as well as the routine of companies and the financial market.

In relation to the Covid-19 pandemic, the first step taken by the Company was to protect its greatest asset, which is its employees. The employees in the risk group were allocated to a home office, followed by the other employees. After this employee protection, we opted for improving the company's cash flow, quickly billing and collecting from clients, and managing to receive payments in a shorter period than the average of previous months.

Some private clients and the governments of the State of Ceará and Pernambuco have requested a reduction in services. To do this, we negotiated with our clients and choose to anticipate vacations of some employees using Executive Order 927.
The Company opted to use some benefits granted by the Government's measures, which helped us to maintain our staff, without the need to lay off workers and reduce benefits.

Even in the face of this pandemic and health crisis scenario, the Company still managed to grow 12% in net revenue and there was an increase in the number of employees hired compared to 2019.

2 Preparation basis

a. Statement of conformity

The financial statements include were prepared in accordance with accounting practices adopted in Brazil (BR GAAP).

The issue of financial statements was authorized by the Executive Board on May 27, 2021.

Details on the Company's accounting policies are provided in Note 3.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by company Management.

b. Functional and presentation currency

The financial statements are being presented in Brazilian Real, which is the functional and presentation currency of the Company. All financial information presented in reais (R$) has been rounded to the nearest value, except otherwise indicated.

c. Use of estimates and judgments

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

Estimates

Information on uncertainties as to assumptions and estimates as of December 31, 2020 that pose a high risk of resulting in a material adjustment in book balances of assets and liabilities in the next fiscal year are included in the following notes:

- **Note 6 – Trade accounts receivable:** Estimated losses for impairment: provisioning criteria.

Estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the period in which they are realized and in any future years affected.

Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the financial statements are included in the following notes:

- **Note 9 – Leases:** determination of whether a contract contains an operating lease or not and if the Company is reasonably certain of exercising extension options.

d. Measurement of fair value

A series of Company's accounting policies and disclosures requires the measurement of fair value, for financial assets and liabilities. When measuring fair value of an asset or liability, the Company uses observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- **Level 1:** prices quoted (not adjusted) in active markets for identical assets and liabilities.

- **Level 2:** inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

- **Level 3:** inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

3 Significant accounting policies

a. Measuring basis

The financial statements were prepared considering the historical cost, except for short-term interest earning bank deposits, recorded at fair value.

b. Operating revenue

The Company recognizes revenues to describe the transfer of promised goods or services to clients in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. Specifically, the standard introduces five steps for revenue recognition:

- **Step 1:** Identify contracts with client;

- **Step 2:** Identify performance obligations defined in contract.

- **Step 3:** Determine transaction price;

- **Step 4:** Allocate transaction price to performance obligations provided for in contract;

- **Step 5:** Recognize revenue when/as the entity complies with each performance obligation.

The Company recognizes the revenue when (or if) performance obligation is complied with, that is, when “control” over assets or services of a given operation are transferred to the client; that is, in the case of the Company, over time.

Revenue is measured based on the consideration specified in the contract with the client. The Company recognizes the revenue when the service is transferred to the client and:

- The revenue amount and the payment terms can be identified;

- It is probable that the Company will receive the consideration to which it will be entitled in exchange for the services transferred to the client.

Revenues from rendering of services are recognized when it is probable that the significant benefits to the service rendered will be transferred by the Company.

c. Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currency of the Company and at the exchange rates on the dates of the transactions.

Foreign currency differences arising from translation are directly recognized in income for the year. Non-monetary items that are measured at the historical cost in a foreign currency are translated using the rate of the transaction date.

d. Employee benefits

Obligations for short-term employee benefits are measured on a non-discounted basis and incurred as costs or expenses as the related service is rendered.

The main benefits granted to employees are: health care, food allowance, as well as the benefits of the citizen company: extension of maternity and paternity leave.

e. Government grants

Grants that characterize compensation or reimbursement of expenses already incurred by the Company and are recognized in the income (loss) for the year under “Grants - Incentive to Operating Profit” in the statement of operations for the year, in a systematic manner, in the same periods in which the expenses are recognized.

f. Financial revenues and expenses

Financial revenues comprise interest on investments made by the Company, including income from interest earning bank deposits and gains on the disposal of financial assets.

