QUARTERLY INFORMATION 1Q2022

LUPATECH S.A. – IN JUDICIAL RECOVERY
CNPJ/MF nº 89.463.822/0001-12
NIRE 35.3.0045756-1
Publicly-Held Company with Authorized Capital – New Market

Management Report

THIS IS A FREE TRANSLATION OF THE ORIGINAL TEXT IN PORTUGUESE IN CASE OF DIVERGENCE OF INTERPRETATION, THE PORTUGUESE TEXT WILL PREVAIL

Message from the Administration

The beginning of 2022 was marked by the events related to the outbreak of the Covid Omicron variant and to the war in Ukraine.

With our order book in full throttle, we had to deal with numerous logistical problems that hampered our production process. This is because a relevant part of our strategy to recover the company's competitiveness involved the integration with international production chains (manufacturing in the most efficient and profitable way). Dealing with this new and successful practice in the chaotic environment that has set in has been an unprecedented challenge.

Imagine valves not being able to be finished due to the lack of simple screws, trapped for weeks in some Chinese port waiting for a place on a ship. Scenes like this were frequent, and they took a toll. Lost production hours, air freight of components that were supposed to come by sea, duplicate purchases to be able to meet schedules, a huge demand for additional working capital to support inventories of products in process or in transit, etc. Not to mention the impact of the exchange rate and raw material prices, which rose again from the end of 2021.

But despite this extremely volatile environment, our markets continued to show strong recovery. The company managed to perform sales reasonably as planned, but it could have been much better had it not been for the delays arising from the troubled environment.

We were able to substantially sustain the volume of activities, but the inevitable costs of dealing with all the problems described resulted in lower margins in the period. There was a reduction of 3 percentage points in gross margin, both in comparison with 4Q21 and 1Q21. Exchange rate fluctuations were the main cause of the reduction. Many purchases related to ongoing projects took place in 4Q21 at very high rates, and the Real subsequently appreciated again, partially affecting the final prices contracted with some customers in US dollars.

The drop of R$ 1.1 million (14%) in Gross Profit affected our Adjusted EBITDA to a similar extent, but our Net Income closed positive due to the effect of the exchange rate, in the opposite direction, on the company's indebtedness.

The firm order backlog increased from R$55 million to 66 million. Significant growth, especially in products aimed at the Oil&Gas market. Delays arising from the operating environment described above were approximately R$ 4 million, so that, adjusting for this effect, the portfolio still grew by a relevant 13%.

Lupatech Ropes, the Company's manufacturing unit located in São Leopoldo-RS, has historically been dedicated to the manufacture of polyester mooring ropes for oil platforms, having the largest installed base in the industry. As part of the strategies for resuming activities at this unit, the Company has been developing new products based on other synthetic fibers and aimed at another range of applications, such as naval use and cargo handling.

In April 2022 we began sales of HMPE ("High Modulus Polyethylene") ropes for naval mooring and cargo lifting. HMPE has similar strength to high-performance steels, with the advantage of being about 8 times lighter. Such characteristics make HMPE cables desirable for a wide and growing range of applications.

The Company's manufacturing unit located in Feliz-RS has historically been dedicated to the manufacture of tubular sleeves in fiberglass-reinforced plastic for lining of oil production pipes. With the prolonged crisis that the oil and gas sector went through, Lupatech engaged in the development of alternative products that took advantage of the unit's expertise and industrial capabilities. In this sense, the Company promoted the development of a new range of products – poles made of polyester resin reinforced with glass fibers – along with all the necessary manufacturing adaptations for their production on a commercial scale.

The efforts fructified, so that, in April 2022, the first contract to supply poles to electric utilities was signed.

Poles made of fiberglass-reinforced resin have several advantages over their counterparts made of wood, concrete or steel, including lower weight, greater ease of logistics and installation, greater resistance to deterioration by the elements and by microorganisms that result in greater durability. Such characteristics have brought about a growing demand for the product, which has applications in electrical energy distribution and transmission, as well as in public lighting and telecommunications.

The company continues following the planned path and once again proved to be resilient to stormy weather. And as the new products are finally coming to life, the company is diversifying to other sectors and increasing business prospects in the medium and long terms.

Rafael Gorenstein
CEO and IRO

Economic-Financial Performance

The Lupatech Group operates in manufacturing (Products segment) mainly producing industrial valves; valves for oil and gas; ropes for deepwater mooring of oil platforms, naval use and cargo lifting; artifacts of composite materials, mainly electricity poles and tubes for lining oil pipelines.

The Company operated in the oil services business (Services segment), of which remain various assets in the process of liquidation and several legacy matters associated with it.

Net Revenue

Net Revenue (R$ thd)	1Q21	1Q22	4Q21	1Q22
Products	**19,054**	**29,718**	**30,769**	**29,718**
Valves	18,661	29,456	29,425	29,456
Ropes and Composites	393	262	1,344	262
Services	**27**	**396**	**35**	**396**
Oilfield Services	27	396	35	396
Total	**19,081**	**30,114**	**30,804**	**30,114**

The Company obtained R$ 30.1 million of consolidated net revenue in 1Q22, an increase of R$ 11.0 million, or 58.0% compared to 1Q21.

Valves:

The increase in net revenue in 1Q22 compared to 1Q21 was mainly driven by the recovery in demand in the Oil&Gas and Industrial Valves segments, and by the success of the commercial efforts undertaken in the period.

Ropes and Composites

The reported revenue reflects the gradual resumption of the composites unit, with the supply of liners for oil production pipes.

Services

Transactions carried out in this segment result from the liquidation of inventory balances and other activities related to plants that were demobilized, i.e., they do not arise from ongoing operations.

Order Backlog

As of March 31, 2022, the Company's firm order backlog in Brazil totaled R$ 65.7 million. On the same date, the Company had a balance of contracts for the supply of Valves and Mooring Ropes, with no purchase obligation by the clients, of R$ 186 million. (note: the figures do not include bids for which the respective orders or contracts have not yet been issued).

Gross Profit and Gross Margin

Gross Profit (R$ thd)	1Q21	1Q22	4Q21	1Q22
Products	**4,834**	**6,729**	**7,867**	**6,729**
Gross Margin - Products	*25.4%*	*22.6%*	*25.6%*	*22.6%*
Services	**(12)**	**25**	**27**	**25**
Gross Margin - Services	*n/a*	*n/a*	*n/a*	*n/a*
Total	**4,822**	**6,754**	**7,894**	**6,754**
Gross Margin - Total	*25.3%*	*22.4%*	*25.6%*	*22.4%*
Depreciation	**1,298**	**1,114**	**1,559**	**1,114**
Depreciation Products	1,016	795	929	795
Depreciation Services	282	319	630	319
Gross Profit without depreciation	**6,120**	**7,868**	**9,453**	**7,868**
Gross Profit without depreciation Products	**5,850**	**7,524**	**8,796**	**7,524**

**n/a - not applied*

Products

Gross profit in 1Q22 reached R$ 6.7 million, with a margin of 22.6% against R$ 4.8 million with a margin of 25.4% in 1Q21 and R$ 7.8 million and a margin of 25.6% in 4Q21. The reduction in gross margin is due to operational, inflationary and currency impacts resulting from the outbreak of the Omicron variant and the outbreak of war in Ukraine.

Services

The results of the services segment do not come from production activities, only from the sale of remaining inventories.

Expenses

Expenses (R$ thd)	1Q21	1Q22	4Q21	1Q22
Total Sales Expenses	**1,842**	**2,486**	**2,869**	**2,486**
Sales Expenses - Products	1,842	2,486	2,868	2,486
Sales Expenses - Services	-	-	1	-
Total Administrative Expenses	**5,830**	**5,523**	**6,086**	**5,523**
Administrative Expenses - Products	2,213	2,741	2,495	2,741
Administrative Expenses - Services	3,617	2,782	3,591	2,782
Management Compensation	**1,639**	**872**	**763**	**872**
Total Expenses	**9,311**	**8,881**	**2,343**	**8,881**

Sales Expenses

The Company's selling expenses are directly related to sales and are predominantly variable in the form of freight and commissions. In 1Q22, they totaled R$ 2.5 million against R$ 1.8 million in 1Q21.

When comparing 1Q22 with 4Q21, there was a reduction in selling expenses, which are mainly explained by the reversal of the bad credit estimates.

Administrative Expense

In 1Q22, the company recognized R$ 5.5 million in administrative expenses, 5.2% lower than the amount recognized in 1Q21, and 9.2% lower than 4Q21.

Such reductions are due to non-recurring expenses included in the results of the compared periods. Among them, we highlight the recognition of tax advisory expenses and legal expenses with the judicial reorganization occurred in 1Q21, and legal fees in 4Q21.

Management Compensation

The amount presented is composed of fixed and variable remuneration. The comparison of 1Q22 to 1Q21 shows a reduction, as the first period of 2021 includes provisions for variable compensation, not included in the latter period.

