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

WIPRO DO BRASIL TECNOLOGIA LTDA.

Independent auditor’s report

Financial statements
As at December 31, 2022

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Contents

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Opinion individual and consolidated financial statements

We have audited the individual and consolidated financial statements of Wipro do Brasil Tecnologia Ltda. identified as controlling company and consolidated, respectively, which comprise the statement of financial position individual and consolidated as of December 31, 2022 and the respective individual and consolidated 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.

In our opinion the individual and consolidated financial statements present fairly, in all material respects, the financial position of Wipro do Brasil Tecnologia Ltda. as of December 31, 2022, its individual and consolidated financial performance and its cash flows individual and consolidated 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 individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Brazilian accounting practices, and for such internal control as Management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated 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 ith 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 individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of 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 Tecnologia 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 Tecnologia 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 individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Curitiba, April 24, 2023.

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

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

WIPRO DO BRASIL TECNOLOGIA LTDA.

Statements of financial position
As of December 31. 2022 and 2021
(In thousands of Brazilian Reais)

Assets	Note	Controlling company 2022	Controlling company 2021	Consolidated 2022	Consolidated 2021
Current					
Cash and euivalents cash	4	89,808	28,335	100,415	41,618
Trade accounts receivable	5	148,711	149,491	165,841	167,604
Inventories	-	-	-	136	13
Recoverable taxes	6	32,605	26,640	36,708	30,273
Others credits	7	7,649	13,249	14,873	22,528
Prepaid expenses	-	4,161	14,770	4,161	14,770
		282,934	232,485	322,134	276,806
Non current					
Related parties	8	8,580	-	-	-
Others accounts receivable		-	-	6,074	6,388
Investiments	9	126,852	130,033	106,202	106,202
Assets	10	17,645	24,222	19,788	27,285
Intangible	11	68	149	68	149
Right use assets	12	11,602	12,594	11,784	12,925
		164,747	166,998	143,916	152,949
Total assets		447,681	399,483	466,050	429,755

Liabilities and equity	Note	Controlling company 2022	Controlling company 2021	Consolidated 2022	Consolidated 2021
Current					
Trade accounts payable	13	53,056	36,480	51,820	35,173
Labor payable	14	44,811	44,890	53,313	53,370
Tax payable	15	13,844	9,226	15,480	12,390
Other liabilities	16	22,948	39,333	28,349	46,393
Deferred revenues	17	17,596	16,623	17,596	16,623
Right uses liabilities	12	5,879	7,517	5,963	7,651
		158,134	154,069	172,521	171,600
Non Current					
Related parties	8	-	14,667	88	22,409
Other liabilities		-	-	3,506	3,790
Contingiencies provision	-	10,332	8,702	10,495	8,970
		10,332	23,369	14,089	35,169
Equity					
Capital stock	18	185,614	146,913	186,006	147,305
Profit reserve	-	93,601	75,132	93,434	75,681
		279,215	222,045	279,440	222,986
Total liabilities and equity		447,681	399,483	466,050	429,755

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

WIPRO DO BRASIL TECNOLOGIA LTDA.

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

	Note	Controlling company 2022	Controlling company 2021	Consolidated 2022	Consolidated 2021
Net revenues	19	565,293	419,798	654,462	525,532
(-) Cost of goods sold	20	(497,552)	(437,265)	(579,019)	(528,193)
(=) Gross profit		67,741	(17,467)	75,443	(2,661)
(+/-) Operations expenses/revenues					
Administrative and general expenses	21	(35,390)	(36,819)	(45,848)	(47,413)
Other (expenses)/operations net revenue	22	8,301	17,271	8,484	16,556
(=) Income/(loss) before financial loss		40,652	(37,015)	38,079	(33,518)
Financial expenses		(38,938)	(14,783)	(39,259)	(17,884)
Net financial revenues		27,618	10,657	27,373	12,541
Net financial income	23	(11,320)	(4,126)	(11,886)	(5,343)
Equity income	9	(3,181)	1,842	-	-
(=) Income/(loss) before taxes		26,151	(39,299)	26,194	(38,860)
Income tax		(5,643)	405	(5,874)	(39)
Social contribution		(2,039)	101	(2,567)	(261)
(=) Net income/(loss) for the year		18,469	(38,793)	17,752	(39,161)

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

WIPRO DO BRASIL TECNOLOGIA LTDA.