Financial expenses comprise expenses with interest on loans, leases, and financing, when applicable, the inflation adjustment of installment taxes and provisions. Loan costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss for the year on the accrual basis.

Exchange-rate change gains or losses are stated at net value in income for the year.

g. (Current and deferred) income tax and social contribution

The income tax and social contribution, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 for income tax and 9% on taxable income for social contribution on net income. Offset of tax losses is considered, limited to 30% of annual taxable income.

Due to the recognition of the portion of Services Rendered and not Invoiced, Income Tax and Social Contribution are calculated on the same basis and recorded as deferred Income Tax and Social Contribution.

The expense with current tax is the tax payable or receivable on the taxable income or loss for the year and any adjustments to taxes payable in relation to prior years. The amount of current taxes payable or receivable is recognized in the balance sheet as tax asset or liability at the best estimate of the expected amount of taxes payable or receivable that reflects the uncertainties related to its determination, if any. It is measured based on rates enacted at the balance sheet date.

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

Expenses with deferred income tax and social contribution
Deferred tax assets and liabilities are recognized in relation to the temporary differences between the book values of assets and liabilities for financial statement purpose and the related amounts used for taxation purposes. The changes in deferred tax assets and liabilities for the year are recognized as deferred income tax and social contribution expense. Deferred taxes are not recognized for:

a) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination, and not affecting the taxable, accounting income or loss;

b) temporary differences related to investments in subsidiaries, associated companies and joint ventures, to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not be reversed in the foreseeable future.

h. Financial instruments

(i) Financial assets
The Company classifies financial assets, according to the Company's business model, into two main categories: measured at amortized cost (AC) and fair value through profit or loss (FVTPL). There are no financial assets classified as Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced due to impairment losses. Interest revenue, foreign exchange gains and impairment losses are recognized in the income (loss). Any gain or loss on derecognition is recognized in profit or loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net income, plus interest or dividend revenue, is recognized in income (loss).

Trade accounts receivable are initially recognized on the date that they were originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions.

A financial asset (unless it is trade accounts receivable without a material financing component) or a financial liability is initially measured at fair value, plus, for an item not measured at FVTPL, transaction costs which are directly attributable to its acquisition or issuance. Trade accounts receivable without a significant financing component are initially measured at the transaction price.

Initial recognition and derecognition
The Company recognizes a financial asset on its balance sheet when the Company becomes part of the contractual provisions of the instrument.

The Company writes off 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 a write-off.

Measurement

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

Financial assets - evaluation whether the contractual cash flows represent solely payments of principal and interest.

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

The Company considers the contractual terms of the instrument to evaluate whether the contractual cash
flows are only payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making this evaluation, the Company considers the following:

- contingent events that change the amount or timing of cash flows;

- terms that may adjust the contractual rate, including variable rates;

- the prepayment and the extension of the term; and

- the terms that limit the Company's access to cash flows of specific assets (for example, based on the performance of an asset).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the value outstanding, which may include a reasonable compensation for early termination of the contract. In addition, in relation to a financial asset acquired at a lower or higher value than contract’s nominal value, permission or requirement of pre-payment at an amount that represents contract nominal value plus accumulated (but not paid) contract interest (which may also include fair remuneration for early termination of contract) are treated as consistent with this criterion if prepayment fair value is immaterial at initial recognition.

(ii) Financial liabilities

The Company classifies the liabilities as measured as amortized cost or at fair value through profit or loss (FVTPL). A financial liability is classified as measured at fair value through profit or loss when it is held for trading or assigned as such in initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net income (loss), plus interest, is recognized in income (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in income (loss). Any gain or loss on derecognition is also recognized in profit or loss.

Initial recognition, write-off and measurement

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

The Company derecognizes the financial liability (or a portion of a financial liability) of its balance sheet when it is extinguished – that is, when the obligation specified in the contract is settled, canceled or expires.

(iii) Derivative financial instruments

The Company did not use derivatives in the years ended December 31, 2020 and 2019.

i. Impairment

(iv) Non-derivative financial assets

Assets are evaluated at each statement of financial position date to determine if there are objective impairment loss evidences.