Other Revenues and Operational (Expenses)

Other Operating (Expenses) (R$ thd)	1Q21	1Q22	4Q21	1Q22
Products	(798)	95	(829)	95
Expenses with Idleness - Products	(2,805)	(2,953)	(2,962)	(2,953)
Services	(15,394)	406	(4,556)	406
Expenses with Idleness - Services	(97)	(18)	(13)	(18)
Total	**(19,094)**	**(2,470)**	**(8,360)**	**(2,470)**

In 1Q22, R$ 6.0 million was booked in “Other Operating Income” against R$ 8.5 million in “Other Operating Expenses”, totaling a net effect of R$ 2.5 million. Highlighting the following factors:

I. R$ 1.4 million corresponding to the positive net effect of impairment adjustments and the result of the sale of fixed assets;

II. R$ 1.4 million corresponding to the positive net effect of inventory adjustments;

III. R$ 3.0 million in idle production expenses;

IV. R$ 1.7 million arising from the recognition of taxes, losses from adjustments in credit balances with suppliers and other taxes;

V. R$ 0.6 thousand for updates of contingent liabilities according to the analyses of the legal advisors;

Financial Result

Financial Results (R$ thd)	1Q21	1Q22	4Q21	1Q22
Financial Revenue*	300	2,498	22,500	2,498
Financial Expense*	(1,369)	(19,620)	(5,317)	(19,620)
Net Financial Results*	(1,069)	(17,122)	17,183	(17,122)
Net Exchange Variance	(17,243)	33,171	(5,945)	33,171
Net Financial Results - Total	(18,312)	16,049	11,238	16,049

* Excluding Exchange Variance

The Company's net financial results in 1Q22 were a positive R$ 16.0 million, 43% higher than the result of R$ 11.2 million in 4Q21, mainly due to the appreciation of the Real against the US Dollar. The effect of this exchange rate variation overlaps the amount of financial expenses recognized with Adjustment to Present Value and interest update on the debt subject to Judicial Recovery.

In 1Q21, the strong depreciaton of the Real resulted in a negative net exchange variation representing 94% of the quarter's financial result.

It is important to remember that exchange rate variations are predominantly the result of their impact on intercompany balances. In such cases, those effects have an opposite effect on the value of the equity of the foreign entities as they are translated into Real upon the consolidation. So one leg of the booking entry affects profit and loss accounts and the other affects the equity accounts, the latter with no effect on results.

The financial result is presented in detail in Note 23.

Adjusted EBITDA from Operations

EBITDA Adjusted (R$ thd)	1Q21	1Q22	4Q21	1Q22
Products	**1,151**	**2,113**	**2,961**	**2,113**
Margin	6.0%	7.1%	9.6%	7.1%
Services	**(2,275)**	**(2,413)**	**(2,175)**	**(2,413)**
Margin	n/a	n/a	n/a	n/a
Total	**(1,124)**	**(300)**	**786**	**(300)**
Margin	-5.9%	-1.0%	2.6%	-1.0%

The variation in Adjusted EBITDA of Products from 1Q22 to 4Q21 is mainly due to the reduction in gross margin. On the other hand, the 84% growth in Adjusted EBITDA in 1Q22 compared to 1Q21 is due to the improvement in sales performance.

Adjusted EBITDA from Services in 1Q22 showed an increase due to higher costs incurred with legacy management and contingent liabilities.

Adjusted Ebitda Reconciliation (R$ thd)	1Q21	1Q22	4Q21	1Q22
Gross Profit	4,822	6,754	7,894	6,754
SG&A	(7,672)	(8,009)	(8,955)	(8,009)
Management Compensation	(1,639)	(872)	(763)	(872)
Depreciation and Amortization	1,298	1,114	1,559	1,114
Other Operating Expenses	(19,094)	(2,470)	(8,360)	(2,470)
Ebitda	**(22,285)**	**(3,483)**	**(8,625)**	**(3,483)**
Result of disposal or write-off of assets	1,869	325	5,318	325
Provisions for Legal Proceedings	(170)	(600)	147	(600)
Idle expenses	2,553	2,637	2,323	2,637
Expenses with Restructuring and Other Extraordinary Expenses	16,909	821	1,623	821
Adjusted EBITDA	**(1,124)**	**(300)**	**786**	**(300)**

Reconciliation of Adjusted Ebitda (R$ thd)	1Q22 Products	1Q22 Services	1Q22 Total
Gross Profit	6,729	25	6,754
SG&A	(4,616)	(3,393)	(8,009)
Management Compensation	(611)	(261)	(872)
Depreciation and Amortization	795	319	1,114
Other Operating Expenses	(2,859)	389	(2,470)
Ebitda	**(562)**	**(2,921)**	**(3,483)**
Result of disposal or write-off of assets	-	325	325
Provisions for Legal Proceedings	58	(658)	(600)
Idle expenses	2,637	-	2,637
Restructuring Process and Other Extraordinary Expenses	(20)	841	821
Adjusted EBITDA	**2,113**	**(2,413)**	**(300)**

Non-recurring expenses in 1Q22 refer mainly to the sale of assets, updating of contingent processes, idle production and extraordinary expenses related to judicial recovery.

Net Result

Net Result (R$ thd)	1Q21	1Q22	4Q21	1Q22
Result Before Income Tax and Social Contribution	(41,895)	11,452	1,053	11,452
Income Tax and Social Contribution - Current	(9)	(6)	37	(6)
Income Tax and Social Contribution - Deferred	(860)	3,470	(1,777)	3,470
Net Profit for the Period	**(42,764)**	**14,916**	**(687)**	**14,916**
Profit (Loss) per 1,000 Shares	(2.59)	1.15	0.27	1.15

The net income obtained in 1Q22 is a consequence of the financial result, with a direct effect of the positive exchange variation on the Company's consolidated result. It is important to remember that these effects are predominantly results on balances between companies of the group abroad that are reflected in the opposite direction in the company's Shareholders' Equity, made possible by the conversion of the balance sheet in foreign currency of the respective subsidiaries.

The negative results in 1Q21 and 4Q21 were influenced by the net effect of the adjustments for impairment and the result of the relocation of assets between companies of the group.

Working Capital

Working Capital (R$ thd)	4Q21	1Q22
Accounts Receivable	20,943	29,991
Inventories	41,127	45,160
Advances of suppliers	5,669	5,323
Recoverable taxes	64,608	62,241
Other Accounts Receivable	33,377	34,870
Suppliers	11,171	17,842
Advances from Customers	9,237	9,398
Taxes payable	17,793	18,273
Other Accounts Payable	2,792	3,290
Payroll and charges	4,519	5,374
Working Capital Employed	**120,212**	**123,408**
Working Capital Variation	61,964	3,196

Comparing the 1Q22 vs 4Q21, there is an increase in the working capital employed. This increase is mainly due to the variation in accounts receivable and inventories due to the higher level of activity.

Cash and Cash Equivalents

Cash and cash equivalents (R$ thd)	4Q21	1Q22
Cash and Cash Equivalents	19,176	12,408
Total	**19,176**	**12,408**

The Company's consolidated position of Cash and Cash Equivalents in 1Q22 reached R$ 12.4 million.

Indebtedness

Debts (R$ thd)	4Q21	1Q22
Short Term	**38,231**	**41,319**
Credits subject to Judicial Recovery	3,361	3,523
Credits not subject to Judicial Recovery	34,870	37,796
Long Term	**90,587**	**92,084**
Credits subject to Judicial Recovery	90,587	92,084
Total Debts	**128,818**	**133,403**
Cash and Cash Equivalents	19,176	12,408
Net Debt	**109,642**	**120,995**

The increase in financial debt in the comparison of 1Q22 with 4Q21 is explained by the update of the Judicial Recovery debt and the raising of funds from financial institutions to finance the expansion of the activity.

Investment

Investments (R$ thd)	4Q21	1Q22
Others Investments	21,942	21,942
Fixed Assets	147,474	146,098
Intangible Assets	84,745	84,476
Total	**254,161**	**252,516**

The variation shown in the investment balances refers to the sale of fixed assets, recognition of depreciation and the effect of exchange rate variation on the property, plant and equipment of subsidiaries abroad.