Statements of comprehensive income (loss)
As of December 31, 2022 and 2021
(In thousands of Brazilian Reais)

	Controlling company		Consolidated	
	2022	2021	2022	2021
Income (loss) for the year	18,469	(38,793)	17,752	(39,161)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss) for the year	18,469	(38,793)	17,752	(39,161)

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

WIPRO DO BRASIL TECNOLOGIA LTDA.

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

	Capital stock	Income reserve	Retained earnings/ (accumulated deficit)	Total
Balances as of January 01st, 2021	132,150	108,080	-	240,230
Increase of capital	-	-	-	-
Incorporation *Wipro do Brasil Serviços de Tecnologia Ltda*	14,763	7,847	-	22,610
Invoice Cancelled, issue prior to Incorporation	-	(2,002)	-	(2,002)
Net income for the year	-	-	(38,793)	(38,793)
Profit reserve constitution	-	(38,793)	38,793	-
Balances as of December 31st, 2021	146,913	75,132	-	222,045
Increase of capital	38,701	-	-	38,701
Net income for the year	-	-	18,469	18,469
Profit reserve constitution	-	18,469	(18,469)	-
Balances as of December 31st, 2022	185,614	93,601	-	279,215

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

WIPRO DO BRASIL TECNOLOGIA LTDA.

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

	Controlling company		Consolidated	
	2022	2021	2022	2021
Net income for the year	18,469	(38,793)	17,752	(39,161)
Adjustments by				
Depreciation and amortization	7,724	8,986	8,523	9,298
Equity income	3,181	(1,842)	-	-
Amortization of right use	5,074	5,846	5,223	6,587
Appropriate interest on leasing	1,743	1,729	1,743	1,769
Assets and intangible write-off	1,607	334	1,730	334
	37,798	(23,740)	34,971	(21,173)
Cash provided from operating activities				
(- /+) Increase/decrease in trade accounts receivable	780	(22,832)	1,763	(23,971)
(- /+) Increase/decrease in inventories	-	-	(123)	-
(- /+) Increase/decrease in recoverable taxes	(5,965)	(21,247)	(6,435)	(22,713)
(- /+) Increase/decrease in advances	5,600	(8,955)	7,969	(10,356)
(- /+) Increase/decrease in prepaid expenses	10,609	(13,777)	10,609	(14,164)
(+/-) Increase/decrease in suppliers	16,576	31,439	16,647	31,435
(+/-) Increase/decrease in labor liabilities	(79)	20,651	(57)	20,755
(+/-) Increase /decrease in tax liabilities	4,618	5,984	3,090	8,156
(+/-) Increase /decrease in deferred revenues	973	4,803	973	4,803
(+/-) Increase/decrease in other accounts payable	(16,385)	(5,086)	(18,328)	(6,413)
(=) Net cash provided by operating activities	54,525	(32,760)	51,079	(33,641)
Cash flows from investing activities				
(+/-) Increase/decrease of fixed asset and intangible asset items	(2,673)	(16,042)	(2,675)	(18,393)
(+/-) Increase/decrease of fixed asset and intangible by incorporation	-	(12,246)	-	(12,246)
(+/-) Increase/decrease of investments	-	(7,000)	-	-
(+/-) Increase/decrease final price adjustment on Investments	-	387	-	387
(+/-) Increase/decrease leasing payment	(5,833)	(5,197)	(5,987)	(6,321)
(=) Net cash from investing activities	(8,506)	(40,098)	(8,662)	(36,573)
Cash flow from financing activities				
Increase of capital	38,701	-	38,701	-
Net increase of capital by incorporation	-	20,608	-	20,608
Related parties	(23,247)	50,406	(22,321)	52,539
(=) Net cash from financing activities	15,454	71,014	16,380	73,147
(=) Decrease in cash and cash equivalents	61,473	(1,844)	58,797	2,933
Cash and cash equivalents at beginning of period	28,335	30,179	41,618	38,685
Cash and cash equivalents at end of period	89,808	28,335	100,415	41,618
(=) Increase (decrease) in cash and cash equivalents	61,473	(1,844)	58,797	2,933