Objective evidences of financial assets' impairment include:

- Debtor's default or delays.
- Renegotiation of an amount due to the Company under conditions that would not be normally accepted.
- Indications that the debtor or issuer will face bankruptcy/court-ordered reorganization.
- Negative changes in payment situation of debtors or issuers.
- The disappearance of an active market for an instrument due to financial distress.
- Observable data indicating that a decline occurred in measurement of expected cash flows of a Company of financial assets.

Financial assets measured at amortized cost

The Company considers as evidence of impairment of assets measured by amortized cost both individually and on an aggregate basis. All individually significant assets are assessed for impairment. Those non-impaired on an individual basis are collectively assessed for any impairment loss not yet identified. Assets that are not individually significant are assessed on an aggregate basis in relation to impairment by grouping the assets with similar risk characteristics.

When assessing impairment on an aggregate basis the Company uses an analysis of expected future loss and the amounts of losses incurred, adjusted to reflect the Management's judgment if the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

An impairment is calculated as the difference between the asset's book value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in income (loss) and reflected in a provision account. When the Company considers that it is not possible to reasonably expect recovery, amounts are written-off. When a subsequent event indicates a reduction of the loss, the provision is reversed through profit or loss.

(v) Non-financial assets

The book values of non-financial assets of the Company are reviewed at each balance sheet date to determine if there is indication of impairment loss. If such indication exists, the asset's recoverable amount is estimated.

For impairment tests, assets are grouped into the cash generating units (CGUs), that is, smallest identifiable Company of assets that can generate cash inflows by continuous use, which are highly independent from cash inflows referring to other assets or CGU.

Recoverable value of an assets or CGU is the higher of value in use and fair value less selling costs. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluations of times value of money and the specific risks of the assets or CGU.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value.

Impairment losses are recognized in profit or loss. Recognized losses referring to CGU are initially allocated to reduce any goodwill allocated to that CGU and then to reduce the book value of other assets of that CGU on a pro rata basis.

Impairment losses are reversed only with the condition that the book value of the asset does not exceed the new book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

In all the periods presented in these consolidated financial statements, no indications of impairment were identified on the analyzed assets.

j. 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 may be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Reserves are recognized based on the best estimates of the risk involved.

Provision for contingency is determined by Management, according to the expectation of losses, based on the opinion of external legal consultants, in amounts considered sufficient to cover losses and risks. As of December 31, 2020 and 2019, no provision for contingency was formed.

k. Capital

The company’s Capital is divided into shares in the amount of 10.00 (ten reais) each, subscribed and fully paid in the country’s currency.

The company's shares are individual and cannot be assigned or transferred without the express consent of the partners, and the remaining partners who wish to acquire them have the right of preference, on equal terms and conditions, in the event that any shareholder wishes to assign or sell their shares, according to clause six of the Company's Articles of Incorporation.

l. New standards and interpretations not yet effective

New and amended standards are not expected to have a significant impact on the financial statements:

- Rental concessions related to COVID-19 (amendments to CPC 06)
- Property, plant and equipment: Revenues before intended use (amendments to CPC 27).
- Reference to Conceptual Framework (amendments to CPC 15).
- Classification of Liabilities in Current or Non-Current (amendments to CPC 26/IAS 1).
- IFRS 17 - Insurance Contracts.

4 Cash and cash equivalents

	2020	**2019**
Cash	-	1
Banks	5,835	544
Interbank funds applied (i)	1,721	6,666
	7,556	**7,211**

(i) Bank deposits and other high-liquidity short-term investments, maturing originally after three months and less an insignificant risk of change in value. These interest earning bank deposits are normally Bank Deposit Certificates (CDBs) linked to the Interbank Deposit Certificate (CDI) rate (between 94% and 99% in both years) and fixed-income investment funds.

5 Interest earning bank deposit

In 2019, the Company decided to allocate a portion of the amounts that were in cash and cash equivalents to invest to obtain income. These amounts were all redeemed in 2020.