Annexes

Annex I - Income Statements (R$ Thousand)

	1Q21	1Q22
Net Revenue From Sales	19,081	30,114
Cost of Goods and Services Sold	(14,259)	(23,360)
Gross Profit	4,822	6,754
Operating Income/Expenses	(28,405)	(11,351)
Selling	(1,842)	(2,486)
General and Administrative	(5,830)	(5,523)
Management Compensation	(1,639)	(872)
Other Operation Income (Expenses)	(19,094)	(2,470)
Net Financial Result	(18,312)	16,049
Financial Income	4,911	2,498
Financial Expenses	(5,980)	(19,620)
Net Exchange Variance	(17,243)	33,171
Results Before Income Tax and Social Contribution	(41,895)	11,452
Provision Income Tax and Social Contribution - Current	(9)	(6)
Provision Income Tax and Social Contribution - Deferred	(860)	3,470
Gain (Loss) for the Period	(42,764)	14,916

Annex II – Reconciliation of EBITDA Adjusted (R$ Thousand)

	1Q21	1Q22
Adjusted EBITDA from Continuing Operations	(1,124)	(300)
Expenses with Restructuring and Other Extraordinary Expenses	(16,911)	(906)
Provisions for Losses, Impairment and Net Result on Disposal of Assets	(1,699)	360
EBITDA from Operations	(19,734)	(846)
Depreciation and amortization	(1,296)	(1,114)
Net Financial Result	(18,312)	16,049
Income Tax and Social Contribution - Current and Deferred	(869)	3,464
Idleness Expenses	(2,553)	(2,637)
Net Income (Loss)	(42,764)	14,916

Annex III – Consolidated Balance Sheets (R$ Thousand)

	2021	1Q22
Total Asset	**503,026**	**501,571**
Current Assets	**231,140**	**231,363**
Cash and Cash Equivalents	19,176	12,408
Accounts Receivable	20,943	29,991
Inventories	41,127	45,160
Recoverable Taxes	64,608	62,241
Other Accounts Receivable	33,377	34,870
Prepaid Expenses	278	857
Advances to Suppliers	5,669	5,323
Assets Classified as Held for Sale	45,962	40,513
Non-Current Assets	**271,886**	**270,208**
Securities-restricted	44	44
Judicial Deposits	10,457	10,425
Tax to be recovered	1,133	1,132
Other Accounts Receivable	6,091	6,091
Investments	21,942	21,942
Property, Plant and Equipment	147,474	146,098
Intangible Assets	84,745	84,476
Total Liabilities and Shareholders Equity	**503,026**	**501,571**
Current Liabilities	**85,303**	**97,133**
Suppliers - Not Subject to Judicial Recovery	6,047	12,327
Suppliers - Subject to Judicial Recovery - Class I	365	365
Suppliers -Subject to Judicial Recovery	4,759	5,150
Loans and Financing - Not Subject to Judicial Recovery	34,870	37,796
Loans and Financing - Subject to Judicial Recovery	3,361	3,523
Provisions Payroll and Payroll Payable	4,519	5,374
Commissions Payable	364	269
Taxes Payable	17,793	18,273
Obligations and Provisions for Labor Risks - Subject to Judicial Recovery	395	387
Advances from Customers	9,237	9,398
Other Accounts Payable	2,792	3,290
Provision for Contratual Fines	801	981
Non-Current Liabilities	**272,652**	**271,729**
Suppliers - Subject to Judicial Recovery	55,524	55,817
Loans and Financing - Subject to Judicial Recovery	90,587	92,084
Taxes Payable	36,067	36,558
Deferred Income Tax and Social Contribution	46,984	43,515
Provision for Contigencies	33,786	34,380
Obligations and Provisions Labor Risks - Subject to Judicial	4,510	4,502
Other Accounts Payable	5,194	4,873
Shareholders' Equity	**145,071**	**132,709**
Capital Stock	1,897,348	1,897,431
Capital reserve	3,612	3,612
Capital Transaction Reserve	136,183	136,183
Equity Valuation Adjustment	204,671	177,310
Accumulated Losses	(2,096,743)	(2,081,827)

Annex IV – Statements of the Consolidated Cash Flow (R$ Thousand)

	1Q21	1Q22
Cash Flow from Operating Activities		
Profit (loss) for the periods	(42,764)	14,916
Adjustments:		
Depreciation and Amortization	1,298	1,306
Income from sale of property, plant and equipment	1,870	352
Financial charges and exchange variation on financing	19,417	(30,061)
Reversal (Provision) for loss due to non-recoverability of assets	(963)	(343)
Deferred Income Tax and Social Contribution	859	(3,469)
Inventory obsolescence	432	(626)
(Reversal) Estimated losses for doubtful accounts	(169)	(53)
Actual losses with doubtful accounts	386	51
Adjust to present value	(3,611)	15,733
Fair value adjustment	37,702	(27,488)
Changes in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	484	(9,045)
(Increase) Decrease in Inventories	(2,437)	(3,407)
(Increase) Decrease in Recoverable Taxes	919	442
(Increase) Decrease in Other Assets	1,312	(1,900)
(Increase) Decrease in Suppliers	2,523	4,475
(Increase) Decrease in Taxes Payable	4,862	341
(Increase) Decrease in Others Accounts Payable	(15,240)	30,411
Net Cash Flow from Operating Activities	**6,880**	**(8,365)**
Cash Flow from Investment Activities		
Investment property	(4,280)	-
Securities - restricted account	51	102
Resources from the sale of fixed assets	124	479
Aquisition of Property, Plant and Equipment	(182)	(691)
Aquisition of Intangible Assets	(20)	-
Net Cash Flow from (Used in) Investment Activities	**(4,307)**	**(110)**
Cash Flow from Financing Activities		
Borrowing and financing	21,278	33,291
Capital increase (decrease)	1,240	83
Debentures Convertible into Shares	(1,037)	-
Payment of loans and financing	(23,611)	(31,667)
Net Cash Flow from Financing Activities	**(2,130)**	**1,707**
Net Increase (Decrease) in Cash and Cash Equivalents	**443**	**(6,768)**
At the Beginning of the Period	21,015	19,176
At the End of the Period	21,458	12,408

About Lupatech - In Judicial Recovery

Lupatech S.A. - In Judicial Recovery is a Brazilian company with high added value products focused on the oil and gas sector, operating in manufacturing (Products segment) mainly producing industrial valves; valves for oil and gas; ropes for anchoring oil platforms; well completion equipment; artifacts of composite materials, mainly power poles and tubes for coating oil pipelines.

LUPATECH S.A. - IN JUDICIAL RECOVERY

BALANCE SHEET
(In R$ Thousands)

ASSETS	Note	Parent 03/31/2022	Parent 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
CURRENT					
Cash and cash equivalents	3	2,166	1,098	12,408	19,176
Accounts receivables	4	23,173	15,301	29,991	20,943
Inventories	5	32,361	30,745	45,160	41,127
Recoverable taxes	6	37,087	37,564	62,241	64,608
Advances to suppliers		2,002	1,763	5,323	5,669
Other accounts receivable	7	32,044	30,562	34,870	33,377
Prepaid expenses		791	242	857	278
Accounts receivable - related parties	13.1	19,723	19,613	-	-
Assets classified as held for sale	27	3,236	3,236	40,513	45,962
Total current assets		152,583	140,124	231,363	231,140
NON-CURRENT ASSETS					
Other Credits		1	1	1	1
Judicial deposits	15.3	1,900	1,915	10,424	10,456
Securities-restricted	3.2	44	44	44	44
Recoverable taxes	6	1,123	1,124	1,132	1,133
Accounts receivable - related parties	13.1	13,579	15,983	-	-
Other accounts receivable	7	163	163	6,091	6,091
Investments					
Direct and indirect associated companies	8.1	307,424	341,227	-	-
Investment property	8.2	-	-	21,942	21,942
Fixed assets	9	24,324	24,471	146,098	147,474
Intangibles					
Goodwill	10	61,479	61,479	82,166	82,166
Other intangíbles	10	2,009	2,274	2,310	2,579
Total Non-current assets		412,046	448,681	270,208	271,886
TOTAL ASSETS		564,629	588,805	501,571	503,026

The notes are an integral part of the financial statements.

LUPATECH S.A. - IN JUDICIAL RECOVERY

BALANCE SHEET
(In R$ Thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	Parent		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
CURRENT LIABILITIES					
Suppliers - not subject to Judicial Recovery	11	8,588	3,671	12,327	6,047
Suppliers - subject to Judicial Recovery Class I	11	365	365	365	365
Suppliers - subject to Judicial Recovery	11	5,150	4,759	5,150	4,759
Loans and financing - not subject to Judicial Recovery	12	20,130	14,762	37,796	34,870
Loans and financing - subject to Judicial Recovery	12	2,707	2,613	3,523	3,361
Provisions payroll and payroll payable		4,289	3,731	5,374	4,519
Commissions payable		215	321	269	364
Taxes payable	16	11,016	11,032	18,273	17,793
Obligations for labor risks and creditors- subject to Judicial Recovery		387	395	387	395
Advances from customers		1,548	1,630	9,398	9,237
Provision contratual fines		981	801	981	801
Other accounts payable		2,523	2,001	3,290	2,792
Related Parties - mutual and loans	13.1	34,686	31,857	-	-
Total current liabilities		92,585	77,938	97,133	85,303
NON-CURRENT LIABILITIES					
Suppliers - subject to Judicial Recovery	11	55,817	55,524	55,817	55,524
Loans and financing - subject to Judicial Recovery	12	59,035	57,813	92,084	90,587
Deferred income tax and social contribution	14	31,594	31,945	43,515	46,984
Taxes payable	16	23,497	23,148	36,558	36,067
Provision for contigencies	15.1	4,620	4,140	34,380	33,786
Obligations and provisions labor risks - subject to judicial Recovery		4,502	4,510	4,502	4,510
Other accounts payable		1,847	2,176	4,873	5,194
Related Parties - mutual and loans	13.1	158,423	186,540	-	-
Total non-current liabilities		339,335	365,796	271,729	272,652
SHAREHOLDERS' EQUITY	17				
Capital stock		1,897,431	1,897,348	1,897,431	1,897,348
Capital reserve to be realized		3,612	3,612	3,612	3,612
Capital transaction reserve		136,183	136,183	136,183	136,183
Equity valuation adjustments		177,310	204,671	177,310	204,671
Retained earnings / Accumulated losses		(2,081,827)	(2,096,743)	(2,081,827)	(2,096,743)
Parents company's interest		132,709	145,071	132,709	145,071
Non-controlling interests		-	-	-	-
Total shareholders' equity		132,709	145,071	132,709	145,071
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		564,629	588,805	501,571	503,026

The notes are an integral part of the financial statements.