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

1. Operations

Brazil has been under Wipro's focus since 2006, when the company began operations with the acquisition of the Portuguese-based retail consulting firm Enabler. Today, with a strong presence through multiple offices and localized teams, Wipro has created a strong link with the market through contracts with clients who own the main brands in all industries. Wipro has 2400 employees in the region, with a majority of 97% local workforce, and plans to expand significantly over the next three years. Our deep knowledge of Latin American market dynamics, combined with our experience, our operational excellence and our global insights, allow Wipro to develop and implement innovative solutions to help its customers do better business.

Wipro do Brasil Tecnologia has its headquarters in the city of Curitiba/PR, in addition to a branch in São Paulo/SP and another in Barueri/SP, and its corporate purpose is: a) the commercial exploitation of computer programs (software) by she developed; b) the provision of technical development, consultancy, advisory, training services related to computer programs (software); c) outsourcing of business processes through the provision of similar data processing services in different segments.

2. Basis of financial statements presentation

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

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

The financial statements were approved by management on April 20, 2023.

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 the historical cost, except when indicated in a specific explanatory note.

2.3. Functional currency and presentation currency

These financial statements are presented in Real, which is the Company's functional currency. All balances were rounded to the nearest thousand, unless otherwise noted.

2.4. Use of estimates and judgments

In preparing the financial statements, Management used judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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 Reporting (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 reconverted to the functional currency at the exchange rate on the date the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the transaction date. Foreign currency differences resulting from translation are generally recognized in profit or loss.

3.2. Financial instruments

Non-derivative financial assets

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

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

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

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

The Company has the following non-derivative financial assets:

Loans and receivables

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

Cash and Cash equivalents

In the cash flow statements, cash and cash equivalents include negative balances of overdraft accounts that are payable immediately and are an integral part of the Company's cash management.

Non-derivative financial liabilities

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

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

The Company has the following non-derivative financial liabilities: trade payables and other accounts payable.

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

3.3. Assets

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.

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 accrued 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 cash, bank deposits, other highly liquid short-term investments, with original maturities of three months or less, with no restriction on their use and with an insignificant risk of change in value.

3.5. Trade accounts receivables

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 a provision to cover possible losses on their realization. The allowance for doubtful accounts is set up in an amount considered sufficient by Management to cover any 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, as a result of a past event, if the Company has a legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 receivable, to the extent that it is probable that future economic benefits will flow to the Company, and revenues and costs can be reliably measured.

3.8. Financial revenues and expenses

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

Financial expenses mainly comprise expenses with loans and exchange variation.

3.9. Income tax and social contribution

The Income Tax for the year comprises the 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 income.

3.10. Other current and non current liabilities

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

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

3.11. CPC 48 (IFRS 9) Financial Instruments

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

They are stated at known or estimated values, plus the corresponding charges and monetary variations, when applicable, up to the balance sheet dates. 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 validity of this 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 standard preserved part of the requirements of the previous standard for the classification of financial liabilities. Substantial changes in the fair value classification are presented below: (i) the portion of the change in fair value that is attributable to changes in the liability's credit risk is presented in other comprehensive income; and (ii) the remaining portion of the change in fair value is presented in income for the year.