	2020	**2019**
Fixed income	-	576
Multimercado (Multimarket)	-	307
Real estate funds	-	144
	-	**1,027**

6 Trade accounts receivable

	2020	**2019**
Accounts receivable - services	8,039	9,881
Provision for expected loss	(1,680)	(549)
	6,359	**9,332**

a. Changes in provision for estimated impairment loss

	2020	**2019**
Opening balance	(549)	(7)
Formation of provision for the period	(1,957)	(542)
Write-offs	826	-
Closing balance	**(1,680)**	**(549)**

b. Breakdown of trade accounts receivable by maturity age

	2020	**2019**
Falling due	4,247	6,019
Overdue (days):		
01–30	870	1,149
31–60	561	312
61–180	607	632
>180	1,754	1,769
Total	**8,039**	**9,881**

To recognize expected credit losses, the Company performs an analysis based on its historical loss experience, as well as an individualized analysis per client and obtains the estimated losses for the entire duration of the credits. Management opted to set up a provision for losses as follows: Securities issued over 180 days, a provision of 35%, and securities issued over 360 days, a provision of 100%.

7 Services to be billed

Service revenue is recognized to the extent that services are transferred to clients for an amount that reflects the consideration to which the Company expects to be entitled in exchange for these services. For revenue from software development services, revenue recognition is performed based on the stage of completion of the service.

The services to be invoiced include all services that have already been completed and have not yet been invoiced, but that have already been duly validated and formally accepted by the client.

The balance of services to be invoiced is written off against the "Trade accounts receivable" account, when the invoice is issued, which usually takes place in the following month. Based on historical experience and expectations of future losses, there is no evidence of losses on this balance.

The estimated losses on the balance of trade accounts receivable were disclosed in note 6.a.

	2020	**2019**
Services to be billed	5,963	3,994
	5,963	**3,994**

8 Income tax and social contribution

a. Recoverable income tax and social contribution

	2020	**2019**
Corporate income tax	1,342	1,170
Social contribution on net income	60	69
	1,402	**1,239**

b. Social contribution – Liabilities

	2020	**2019**
Social contribution	231	378
	231	**378**

c. Deferred income tax and social contribution – Liabilities

	2020	**2019**
Income tax Deferred	373	250
Deferred social contribution	537	359
	910	**609**

9 Leases

a. Breakdown of balances

Leased Asset - Assets	**Lease Term (Years)**	**Right-of-use (Cost)**	**Right-of-use (Accumulated amortization)**	**Net right-of-use**
Right-of-Use - Salinas Property	3	245	(125)	120
Right-of-Use - Praia de Iracema Property	6	372	(137)	235
Right-of-Use - Espaço Unifor	3	103	(66)	37
Right-of-Use - Pernambuco Property	2	144	(39)	105
Total		**864**	**(367)**	**497**

Lease liability	**Lease Term (Years)**	**Short term 12/31/2020**	**Long term 12/31/2020**
Salinas Property	3	66	24
Praia de Iracema Property	6	53	275
Espaço Unifor	3	36	6
Pernambuco Property	2	42	31
Total		**197**	**336**

b. Changes

The changes in the right-of-use and lease liabilities in the period ended December 31, 2020, are shown below.

Rights-of-use	
Balance at 12/31/2019	659
Adjustment	41
(-) Depreciation of right-of-use assets	(203)
Balance at 12/31/2020	497

Lease liability	
First-time adoption - CPC 06 (R2) - 01/01/2019	674
Additions of new contracts	41
(+) Interest appropriation	62
(-) Payments	(244)
Balance at 12/31/2020	533
Current liabilities	197
Non-current liabilities	336

The rate used in discounting the present value and calculating monthly interest was 0.9% per month, which corresponds to the market rate for operations for the acquisition of a credit line quoted with the financial institutions with which the entity has a relationship.

The entity adopted the following criteria to calculate the lease liability on the extension of the contract terms: if there is an automatic extension clause, the same amount of the original term is added.

10 Taxes payable

	2020	**2019**
Social security contribution on gross revenue	945	799
PIS and COFINS	511	455
IRRF payable	691	479
Other taxes payable	58	75
	2,205	**1,808**

11 Labor obligations

	2020	**2019**
Provision for vacation and social security charges	4,783	3,762
INSS payable	410	228
FGTS payable	482	361
Other labor obligations	280	8
	5,955	**4,359**

12 Quotaholders' equity

a. Capital

The Company's authorized capital is represented by 532,400 (five hundred and thirty-two thousand and four hundred) shares, with a par value of R$ 10.00 (ten reais) each, totaling R$ 5,324.

b. Profit reserve

The amount recorded in Tax Incentive Reserves refers to tax incentives and benefits managed by the Brazilian Superintendence for the Development of the Northeast (SUDENE), corresponding to a 75% reduction in the Corporate Income Tax (IRPJ) and additional non-refundable charges, according to Constitutive Report 0199/2015. The benefit fruition period runs until December 31, 2024. For 2020, the amount recorded was R$ 1,703.

c. Retained earnings

It refers to the amount that is available to shareholders for later distribution. Profits in the amount of R$ 8,368 (R$ 2,980 in 2019) were distributed during the year.