LUPATECH S/A - IN JUDICIAL RECOVERY

STATEMENT OF INCOME
FOR THE PERIODS ENDED ON MARCH 31, 2022 AND 2021
(In thousands of Reais except Loss per share, or when indicated)

		Parent		Consolidated	
	Note	03/31/2022	03/31/2021	03/31/2022	03/31/2021
NET REVENUE FROM SALES	21	27,221	17,302	30,114	19,081
COST OF GOODS AND SERVICES SOLD	25	(20,287)	(12,596)	(23,360)	(14,259)
Profit gross		6,934	4,706	6,754	4,822
OPERATING INCOME/EXPENSES					
Selling	25	(2,365)	(1,736)	(2,486)	(1,842)
General and administrative	25	(3,499)	(5,855)	(5,523)	(5,830)
Management compensation	13.2/25	(872)	2,240	(872)	(1,639)
Equity pick-up	8.1	(7,818)	(6,434)	-	-
Other operating income (expenses)	24	(3,690)	(15,970)	(2,470)	(19,094)
OPERATING PROFIT (LOSS) BEFORE FINANCIAL RESULT		(11,310)	(23,049)	(4,597)	(23,583)
FINANCIAL RESULTS					
Financial income	23	2,251	20	2,498	4,911
Financial expenses	23	(5,849)	(3,827)	(19,620)	(5,980)
Exchange variation, net	23	29,473	(16,146)	33,171	(17,243)
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		14,565	(43,002)	11,452	(41,895)
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	14	-	-	(6)	(9)
Deferred	14	351	238	3,470	(860)
PROFIT (LOSS) FOR THE PERIOD		14,916	(42,764)	14,916	(42,764)
PROFIT (LOSS) ATTRIBUTABLE TO					
Parent company's interest		14,916	(42,764)	14,916	(42,764)
Non-controlling interest		-	-	-	-
PROFIT (LOSS) PER SHARE (In Reais)					
BASIC earnings per share	22	1.14863	(2.59165)	1.14863	(2.59165)
Diluted per share	22	1.14863	(2.59165)	1.14863	(2.59165)

The notes are an integral part of the financial statements.

LUPATECH S/A - IN JUDICIAL RECOVERY

STATMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED ON MARCH 31, 2022 AND 2021
(In R$ Thousands)

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
PROFIT (LOSS) FOR THE PERIOD	14,916	(42,764)	14,916	(42,764)
OTHER COMPREHENSIVE INCOME				
Exchange variation on investments abroad	(27,361)	37,855	(27,361)	37,855
COMPREHENSIVE INCOME OF THE PERIOD	(12,445)	(4,909)	(12,445)	(4,909)
TOTAL COMPREHENSIVE INCOME ALLOCATED TO:				
Participation of controlling shareholders	(12,445)	(4,909)	(12,445)	(4,909)
Non-controlling interests	-	-	-	-

The notes are an integral part of the financial statements.

LUPATECH S/A - IN JUDICIAL RECOVERY

STATEMENT CASH FLOW - INDIRECT METHOD
FOR THE PERIODS ENDED ON MARCH 31, 2022 AND 2021
(In R$ Thousands)

		Parent		Consolidated	
	Note	03/31/2022	03/31/2021	03/31/2022	03/31/2021
FLUXO DE CAIXA DAS ATIVIDADES OPERACIONAIS					
Profit (Loss) for the period		14,916	(42,764)	14,916	(42,764)
Depreciation and amortization	9 e 10	1,071	1,138	1,306	1,298
Reversal (Estimated) for losses by non-recoverability of assets	9 e 10	-	-	(343)	(963)
Equity pick-up	8.1	7,818	6,434	-	-
Result on sale of fixed assets		-	-	352	1,870
Financial charges and exchange variation on financing		(19,198)	14,898	(30,061)	19,417
Deferred income tax and social contribution		-	4,463	(3,469)	859
Inventory Obsolescence		-	(789)	(626)	432
(Reversal) Estimated losses for doubtful accounts	4	(23)	(171)	(53)	(169)
Actual losses with doubtful accounts	4	21	386	51	386
Adjustment to fair value	23	2,630	(107)	15,733	(3,611)
Options granted and fair value adjustment		7	17,203	(27,488)	37,702
(Increase) decrease in operating assets:					
Accounts receivable		(7,870)	664	(9,045)	484
Inventories		(1,616)	(514)	(3,407)	(2,437)
Recoverable taxes		127	(4,619)	442	919
Other assets		(2,255)	(188)	(1,900)	1,312
(Increase) decrease in operating liabilities:					
Suppliers		2,694	547	4,475	2,523
Taxes payable		(29)	1,947	341	4,862
Others accounts payable		1,208	(32,192)	30,411	(15,240)
Cash flow from operating activities		**(499)**	**(33,664)**	**(8,365)**	**6,880**
CASH FLOW FROM INVESTING ACTIVITIES					
Overdue Liabilities		-	-	-	(4,280)
Payment of capital in subsidiaries		(1,374)	(1,437)	-	-
Securities-restricted	3.2	4	-	102	51
Resources from sale of fixed assets		-	-	479	124
Asset Acquisition	9	(669)	(144)	(691)	(182)
Additions to the intangible	9	-	(21)	-	(20)
Cash Flow from (Used in) Investment Activities		**(2,039)**	**(1,602)**	**(110)**	**(4,307)**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from loans and financing		20,678	20,505	33,291	21,278
Proceeds (Payment) from loans and financing - Related parties		(766)	36,546	-	-
Capital Increase (Reduction)	17	83	1,240	83	1,240
Payments of loans and financing		(16,389)	(21,989)	(31,667)	(23,611)
Convertible debentures in share		-	(1,037)	-	(1,037)
Net cash provided by financing activities		**3,606**	**35,265**	**1,707**	**(2,130)**
(REDUCTION) NET INCREASE OF CASH AND CASH EQUIVALENTS		**1,068**	**(1)**	**(6,768)**	**443**
Cash and cash equivalents at the beginning of period		1,098	161	19,176	21,015
Cash and cash equivalents at the end of period		2,166	160	12,408	21,458

The notes are an integral part of the financial statements.

LUPATECH S/A - IN JUDICIAL RECOVERY
CONSOLIDATED STATEMENT OF CHANGES SHAREHOLDER'S EQUITY
FOR THE PERIODS ENDED ON MARCH 31, 2022 AND 2021

(In R$ Thousands)

	Capital stock	Capital reserves, options granted	Accumulated profit/loss	Equity valuation adjustments	Parents company's interest	Non-controlling interest	Total shareholders' equity
BALANCE ADJUSTMENT IN DECEMBER 31, 2020	**1,893,163**	**139,789**	**(2,055,403)**	**173,961**	**151,510**	**-**	**151,510**
Capital increase	1,240	-	-	-	1,240	-	1,240
Profit (Loss) for the year	-	-	(42,764)	-	(42,764)	-	(42,764)
Exchange variation on investments abroad	-	-	-	37,855	37,855	-	37,855
BALANCE ADJUSTMENT IN MARCH 31, 2021	**1,894,403**	**139,789**	**(2,098,167)**	**211,816**	**147,841**	**-**	**147,841**
BALANCE ADJUSTMENT IN DECEMBER 31, 2021	**1,897,348**	**139,795**	**(2,096,743)**	**204,671**	**145,071**	**-**	**145,071**
Capital increase	83	-	-	-	83	-	83
Profit (Loss) for the year	-	-	14,916	-	14,916	-	14,916
Exchange variation on investments abroad	-	-	-	(27,361)	(27,361)	-	(27,361)
BALANCE ADJUSTMENT IN MARCH 31, 2022	**1,897,431**	**139,795**	**(2,081,827)**	**177,310**	**132,709**	**-**	**132,709**

The notes are an integral part of the financial statements.

Lupatech S/A – In Judicial Reorganization
Notes to the individual and consolidated interim financial information contained in the Quarterly Information Form - ITR for the quarters ended March 31, 2022 and 2021

(In thousands of Reais, except Net loss per share, or when indicated)

1 Operacional context

Lupatech S/A – In Judicial Reorganization ("Company") and its subsidiaries and associates (together the "Group") is a corporation headquartered in Nova Odessa, State of São Paulo, with shares traded on the São Paulo stock exchange. ("B3" LUPA3).

The group, which has 464 employees, operates in manufacturing (Products segment) mainly producing industrial valves; valves for oil and gas; synthetic fiber ropes for anchoring oil platforms and various other applications; and artifacts of composite materials, such as posts and tubular sleeves for coating oil pipelines.

The Company operated in the oil services business (Services segment), of which several assets in the process of demobilization remain, as well as the legacy associated with it.

1.1 Operational continuity

The Lupatech Group seeks to overcome the economic and financial crisis and restructure its business through the judicial reorganization process, according to the judicial reorganization plan presented to its creditors, with the objective of preserving its business activity, recovering its prominent position as one of the most relevant economic groups in Brazil related to the oil and gas sector, as well as to remain a source of wealth generation, taxes and jobs.