The Company's Management assessed the impacts of the adoption of CPC 06 (IFRS16) on its operations, and the need to calculate and record it in the accounting in relation to current lease agreements was identified. The registration made was in the amount of BRL 9,624 thousand.

3.12. CPC 47 (IFRS 15) Revenue of customer contracts

CPC 47 (IFRS 15) introduced a comprehensive framework to determine if and when revenue is recognized and by how much revenue is measured. CPC 47 (IFRS 15) replaced the current rules for revenue recognition, including CPC 30 (IAS 18) Revenue, 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 different types of the Company's 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 to be 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 that revenue and costs can be measured reliably, 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 sale prices of the individual services are relatively similar.

3.13. Leasing

As a lessee, the Company leases various assets. In accordance with CPC 06(R2), the Company recognizes right-of-use assets and lease liabilities for most of these leases - that is, 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 measured initially at cost, which comprises the initial measurement amount of the lease liability, adjusted for any lease payments made through 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 location in 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 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 reduced by 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 determined immediately, at the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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

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

Amendment to IAS 1 - Presentation of Financial Statements

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

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

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

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

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

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

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

Amendment to IAS 12 - Income Taxes

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

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

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

(In thousands of Brazilian Reais)

4. Cash and cash equivalents

	Controlling company		Consolidated	
	2022	2021	2022	2021
Banks	2.711	28.307	13.317	41.590
Financial aplications	87.097	28	87.098	28
	89.808	28.335	100.415	41.618

5. Trade accounts receivable

	Controlling company		Consolidated	
	2022	2021	2022	2021
Local trade accounts receivable	81.193	111.287	96.579	125.028
Intercompany trade accounts receivable	24.292	15.713	20.019	13.486
International trade accounts receivable	5.064	7.396	5.731	7.396
Revenue provision	42.612	28.962	49.717	37.629
Allowance for doubtful clients	(4.450)	(13.867)	(6.205)	(15.935)
	148.711	149.491	165.841	167.604

6. Recoverable Taxes

	Controlling company		Consolidated	
	2022	2021	2022	2021
CSLL to recover	9.445	6.744	10.415	7.510
IRPJ to recover	16.696	14.031	19.462	16.399
Other taxes	6.464	5.865	6.831	6.364
	32.605	26.640	36.708	30.273

7. Other credits

	Controlling company		Consolidated	
	2022	2021	2022	2021
Trade accounts payable advance	631	1.570	1.067	1.957
Travel advance	179	114	179	114
Employees benefits advance	3.980	2.619	3.982	3.051
Vacation advance	1.986	4.614	2.513	5.043
Rent advance	1.225	1.225	1.225	1.225
Prepaid expenses	-	3.530	149	3.754
Judicial deposits	115	115	115	115
Operating lease receivable	-	-	6.110	7.807
Allowance for doubtful advance	(467)	(538)	(467)	(538)
	7.649	13.249	14.873	22.528

(In thousands of Brazilian Reais)

8. Related parties

	Interest rate	Controlling company 2022	Controlling company 2021	Consolidated 2022	Consolidated 2021
Wipro do Brasil Sistemas de Informática Ltda.	6,86% a 11,31% a.a.	8.668	7.742	-	-
Wipro do Brasil Serviços de Tecnologia Ltda.	6,86% a 11,31% a.a.	-	-	-	-
Wipro Holdings Hungary	6,86% a 11,31% a.a.	(88)	(22.409)	(88)	(22.409)
		8.580	(14.667)	(88)	(22.409)

9. Investments

	% Part.	2022	2021
Ivia Serviços de informática Ltda. de Informática Ltda.	100,00%	20.066	21.392
Ivia escrow deposit		18.300	18.300
Goodwill on the acquisition of investments	NA	87.903	87.903
Wipro do Brasil Sistemas de Informática Ltda.	72,15%	583	2.438
		126.852	130.033