As of December 31, 2020, the amount that will be available to shareholders for subsequent distribution will be R$ 5,279.

13 Net revenue

	2020	**2019**
Revenue from services in Brazil - Invoiced	88,675	77,109
Revenue from services to be billed in Brazil	2,189	4,448
Gross revenue from services	**90,864**	**81,557**
(-) Service taxes	(9,280)	(9,017)
Net operating revenue	**81,584**	**72,540**

14 Cost of services rendered

	2020	**2019**
Costs with salaries	44,594	33,141
Payroll charges	6,529	6,170
Cost of services rendered	6,093	6,163
Food costs	3,207	3,129
Health and dental care costs	2,830	1,741
Other personnel costs	1,521	4,452
	64,774	**54,796**

15 General and administrative expenses

	2020	**2019**
Depreciation from right-of-use	297	163
Personnel expenses	3,286	2,090
Social charges with staff	408	203
Directors' fees	245	396
Services provided by legal entities	1,667	1,353
Food expenses for staff	203	208
Health and dental care expenses	296	281
Other general expenses	806	713
	7,208	**5,407**

16 Net financial income (loss)

	2020	**2019**
Financial revenues		
Interest from interest earning bank deposit	262	307
Other financial revenues	195	66
	457	**373**
Financial expenses		
Interest on lease operation	55	46
Other financial expenses	143	68
	198	**114**
Net financial income (loss)	**259**	**259**

17 Income tax and social contribution

	2020	**2019**
Income before income tax and social contribution	**8,809**	**11,906**
Income tax and social contribution at a rate of 34%	2,995	4,048
Addition/Exclusion of Revenue	(1,969)	1,365
Non-deductible expense - Estimated Bad Debt Loss	1,131	542
Incentive - Maternity Pay Extension	40	26
Non-deductible expense - Non-deductible fines	18	158
Non-deductible expense - Bonus Provision	250	-
Interest on own capital	-	(297)
Tax Incentive	(20)	(24)
IRPJ and CSLL	1,527	1,542
Deferred IRPJ and CSLL	300	397
Expense with income tax and social contribution	**1,827**	**1,939**
Effective rate	**21%**	**16.29%**

18 Financial instruments

The Company operates financial instruments, in particular, cash and cash equivalents and trade accounts receivable, and is subject to the following risks:

i) Credit risk
ii) Liquidity risk

This note presents information on the exposure to each of the risks above, the Company's objectives, measurement policies, and risk and capital management proceedings.

Fair value of financial instruments
The classification of financial instruments is shown in the table below according to the assessment of the Company's management:

	2020	**2019**
Financial assets at amortized cost		
Cash and cash equivalents	**7,556**	**7,211**
Interest earning bank deposits	**-**	**1,027**
Trade accounts receivable	**6,359**	**9,322**
	13,914	**17,560**
Other financial liabilities		
Suppliers	342	392
Lease liability	**533**	**674**
	342	**392**

Amounts recorded in assets and current liabilities have maturities do not exceed three months in most cases. Considering these instruments' terms and characteristics, which are systematically renegotiated, book values approximate fair values. The Company did not carry out transactions with derivatives.

a. Credit risk

Credit risk is the risk of financial losses for the Company if a client or counterparty in a financial instrument fails to comply with their contractual obligations.

Such risk is mainly due to Company's trade accounts receivable, interest earning bank deposits and cash and cash equivalents.

Accounts receivable and other receivables

The Company's exposure to credit risk is influenced, mainly, by the individual characteristics of each client. However, Management also considers factors that may influence credit risk of its clients' base, including risk of industry's default and country where operates. The Company recorded a provision for impairment losses on accounts receivable, details of which are described in Note 6.

The Company applied the simplified approach by determining the lifetime expected losses in trade accounts receivable. The Company carried out an individualized study of the breakdown of the client portfolio balances, carrying out quantitative and qualitative analyses, considering the historical experience of loss with clients and the term of the invoices issued.