In the scenarios developed by Management, the estimates indicate the need to obtain additional financial resources to raise working capital levels to support the resumption of operations. Suchresources could come, for example, and without being limited to, from new lines of credit, capital increase with or without conversion of debts, sale of assets or equity interests, refund of tax credits and reprofiling of liabilities. Management pursues all of these options.

The Company has been successful in certain measures implemented since the filing of the Judicial Reorganization request, which made it possible to inject substantial resources into its operations. Among such measures, it is worth mentioning the receipt of relevant amounts from its main client, sale of equity interests, sale of fixed assets and refund of tax credits.

Several measures to obtain resources are pursued with the purpose of providing the necessary working capital for raising the level of activity and servicing the debt. The amount of capital needed to finance the resumption depends on the speed of the resumption itself.

In 2021, taking advantage of the favors introduced in the Exceptional Transaction modality Law 13.988/2020 (PGFN Ordinance No. 14.402/2020) and Law 14.112/2020, the Company reorganized the amount of R$35,050 of its liabilities related to Social Security and Treasury obligations, generating a direct benefit to Grupo Lupatech with discounts on interest, fines and charges in the amount of R$19,477. The adhesion to the Installment Program granted the right to settle 30% of the consolidated debt in the JR modality within the scope of the RFB, using credits arising from tax losses and negative basis in the amount of R$9,085.

On February 22, 2021, the Company became aware of a partial sentence in an arbitration proceeding with the Market Arbitration Chamber, filed against GP Investimentos, San Antonio Internacional and its vehicles, which substantially granted the claims made by the Company. The proceeding continues in the settlement of a judgment that will determine the amounts effectively owed to Lupatech as a result of violations of the Investment Agreement for the merger of San Antonio's Brazilian companies in 2012 (Explanatory Note 15.2).

On March 26, 2021, the Company received reimbursements in the amount of R$5,222 as a result of voluntary compliance with the partial sentence.

Lupatech S/A was assured the right to reimbursement of PIS and COFINS on ICMS, related to taxes collected from December 2001 to December 2014, which can be offset against future debts or refunded to the company. The partial res judicata of said decision took place in October 2019.

On August 18, 2021, the Brazilian Federal Revenue Service complied with the preliminary injunction in the context of a writ of mandamus filed by Lupatech S/A determining the authorization to offset the PIS and COFINS credits levied on ICMS, resulting from a court decision with partial transit in res judicata, whose effectiveness had not been recognized. As a result of compliance with the court decision, Lupatech S.A. is now able to offset credits in the amount of R$29,465, amounts updated until July 2021 with current federal taxes due, except for social security. The Company continues to litigate for the right to reimburse taxes paid in excess as of 2015.

On November 18, 2021, the final decision in favor of the affiliate Lupatech Equipamentos e Serviços para Petróleo Ltda - In Judicial Reorganization was certified, in the records of the Writ of Mandamus filed by the Company, which discusses the exclusion of ICMS from the calculation basis of PIS and COFINS. As a result of compliance with the court decision, Lupatech Equipamentos is now able to enjoy this credit in the amount of R$3,634, subject to offsetting or reimbursement.

In August 2020, the Company became aware of the final decision rendered in the Arbitration Proceeding, pending before the Arbitration Chamber of Federasul (CAF), filed by the Company against Cordoaria São Leopoldo Ltda., aiming at the application of contractual penalties for breach of non-compete agreement resulting from the acquisition of the Anchoring Ropes unit. The Company was the winner in the aforementioned arbitration procedure, and the non-compliance with the non-compete clause was recognized, resulting in Lupatech being sentenced to pay a contractual fine. On September 23, 2021, in view of a new favorable decision, the Company recognized in the balance sheet a gain from the lawsuit in the amount of R$22,738. As of March 31, 2022, the updated amount of the lawsuit is R$27,234. Subsequently, on May 13, 2022, the 2nd Civil Court of Porto Alegre, in charge of the execution of the judicial title arising from the arbitration process, granted the request for attachment of credits arising from the contracts that Cordoaria São Leopoldo Original Ltda. (successor of Cordoaria São Leopoldo Ltda.) has with PETROBRAS, up to the limit of R$33,554, which represents the updated credit of the Company plus fines and fees.

Certain business units have had their operations substantially affected by the conditions of the Oil and Gas market, by the economic crisis in Brazil and by the repercussions of the Judicial Reorganization process, with their activity level and their operational performance limited. In the Company's assessment, these units will return to operating at higher levels as the business environment returns to normal, whenever the resources necessary for their working capital are granted.

On September 24, 2021, the Company received a purchase order to supply valves for the construction of an FPSO (Floating Production Storage and Offloading). The order is worth US$3,400, equivalent to R$17,981. The contract is a firm purchase commitment, and deliveries are expected between the first and second quarter of 2022. The contract represents an important milestone in the resumption of the supply of equipment for the FPSO vessel construction market, whose demand includes a representative part of the Company's product portfolio.

In the course of 2020 and 2021, a Lupatech firm contracts Valves and Anchoring Ropes, with no obligation to purchase. The readjusted value, contracts on the date of the financial accounts is R$186 million. These events are important indicators of the expected resumption of activity in the industry and their benefits for Lupatech.

Strategic opportunities to accelerate the resumption of activity and/or mitigate continuity risks through mergers and acquisitions are continuously monitored by Management.

During the three-month period ended March 31, 2022, the Company incurred income before income tax and social contribution of R$14,565 in the parent company and R$11,452 in the consolidated (loss before income tax and social contribution of R$43,002 in the parent company and R$41,895 in the consolidated in the three-month period ended March 31, 2021) and on March 31, 2022, the Company's total current assets exceeded the current liabilities by R$59,998 in the parent company, and in the consolidated total current assets exceeded total current liabilities by R$134,230 (on December 31, 2021 total current assets exceeded total current liabilities by R$62,186 in the parent company, and in consolidated total current assets exceeded total of current liabilities in R$145,837). Despite the improvement in results, continuity depends not only on improved performance, but also on the Company's success in obtaining additional funds necessary to supply working capital and service its debt.

1.2 Judicial Recovery

I. Process of Judicial Recovery of the Lupatech Group

On May 25, 2015, Lupatech S / A and its direct and indirect subsidiaries (Lupatech Group) obtained the approval of the Board of Directors for the judicial reorganization of the Company, pursuant to Article 122, sole paragraph, of Law 6.404/76.

On that same date, Lupatech S/A and its subsidiaries: Lupatech Finance Limited; Amper Amazonas Perfurações Ltda; Itacau Agenciamentos Marítimos Ltda; Lochness Participações S/A; Lupatech – Equipamentos e Serviços para Petróleo Ltda; Lupatech – Perfuração e Completação Ltda; Matep S/A Máquinas e Equipamentos; Mipel Indústria e Comércio de Válvulas Ltda; Prest Perfurações Ltda; Sotep Sociedade Técnica de Perfuração S/A, have brought, in the district of São Paulo, the request for judicial recovery before the judgment of the 1st Court of Bankruptcy and Judicial Recoveries of the district of São Paulo, which was granted on June 22, 2015. Alta Administração Judicial Ltda was appointed as the judicial administrator.

Initially, the Lupatech Group submitted a Judicial Recovery Plan, approved by the creditors at the General Meeting and ratified by Judgment of the 1st Court of Bankruptcy, Judicial Recovery and

Arbitration Related Disputes of the Capital of São Paulo on December 11, 2015. Subsequently, on June 27, 2016, the 2nd Reserved Chamber of Business Law of the Court of Justice of the State of São Paulo granted court injunctions filed by two creditors, annulling the approval decision of the Lupatech Group's Judicial Recovery Plan.

The Company had a favorable decision regarding a special appeal, determining the removal of a fine previously imposed on the company for delaying litigation improperly applied by the São Paulo Court of Justice that annulled the Judicial Recovery Plan previously presented.

On September 5, 2016, a new Lupatech Group Judicial Reorganization plan was submitted to the court of origin, meeting the criteria established in the judgments of the 2nd Chamber of Business Law of the São Paulo State Court of Justice, which had been approved. on November 8, 2016, by the Lupatech Group General Meeting of Creditors, having been ratified by the Court of First Instance, Judicial Reorganization and Arbitral Conflicts of the State of São Paulo, without reservations, on February 19, 2017. In view of the final approval of the court, the indemnity period against the approval of the plan expired on March 13, 2017. The Group Management assessed that the absence of subsequent damages fully confirmed the legality of the plan and its effects from the approval of the sovereign decision of the Company. Therefore, the Lupatech Group and all creditors subject to compliance with the plan and legally bound to comply with the plan as of this date.

On July 2, 2019, the Lupatech Group Judicial Administrator submitted the General Table of Credits to the Court, to which the Lupatech Group filed a list of labor and civil creditors illiquid by ongoing lawsuits, which was upheld with subsequent court decision that such credits, insofar as they originate before the application for Judicial Reorganization, are subject to the terms of the Plan.