Movement Map

	2021	Increase of capital	*Impairment*	Equityl	2022
Ivia Serviços de informática Ltda. de Informática Ltda.	21.392	-	-	(1.326)	20.066
Ivia escrow deposit	18.300				18.300
Goodwill on the acquisition of investments	87.903	-	-	-	87.903
Wipro do Brasil Sistemas de Informática Ltda.	2.438	-	-	(1.855)	583
	130.033	-	-	(3.181)	126.852

10. Assets

Acquisition cost

	Controlling company 2022	Controlling company 2021	Consolidated 2022	Consolidated 2021
Machinery and equipment	3.298	3.279	3.382	3.363
Furniture and fixtures	5.501	4.907	5.540	4.946
Vehicle	952	1.095	952	1.095
Eletronic equioment	1.985	1.934	1.985	1.934
Data processing equipment	37.570	37.931	43.014	44.556
Improvements to third-party properties	5.182	5.182	5.182	5.182
Fixed assets in progress	437	1.009	437	1.009
	54.925	55.337	60.492	62.085

(In thousands of Brazilian Reais)

Moviment

a) Controlling company

	2021	Addition	Write-off	Depreciation	Transfers	2022
Machinery and equipment	805	11	-	(189)	8	635
Furniture and fixtures	1.163	594	-	(243)	-	1.514
Vehicle	523	157	(60)	(148)	(13)	459
Eletronic equioment	838	51	-	(334)	-	555
Data processing equipment	23.580	1.579	(694)	(6.199)	(8)	18.258
Improvements to third-party properties	3.731	-	-	(530)	13	3.214
Fixed assets in progress	1.009	281	(853)	-	-	437
Corporate depreciation SAP	(7.427)	-	-	-	-	(7.427)
	24.222	2.673	(1.607)	(7.643)	-	17.645

b) Consolidated

	2021	Addition	Write-off	Depreciation	Transfers	2022
Machinery and equipment	859	11	-	(197)	8	681
Furniture and fixtures	1.187	594	-	(247)	-	1.534
Vehicle	523	157	(60)	(148)	(13)	459
Eletronic equioment	838	51	-	(334)	-	555
Data processing equipment	26.658	1.581	(817)	(7.079)	(8)	20.335
Improvements to third-party properties	3.731	-	-	(530)	13	3.214
Fixed assets in progress	1.009	281	(853)	-	-	437
Corporate depreciation SAP	(7.520)	-	-	93	-	(7.427)
	27.285	2.675	(1.730)	(8.442)	-	19.788

(In thousands of Brazilian Reais)

11. Intangible

a) Controlling company

	2021	Adittion	Write-off	Depreciation	Transfers	2022
Application systems	149	-	-	-81	-	68
	149	-	-	-81	-	68

b) Consolidated

	2021	Adittion	Write-off	Depreciation	Transfers	2022
Application systems	149	-	-	-81	-	68
	149	-	-	-81	-	68

12. Leasing contracts

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

On first-time adoption, liabilities were measured at the present value of the remaining payments, discounted at the incremental rate (nominal rate) and right-of-use assets were measured at an amount equal to the lease liability at present value. For contracts capable of taking advantage of PIS and COFINS credits, the right-of-use asset will be amortized to profit or loss at the net value of such credits.

The Company applied the practical expedient in relation to the definition of the lease agreement, applying the criteria of right to control and obtain benefits from the identifiable asset, contracting period exceeding 12 months, expected contractual renewal period, fixed consideration and relevance of the value of the leased asset.

a) Assets right of use

	Controling company	Consolidated
Assets right of use		
Balance December, 2021	12.594	12.925
New contracts	4.082	4.082
Adjustment by remeasurement	-	-
	16.676	17.007
Depreciation expenses	(5.074)	(5.223)
Balance December, 2022	11.602	11.784