The expected losses on financial assets were as follows:

	2020	2019
Expected loss on accounts receivable	1,680	549

Cash and cash equivalents

The Company has a cash and cash equivalent balance of R$ 7,556 as of December 31, 2020 (R$ 7,211 in 2019) maintained with top-tier banks and financial institutions.

Interbank funds applied	**2020**	**2019**
CDB	1,721	1,364
Fixed income investment funds	-	5,302
	1,721	**6,666**

Interbank funds applied (1,721 on December 31, 2020, and R$ 6,666 on December 31, 2019) were CDBs linked to the CDI rate (between 94% and 99%) and fixed-income investment funds.

The Company considers that its cash and cash equivalents have low credit risk (*impairment*) based on foreign credit rating of counterparties.

b. Liquidity risk

The Company's management manages liquidity risks to ensure compliance with obligations associated to financial liabilities, either by settlement in cash or in other financial assets, always maintaining a plan to comply with these obligations at regular market conditions or at specific conditions, according to risk level.

Financial liabilities	**2020**	**2019**
Suppliers	342	392
Lease liability	533	674

As previously mentioned, a substantial part of the liability balances has a payment flow in up to one year. Accordingly, Management believes that the liquidity risk of its liabilities is low considering the characteristics of the balances.

c. Market risk

Market risks are mainly related to exchange rates, interest rates, and other rates that may influence its financial liabilities amounts. In the period from 2019 to 2020, the Company does not have a financial liability indexed to exchange rates and interest.

d. Capital management

The Company's policy of maintaining a solid capital basis raises the trust of quotaholders, creditors and the market, and sets the foundations for future business development. The constant monitoring of the return on capital and concern with the profit distribution policy are consolidated practices out of respect for quotaholder and for the venture under management.

The Group's objectives in managing its capital are to safeguard its business continuity capacity to offer return to shareholders and benefits to quotaholders and benefits to other stakeholders besides maintaining an optimal capital structure, capable to foster the optimization of the costs incurred.

The Company does not maintain operations with derivative financial instruments.

19 Related party transactions

The main balances of assets and liabilities as of December 31, 2020 and 2019, as well as the transactions that influenced the income for the years, related to transactions with related parties, arose mainly from transactions carried out with other companies directly or indirectly linked to the Company and the partners, before the change in the Company's Corporate Structure, which took place on 08/13/2020, which were carried out under conditions satisfactory to its interests, considering analyses made by Management for each transaction.

In 2020, WIPRO DO BRASIL TECNOLOGIA becomes a related party of the company, however, there were no operations and there are no outstanding balances with it.

The following is a list of companies with which the Company maintained transactions and the volume of payments made in the year, as well as the balance of outstanding assets and liabilities:

	2020			2019		
Related parties	**Assets**	**Liabilities**	**Income (loss)**	**Assets**	**Liabilities**	**Income (loss)**
Accounts payable - services received						
Asaer Consultoria & Participações EIRELI	-	-	-	-	-	117
Novitate IT Consultoria e Participações Ltda.	-	-	156	30	-	161
Ivia Servicos Tecnicos em TI LTDA.	-	-	210	-	-	-
ELP participações S.A.	-	-	22	-	-	60
Stark assessoria esportiva LTDA.	-	-	-	-	-	10

20 Government Grant - Federal Incentive

The Company is the beneficiary of federal grants obtained due to investments made in units within operation of the Brazilian Superintendence for the Development of the Northeast (Sudene). This benefit was granted for a fixed term of 10 years with a period of use from 01/01/2015 to 12/31/2024.

The tax incentive to reduce Income Tax and non-refundable additional charges consists of an amount equivalent to the result of the application of up to 75% on a calculation basis legally referred to as "operating profit", of the activity of development of custom computer programs, technical support, maintenance, and other information technology services, 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 to 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 grant is stated in the Income Statement for the Year as a deduction from corporate income tax. As of December 31, 2020, the Company earned R$ 1,589 (R$ 2,201 on December 31, 2019).

21 Subsequent events

On February 10, 2021, IVIA Serviços de Informática Ltda, through the 17th Private Instrument for Amendment to the Articles of Incorporation Changed its corporate name, starting to be referred to from that date as WIPRO DO BRASIL SERVIÇOS LTDA.

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