The Company used three strategies to settle commitments with Class I creditors. The first, corresponding to up to five minimum wages related to strictly salary credits maturing in the three months preceding the date of the request, was paid in cash to the respective labor creditors. duly complied with article 54, sole paragraph, of the Bankruptcy Law. The second, without attribution of relevance, was the payment of creditors through the conversion of credit into debentures of Lupatech S/A, and the third occurred through the awarding of the shares of the special purpose company (SPE), in the form of art. 50 XVI of Law No. 11,101.

In this context, on November 28, 2017, the Company announced the 3rd issue of mandatorily convertible debentures of Lupatech S / A in the amount of up to R$30,000. The issue was completed on January 31, 2018 with a subscription of R$29,313. The charge was directed to Class I creditors and creditors not subject to Judicial Reorganization, and the preemptive right was granted to shareholders.

On October 29, 2018, the Lupatech Group submitted a proposal for adjustments to the payment flow of the Class III unsecured creditors, which consisted in deferring part of the initial payments in exchange for a 0.3% increase in the interest rate. RT + 3.3% per year). The General Meeting of Creditors met on November 30, 2018 and approved the company's proposal. The AGC's decision was submitted to the appellate court, and it was ratified, with the respective approval decision being final and without any appeal being filed within the term.

On that same date, the Board of Directors approved the issuance of three million, four hundred and four thousand, five hundred and twenty-eight (3,404,528) Subscription Warrants for payment of 50% of Class III and IV creditors' debt and 35% of Class II creditors. The Bonds were issued and registered in the name of the creditors entitled to such, and the Judicial Recovery Judgment authorizing the

Company to hold in treasury the securities corresponding to the creditors who, due to lack of information, due to operational impossibility or lack of liquidity in its credit could not have their Bonus book entry.

On August 28, 2020, in remedy for the consequences of the COVID-19 Pandemic, the Lupatech Group submitted to the General Meeting of Creditors a proposal to adjust the terms of payment of Classes I and III of creditors of the Judicial Recovery. The envisaged changes include changes in the form and flow of payments to creditors in these classes. The proposed additive comprised, in summary:

(i) adjustments to the payment method of Class I creditors, so that the credits that exceed the limit stipulated in art. 83 item I of Law 11,101 are paid in full as provided for in clause 6.2.2 of the Plan;
(ii) adjust the payment method of Class III creditors to reschedule payments during the period affected by the pandemic, increase the portion of the payment in subscription bonus of creditors in foreign currency, define the payment schedule for late creditors and;
(iii) approve an incentive scheme for prepayments that are made before December 2025.

The company's proposal was duly approved by creditors at the Creditors' General Meeting and ratified in court on November 26, 2020, and the ratification decision was not aggravated by any creditor, so the amendment to the plan became binding on class I creditors and III.

The Addendum to the Plan had significant effects on the Company's Public Debt, reflecting the reduction of R$74,000 in the debt on December 31, 2020.

II. About the Judicial Reorganization Plan, approved by the creditors at a general meeting held on November 8, 2016, and ratified on February 15, 2017, by the court of the 1st Bankruptcy Court, Judicial Reorganizations and Conflicts Related to the Arbitration of the Capital of São Paulo, subject to amendments on November 30, 2018 and August 28, 2020.

The adoption of the specific recovery measures provided for in the Plan below aims to: (i) to reschedule the Lupatech Group's liabilities, allowing its future settlement; (ii) allow cash flow to maintain and foster the activities of the Lupatech Group; (iii) dispose of certain assets considered not essential to the economic activities of the Lupatech Group; (iv) obtain new resources from the capital market to accelerate the recovery; and (v) by raising the Lupatech Group, allowing the generation of jobs and the payment of taxes.

a. Recovery measures

The Plan uses the following means of recovery, pursuant to Article 50 of the Bankruptcy Law: (i) granting of special terms and conditions for the payment of the Lupatech Group's obligations, with the equalization of financial charges, with the initial date of the date of distribution of the application for judicial reorganization; (ii) capital increase through the issuance of securities, with possible change in corporate control; (iii) partial sale, transfer or lease of assets of the Lupatech Group; (iv) creation of a special purpose company for the transfer of assets destined to the payment of creditors; and (v) other measures to be eventually submitted to the prior approval of the Reorganization Court.

Capital increase: In order to allow the injection of new capital, at any time after the judicial approval of the Plan, the Lupatech Group may make one or more calls to increase the capital of Lupatech, which may be destined to creditors subject to the Plan, creditors not subject to the Plan, and / or third party investors, as the case may be.

The Plan provides for the delivery of subscription bonuses to Class I, II, III and IV creditors. Up to the present date, 3,404,528 (three million, four hundred and four thousand, five hundred and twenty-eight) were issued by Lupatech, which, if exercised, will be converted into an equal number of shares, part of which remains in treasury awaiting the credits that they will pay become liquid or that their delivery is operationally possible. Credits are exchanged through the granting of a subscription bonus for every hundred reais of credit - a ratio that can be proportionally altered in the event of a reverse split, split or bonus of the shareholder base. The exercise price of the Bonds issued is R$0.88 per share.

In the event of any capital increase allowing the capitalization of credits subject to the Plan, the exercise of the right to participate in said capital increase will be, always, optional to the creditors, and will always be granted in an equal manner to each of the classes of creditors subject to the plan or the whole basis of creditors under the Plan. In the event of a capital increase contemplating both creditors subject to the Plan and third party investors, the conditions of the subscription of shares offered should be the same for both.

Warranties: To ensure the acquisition of new resources, preserved the rights of creditors with real warranty, the Group Company may, in addition to giving personal guarantees, constitute real and fiduciary warranties: (i) from the consolidation of ownership in favor of the Lupatech Group, over the property located in São Leopoldo; and (ii) from the eventual elimination of warranties given to Creditors with Real Warranty, over any of the unencumbered assets.

Disposal of assets: The Lupatech Group, upon the judicial approval of the Plan, may dispose of the permanent assets described in the Plan, through (i) competitive procedure; (ii) private contract signed at a price not lower than that stated in appraisal reports prepared by a specialized company; or (iii) private auction, to be held by a company specializing in the valuation and sale of assets through face-to-face auctions or via the Internet. The net proceeds from such disposals will be used to pay obligations arising from labor law, tax and social security charges, and obligations set forth in the Plan.

Disposal of Isolated Productive Units (IPUs): The Lupatech Group, from the Judicial homologation of the Plan, may sell the UPIs described in the Plan. The sale of IPUs may be made jointly or separately, through a competitive procedure including, including, one or more IPUs or permanent assets. The net proceeds from such disposals will be used to pay obligations arising from labor law, tax and social security charges, and obligations set forth in the Plan.

Any alienation of IPUs by means of competitive procedure shall be carried out respecting the provisions of the respective notices, in accordance with the Bankruptcy Law, and met the other conditions provided for in this Plan. It is at the discretion of the Lupatech Group opt for any of the modalities of competitive procedure provided for in articles 142 to 145 of the Bankruptcy Law.

The UPIs that are sold by competitive procedure will be free of any liens, and their respective purchasers will not respond to any debt or contingency of the Lupatech Group, including those of tax and labor nature, in accordance with Article 60 and 141 of the Bankruptcy Law.

In the event of disposal of any of IPUs envisaged in the Plan by means of a competitive procedure, the Lupatech Group may include, as an integral part of the IPU, accession of any rights of use, costly and temporary in nature, about the buildings in which are located the equipment which constitute the IPUs alienated.

Disposal of assets of businesses not rehabilitating: The Lupatech Group may also divest assets owned by foreign societies in which holds participation or control, not members of the Judicial Recovery. The net proceeds arising from such disposals will join in the cash of those rehabilitating, and shall be used for the payment of obligations arising out of labor legislation, tax burden and social welfare, and obligations laid down in the Plan.

Disposal of assets given in real or fiduciary warranty: Upon the prior consent of the creditor holding the warranty and / or in accordance with the law or the Plan, the Lupatech Group may dispose of assets given in real or fiduciary warranty to third parties. The resources arising from the alienation of such goods will be used for the discharge of credits held by the creditor with real warranty or by the creditor with fiduciary warranty. Eventual surplus values shall be used for the payment of obligations arising out of labor legislation, tax burden and social welfare, and obligations laid down in the Plan.

Constitution of SPEs: In order to enable or facilitate the sale of any goods of the permanent asset or of the IPUs described in the Plan, as the case may be, the Lupatech Group may, individually or jointly, transfer one or more of these assets or IPUs to societies of specific purpose constituted by the Lupatech Group.

Approval for alienation of assets: Without prejudice to the hypotheses of alienation of assets and alienation of assets given in real guarantee or fiduciary, will be permitted any other modality of alienation, replacement or encumbrance of goods upon authorization of Judgment of Recovery or approval by the General Meeting of Creditors, complied with the terms of the laws and contracts applicable to such assets. Closed the Judicial Recovery, the Lupatech Group may freely dispose of any goods of its circulating or permanent asset, observed the charges borne on such goods, not being applicable anymore the restrictions provided for in this Plan or in art. 66 of the Bankruptcy Law, being, however, subject to the usual restrictions contained in the social contracts and statutes of the societies in the Lupatech Group and new debt instruments, as the case may be.