(In thousands of Brazilian Reais)

b) Liabilities right of use

	Controling company	Consolidated
Balance December 31, 2021	16.219	16.621
New contracts	4.082	4.082
Leasing write off by payable	(5.833)	(5.988)
Amortization accumulated interest (AVP)	1.743	1.743
Balance December 31, 2022	16.211	16.458
Current	5.879	5.963
Non current	10.332	10.495

13. Trade accounts payable

	Controling company		Consolidated	
	2022	2021	2022	2021
Trade accounts payable *Intercompany*	47.969	19.672	46.101	17.961
Local trade accounts payable	5.001	16.232	5.633	16.636
International trade accounts payable	86	576	86	576
	53.056	36.480	51.820	35.173

14. Labor liabilities

	Controling company		Consolidated	
	2022	2021	2022	2021
INSS to recover	2.520	2.692	2.995	3.187
FGTS to recover	2.019	2.245	2.508	2.700
IRRF by payroll	4.951	5.196	5.932	6.236
Accrued payroll	4.197	524	4.229	524
Vacancy provision	26.166	28.467	32.152	34.465
Insurance participating	2.482	3.444	2.523	3.935
Other employees liabilities	2.476	2.322	2.974	2.323
	44.811	44.890	53.313	53.370

15. Tax payable

	Controling company		Consolidated	
	2022	2021	2022	2021
PIS to recover	19	18	122	120
COFINS to recover	117	86	593	556
IRRF to recover	80	67	83	77
INSS to recover	78	51	80	51
INSS by billing to recover	2.060	2.188	2.947	3.137
ISS to recover	913	966	961	1.005
PIS/COFINS/CSLL to recover	404	332	519	438
ISS to recover	19	55	21	72
CIDE to recover	4.213	1.962	4.213	1.962
Other taxes	5.941	3.501	5.941	4.972
	13.844	9.226	15.480	12.390

(In thousands of Brazilian Reais)

16. Other liabilities

	Controling company		Consolidated	
	2022	2021	2022	2021
Expenses provision	15.813	15.210	15.849	15.242
Provision of discounts granted	-	11.315	-	11.315
Investments payable	2.459	4.215	2.459	4.284
Other liabilities payable	-	-	5.288	6.958
Advances from customers	4.676	8.593	4.753	8.594
	22.948	39.333	28.349	46.393

17. Deferred revenues

	Controling company		Consolidated	
	2022	2021	2022	2021
Deferred revenues - several contracts	13.131	12.723	13.131	12.723
Deferred Revenue - Volume Discount & SLM	4.465	3.900	4.465	3.900
	17.596	16.623	17.596	16.623

18. Capital stock

Partners	Quote	Value (R$)	Participation %
Wipro Portugal S.A.	1.043.664	1.044	0,56%
Wipro Information Technology Netherlands B.V.	184.570.296	184.570	99,44%
	185.613.960	185.614	100%

19. Net revenue

	Controling company		Consolidated	
	2022	2021	2022	2021
Services provided	612.417	461.812	703.189	554.380
Leasing revenue	-	-	7.835	22.914
				-
PIS	(3.014)	(2.578)	(3.622)	(3.181)
COFINS	(13.912)	(11.897)	(16.718)	(14.681)
ISS	(9.302)	(8.124)	(11.184)	(9.982)
INSS on billing	(20.787)	(17.838)	(24.996)	(22.016)
Others deductions	(109)	(1.577)	(42)	(1.902)
	565.293	419.798	654.462	525.532

(In thousands of Brazilian Reais)

20. Cost of goods sold

	Controling company		Consolidated	
	2022	2021	2022	2021
Employees cost	(344.382)	(347.988)	(413.577)	(416.839)
Development	(41.909)	(31.648)	(41.786)	(30.561)
Other license and Consulting costs	(98.466)	(42.844)	(110.861)	(66.008)
Depreciation	(12.795)	(14.785)	(12.795)	(14.785)
	(497.552)	(437.265)	(579.019)	(528.193)

21. General and administrative expenses

	Controling company		Consolidated	
	2022	2021	2022	2021
Personnel expenses	(9.983)	(4.444)	(18.658)	(12.630)
Trips and stays	(3.958)	(811)	(4.090)	(824)
Tax and rates	(12.176)	(11.922)	(12.364)	(11.981)
General expenses	(4.179)	(559)	(4.506)	(1.240)
Rent expenses	(1.317)	(869)	(1.325)	(884)
Telecommunication	(3.370)	(2.769)	(3.396)	(2.839)
Professional Services - P.J.	(7.802)	(6.976)	(8.918)	(7.950)
Maintenance expenses	9.417	(6.738)	9.729	(7.063)
	(2.022)	(1.731)	(2.320)	(2.002)
	(35.390)	(36.819)	(45.848)	(47.413)

22. Other operating income

	Controling company		Consolidated	
	2022	2021	2022	2021
Reversal Earnout (Investments payable)	8.792	17.437	8.793	17.437
Other operating expenses	(491)	(166)	(309)	(881)
Reversal Earnout (Investments payable)	8.301	17.271	8.484	16.556

The reversal of the Earnout of R$ 8.792 in 2022 and R$ 17.437 in 2021 refers to the non-achievement of targets of the investee “Ivia Serviços de Informática Ltda.”, according to the clause of the purchase agreement drawn up in August 2021.

(In thousands of Brazilian Reais)

23. Net financial

	Controling company		Consolidated	
	2022	2021	2022	2021
Financial revenue				
Discounts obtained	32	83	32	114
Exchange variance income	23.242	10.814	23.242	10.814
Interest income	4.344	1.959	4.099	1.613
	27.618	12.856	27.373	12.541
Financial expenses				
Discounts given	(14.054)	(1.534)	(14.082)	(1.535)
Exchange variance expense	(21.724)	(12.123)	(21.774)	(12.147)
Bank charges and fees	(697)	(638)	(883)	(713)
Interest and fines	(2.259)	(2.592)	(2.308)	(3.363)
Financial charges	(204)	(95)	(212)	(126)
	(38.938)	(16.982)	(39.259)	(17.884)
Financial balance	(11.320)	(4.126)	(11.886)	(5.343)

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

Risk management structure

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

Credit risk

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

The Company's credit risk management in relation to customers adopts the practice of analyzing the financial and equity situations 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 the 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 managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations as they fall due, under both normal and stressed conditions, without incurring 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 company's gains. Company. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, while optimizing the 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 Brazilian Real (R$). The currency in which these transactions are primarily denominated is the US Dollar (US$).

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

Interest rate risk

It arises from the possibility of the Company suffering gains or losses resulting from fluctuations in interest rates on its financial assets and liabilities. The financial investments contracted are valued based on the variation of the CDI, and the charges are calculated 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.

26. Federal Supreme Court (“STF”) changes understanding related to res judicata in tax matters

On February 8, 2023, the Federal Supreme Court (STF) ruled on Items 881 – Extraordinary Appeal No. 949,297 and 885 – Extraordinary Appeal No. 955,227.

The ministers who participated in these issues unanimously concluded that judicial decisions taken definitively in favor of taxpayers should be annulled if, later, the Supreme Court has a different understanding on the subject. That is, if years ago a company obtained authorization from the Court to stop paying any tax, this permission will automatically expire if, and when, the STF understands that the payment is due.

Management evaluated with its internal legal advisors the possible impacts of this STF decision and concluded that the decision of the STF does not result, based on management's assessment supported by its legal advisors, and in line with CPC25/IAS37 Provisions, Contingent Liabilities and Contingent Assets, CPC 32/IAS 12 Income Taxes, ICPC 22 / IFRIC 23 Uncertainty about the treatment of income taxes and CPC24/IAS10 Subsequent Events, with significant impacts on its financial statements as of December 31, 2022.