Termination of Judicial Reorganization: Upon completion of the Judicial Reorganization, Lupatech Group may dispose of its assets and resources without imposing the restrictions and limitations set forth in the Plan**.**

b. Restructuring of credits subject to the Plan

Observing the provisions in Article 61 of the Bankruptcy Law, all Credits Subject to the Plan, which will be paid by Lupatech and by Lupatech Finance as main debtors, as the case may be, in solidarity with the other societies in the Lupatech Group, which remain as co-obligated and debtors in solidarity, with express waiver of any benefit of order.

The credits subject to the Plan shall be paid within the time limits and forms set out in the Plan, for each class of Creditors Subject to the Plan, even if the contracts which gave rise to Credits Subject to the Plan have laid down in a different way. With the referred novation, all obligations, covenants, financial indexes, hypotheses of netting, fines, as well as any other contractual obligations that are incompatible with the conditions of this Plan, shall cease from being applicable.

The credits not subject to the Plan would be paid in the form originally contracted or in the form that is agreed between the Lupatech Group and its respective creditor, additionally, if applicable, through the implementation of measures envisaged in the Plan.

In order to reduce payment administration costs, a minimum amount of payment to creditors subject to the Plan of two hundred and fifty reais per creditor subject to the Plan qualified in the list of creditors in classes III and IV, limited to the balance shall be respected. of their respective credit subject to the Plan.

The payment methods provided to creditors of Classes I, II, III, and IV are intended not only to reschedule a substantial part of the credit to be made in cash; but also, allow lenders to benefit from the economic uplift pursued by the Lupatech Group through the exercise of the subscription bonus offered in exchange for part of their credit.

Credits that have their rating contested by the Lupatech Group or any interested party under the Bankruptcy Law can only be paid after the judgment determining the qualification of the disputed claim has been finalized, subject to the terms of the Bankruptcy Law, the deadlines for payment start only after the final decision has been passed.

In the event of an increase in any credit, or the inclusion of new credit as a result of any credit challenge or judgment of any lawsuit, the respective amount (in case of inclusion) or additional amount (in case of increase) will be paid through proportional distribution of the value in future installments. Any increase or inclusion of any Credit in the list of creditors during the payment term will not give the creditor whose credits are increased any right to retroactive or proportional payment of installments already paid.

c. ***Restructuring of Labor Credits***

The disputed labor credits that may be the subject of an agreement in the Labor Court must be paid in the manner established in the respective agreements duly ratified by the Labor Court in a final decision. In no event will the disputed labor claims be treated more beneficially than that given to uncontroversial labor claims.

d. ***Restructuring of credits with real warranty***

In addition to the payment provided for above, the Lupatech Group may, at any time and upon the consent of the respective creditor with real warranty, make the total or partial payment of the balance of the respective credit with real warranty through: (i) the payment in kind any of the assets given in real guarantee in favor of the creditor with real guarantee; (ii) the payment of credits held by the Lupatech Group, in an amount sufficient to cover the balance of the respective credit with real warranty; or (iii) the delivery of proceeds from the disposal of any of the assets given in real warranty to the creditor with real warranty, either under the Plan, upon court authorization, or under Article 60 of the Bankruptcy Law.

In the event that the alternative payment occurs only partially, the respective creditor with real warranty shall release excessive collateral in favor of the Lupatech Group under the Plan.

e. ***Restructuring of unsecured credits***

Unsecured credits denominated in foreign currencies will be calculated in reais based on the exchange rate on the date of the request and will be paid under conditions similar to those provided for in the Plan, subject to the variation of the Central Bank's official exchange rate on the business of the day prior to the exchange. payment. Exchange variation will be calculated as the difference between the original amount of the foreign currency unsecured credit and the amounts actually paid in foreign currency.

The Lupatech Group will ensure the payment, in cash, of at least two thousand reais per unsecured creditor, both in domestic and foreign currency, up to the limit of the value of their respective unsecured credit. In the event that such minimum amount exceeds 50% of unsecured credit, only the remaining balance of unsecured credit will be paid for the delivery of Subscription Bonus

Cancellation of the current Notes: After the Plan's judicial ratification, and after obtaining a judicial decision in *Chapter* 15 recognizing the Plan's effectiveness in North American territory, the Notes currently held by the *Noteholders* will be deemed to be fully canceled. which will be replaced by the New *Notes*, to be issued within 180 days from the date of obtaining the court decision in *Chapter* 15.

As per the Notice to the Market of October 18, 2021, the Company has completed the mandatory replacement of the Notes issued on October 8, 2014. *The Depository Trust Company* ("DTC") has replaced US$49,302 in principal amount currently held by DTC by (a) US$14,628 in aggregate principal amount of 0.4% of the Company's Secured Fixed Rate Notes and 1,482,487 *"Warrants"* which are exercisable for an equal number of warrants. Each subscription warrant is converted into one Lupatech common share at an exercise price of R$0.88. The Deed dated October 18, 2021, in which the "*New Notes*" are issued by Lupatech Finance Limited, has Lupatech as Guarantor, and *Wilmington Savings* Fund Society, FSB "*New Notes Trustee*", as trustee, paying agent, registrar and transfer agent.
On October 28, 2021, the Company became aware of the judicial decision issued by the New York Bankruptcy Court, which, due to the conclusion of the issuance of the New Notes and *Subscription* Warrants, determined the termination of *Chapter 15* in the United States of America.

f. Restructuring of Credits from Micro Enterprises (ME) and Small Businesses (SB)

The Lupatech Group will warranty the payment, in cash, of at least two thousand reais per ME and EPP lender, up to the amount of its respective ME and EPP credit. In the event that such minimum amount exceeds 50% of the ME and EPP credit, only the remaining balance of the ME and EPP credit will be paid for the delivery of the Subscription Bonuses.

2nd Issuance of the Company's Subscription Bonus
On March 3, 2021, the Company, through a Board of Directors' Meeting, approved the terms and conditions of the 2nd Issue of Subscription Warrants, in a single and onerous series, within the authorized capital limit, to be carried out so that, at the within the scope of the Judicial Recovery Plan of the Company and other companies in its group, promote the payment of credits subject to the Judicial Recovery Plan.

The Subscription Bonuses will be placed privately, without any effort to sell to the general public and without the intermediation of financial institutions that are part of the distribution system, and the Issue will respect the preemptive rights of the Company's shareholders and will be directed to holders of Credits of Classes I, II, III and IV, under the terms of the Judicial Reorganization Plan, to companies belonging to the Lupatech Group that have credits against it, with the specific purpose of subsequently giving payment to the Creditors of Classes I, II , III and IV of the Company when they become liquid.

In this context, the Issue was approved in the amount of R$94,797,500.00 (ninety-four million, seven hundred and ninety-seven thousand and five hundred reais), through the issue of 947,975 (nine hundred and forty-seven thousand nine hundred and seventy-five) subscription bonus issued by the Company.

On April 27, 2021, the Bonus bookkeeping process was completed, leaving subscribers free to trade the Warrants on the stock exchange or exercise the Warrants against the Company from April 29, 2021, ending the period for exercise on October 28, 2025.

As a result of the Issue, the Company will not obtain any funds with a view to dealing with an issue with payment with credits. Thus, in the event of the exercise of the preemptive right by the Company's shareholders, with payment in national currency, the sums paid by them will be delivered proportionally to the credit holders to be paid up under the terms of article 171, paragraphs 2 and 3, Brazilian Corporate Law.

1.3 Pandemic (Covid-19) and War in Ukraine

In mid-March 2020, the Company began to face the consequences of the COVID-19 Pandemic. From the second quarter of 2021 onwards, a reheating of commercial activity was observed, which had suffered again in early 2021 with the outbreak of the second wave of the pandemic. At the end of the first quarter of 2022, outbreaks of the disease in China have led to new lockdowns and the shutdown of factories and ports in that country, which once again exacerbated the already existing disruptions in global supply chains, including those in which the Company operates.

In February 2022, a war between Russia and Ukraine began with relevant international repercussions, both in the financial systems and in the global flow of a series of raw materials and products that have Russia as a major producer. There were immediate repercussions on the prices of a series of raw materials, such as nickel, a metal used in the production of various steel alloys.

The Company's Management is monitoring the possible impacts of Covid-19 and the war. On the date of issuance of these financial statements, the Company does not foresee risks to the continuity of its business, nor to the accounting estimates and judgments due to the pandemic.

2 Basis of preparation

2.1 Declaration of conformity (with repect to the IFRS and CPC Standards)

The consolidated quarterly information was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in accordance with accounting practices adopted in Brazil (BR GAAP).

The parent company's individual quarterly information was prepared in accordance with BR GAAP.

The Company's Management affirms that all relevant information pertaining to the financial information, and only these, are being evidenced, and that they correspond to those used by it in its management.

In compliance with CVM Circular Letter No. 003/2011, of April 28, 2011, we present below the explanatory notes included in the most recent annual financial statements (year ended December 31, 2021), which, in view of the absence of material changes in the three-month period ended March 31, 2022, are not being repeated or fully included in this quarterly information:

Notes not included in the three-month period ended March 31, 2022	Location of the complete note in the 2021 annual statement
Business Combination	Note nº 2.4.3
Main accounting practices	Note nº 3
Critical accounting estimates and judgments	Note nº 4
Other bills to pay	Note nº 18
Liabilities at fair value	Note nº 21

The issuance of the Company's interim financial information for the three-month period ended March 31, 2022 was authorized for issuance and disclosure by the Board of Directors on May 27, 2022.

2.1.1 Balances previously disclosed

In compliance with the requirements of Technical Pronouncement CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors, approved by Resolution No. 1979/09 of the Federal Accounting Council, the Company retrospectively reclassified deferred income tax and social contribution related to added value of machines and equipment. This reclassification, reflected in the Parent Company in investments in subsidiaries and affiliates (non-current assets) and equity valuation adjustment (shareholders' equity). In the Consolidated, the effect was on deferred income tax and social contribution (non-current liabilities) and equity valuation adjustment (equity), as shown in the table below:

	Parent			Parent		
ASSETS	Balances originally presented on 01/01/2020	Adjustment	Balances after adjustments on 01/01/2020	Balances originally presented on 12/31/2020	Adjustment	Balances after adjustments on 12/31/2020
Total current assets	92,289	-	92,289	78,694	-	78,694
Investments in subsidiaries and affiliates	210,283	11,310	221,593	320,610	11,310	331,920
Total non-current assets	431,073	11,310	442,383	483,535	11,310	494,845
Total assets	523,362	11,310	534,672	562,229	11,310	573,539
LIABILITIES AND EQUITY						
Total current liabilities	86,948	-	86,948	62,722	-	62,722
Deferred income tax and social contribution	36,374	-	36,374	34,872	-	34,872
Total non-current liabilities	336,849	-	336,849	359,307	-	359,307
Equity valuation adjustments	151,261	11,310	162,571	162,651	11,310	173,961
Total equity	99,565	11,310	110,875	140,200	11,310	151,510
Total liabilities and equity	523,362	11,310	534,672	562,229	11,310	573,539

	Consolidated			Consolidated		
LIABILITIES AND EQUITY	Balances originally presented on 01/01/2020	Adjustment	Balances after adjustments on 01/01/2020	Balances originally presented on 12/31/2020	Adjustment	Balances after adjustments on 12/31/2020
Total current liabilities	68,364	-	68,364	77,081	-	77,081
Deferred income tax and social contribution	67,056	(11,310)	55,746	57,192	(11,310)	45,882
Total non-current liabilities	336,699	(11,310)	325,389	275,328	(11,310)	264,018
Equity valuation adjustments	151,261	11,310	162,571	162,651	11,310	173,961
Total equity	99,565	11,310	110,875	140,200	11,310	151,510
Total liabilities and equity	504,628	-	504,628	492,609	-	492,609

2.2 Functional currency and presentation currency

This quarterly information is presented in Brazilian reais, which is the Company's functional currency. All balances have been rounded to the nearest thousand, unless otherwise indicated.

2.3 Measurement basis

The quarterly information was prepared based on the historical cost, except for certain financial instruments measured at their fair value.

2.4 Basis of consolidation and investments in subsidiaries

The consolidated quarterly information includes the financial statements of Lupatech S/A – In Judicial Reorganization and its subsidiaries.

2.4.1 Controlled companies

The Group controls an entity when it is exposed to, or is entitled to, variable returns arising from its involvement with the entity and has the ability to affect these returns by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases to exist.

In the three-month period ended March 31, 2022, the financial information of subsidiaries is recognized using the equity method.

The consolidated financial statements include the accounting information of Lupatech S/A – In Judicial Reorganization and its direct and indirect subsidiaries, as shown below:

	Direct and Indirect participation (%)	
Direct and indirect subsidiaries	**03/31/2022**	**12/31/2021**
Direct participation		
Mipel Comércio e Indústria de Peças Técnicas Ltda- In Judicial Recovery - (Brazil)	100.00	100.00
Lupatech Equipamentos e Serviços para Petróleo Ltda.- In Judicial Recovery - (Brazil)	100.00	100.00
Lupatech Finance Limited - In Judicial Recovery - (Cayman)	100.00	100.00
Recu S.A. - (Argentina)	95.00	95.00
Lupatech Oil&Gas Coöperatief U.A. - (Netherlands)	5.00	5.00
Lochness Participações S/A - In Judicial Recovery - (Brazil)	100.00	100.00
Ilno Administradora de Bens e Direitos Ltda - (Brazil)	100.00	100.00
Indirect participation		
Recu S.A. - (Argentina)	5.00	5.00
Lupatech Oil&Gas Coöperatief U.A. - (Netherlands)	95.00	95.00
Lupatech Perfuração e Completação Ltda.- In Judicial Recovery - (Brazil)	100.00	100.00
Sotep Sociedade Técnica de Perfuração S/A - In Judicial Recovery - (Brazil)	100.00	100.00
Prest Perfurações Ltda. - In Judicial Recovery - (Brazil)	100.00	100.00
Itacau Agenciamentos Marítimos Ltda. - In Judicial Recovery - (Brazil)	100.00	100.00
Matep S.A. Máquinas e Equipamentos - In Judicial Recovery - (Brazil)	100.00	100.00
Amper Amazonas Perfurações Ltda. - In Judicial Recovery - (Brazil)	100.00	100.00
UNAP International Ltd. - (Cayman)	100.00	100.00
Ciaval II Administração de Bens e Direitos SPE S.A	100.00	100.00

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses derived from intra-group transactions, are eliminated. Unrealized gains arising from transactions with investees recorded using the equity method are eliminated against the investment in proportion to the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment loss.

3 Cash and cash equivalents and restricted securities

3.1 Cash and cash equivalents

The balances of cash and cash equivalents are made up as follows:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and banks				
Brazil	2,025	961	2,274	1,278
Abroad	-	-	3	-
Total	2,025	961	2,277	1,278
Financial Investments				
Bank deposit certificate	141	137	10,131	17,898
Total	141	137	10,131	17,898
Cash and cash equivalents	2,166	1,098	12,408	19,176

The amounts of cash equivalents refer to highly liquid investments, with an insignificant risk of change in value, and refer to funds invested in fixed income and bank deposit certificates. The interest rates on bank deposit certificate financial investments are based on the Interbank Deposit Certificate – CDI.

3.2 Marketable securities - Restricted

On March 31, 2022, the Company has R$44 in non-current assets, the same balance presented on December 31, 2021, in the parent company and in the consolidated, referring to the lease warranty.

4 Accounts receivable from customers

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Local market	15,293	16,172	22,134	22,312
Export	11,390	2,662	11,835	2,662
	26,683	18,834	33,969	24,974
Less: allowance for doubtful accounts	(3,510)	(3,533)	(3,978)	(4,031)
	23,173	15,301	29,991	20,943
Current	23,173	15,301	29,991	20,943
Non-Current	-	-	-	-

In the three-month period ended March 31, 2022, estimated losses on doubtful accounts were reversed in the amount of R$23 in the parent company and R$53 in the consolidated.

In the three-month period ended March 31, 2021, R$171 in the parent company and R$169 in the consolidated were reversed from the estimated income for doubtful accounts.

5 Inventory

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Finished goods	8,742	6,325	10,250	7,800
Goods for resale	3,719	4,645	5,527	6,453
Products in development	14,651	10,292	27,209	20,374
Raw material	12,101	16,466	26,829	30,529
Losses on inventory obsolescence	(6,852)	(6,983)	(24,655)	(24,029)
Total	32,361	30,745	45,160	41,127

In the three-month period ended March 31, 2022, there was a reversal of loss with obsolescence of inventories, in the amount of R$131 in the parent company and R$626 in the consolidated (on March 31, 2021 there was a reversal of loss with obsolescence of inventories, in the amount of R$40 in the parent company and reversal of R$1,589 in the consolidated), as shown in the movement below:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Opening balance for the period	(6,983)	(7,055)	(24,029)	(24,046)
Loss estimate	(130)	(213)	(960)	(418)
Reversal	261	285	334	435
Final balance	(6,852)	(6,983)	(24,655)	(24,029)

6 Taxes to be recovered

	Parent		Consolidated	
Recoverable Taxes	03/31/2022	12/31/2021	03/31/2022	12/31/2021
ICMS recoverable	11,370	10,296	11,527	10,453
PIS and COFINS without ICMS	24,365	25,993	27,999	29,627
IPI to be recovered	1,370	1,454	1,597	1,681
PIS to be recovered	43	40	96	95
COFINS recoverable	199	184	342	331
IRRF to be recovered	11	11	454	434
IRPJ to be recovered	475	383	18,665	20,506
CSLL to be recovered	376	326	2,679	2,607
Others	1	1	14	7
Total	38,210	38,688	63,373	65,741
Current	37,087	37,564	62,241	64,608
Non Current	1,123	1,124	1,132	1,133

The origin of the credits listed above is as follows:

- **COFINS, PIS and IPI to be recovered -** basically result from credits on purchases of raw materials used in exported products and sale of taxed products at zero rate. These credits have been realized through offset against other federal taxes.

- **Income tax and social contribution to be recovered -** arising from taxes on profit, overpaid over previous years, or as an advance in the current year, and taxes withheld at source on financial operations and services provided by third parties. These taxes have been offset against taxes payable of the same nature or subject to a refund request, when applicable.

- **ICMS -** refers to credits on purchases of inputs used in the manufacture of products whose sale is subject to the reduced ICMS calculation base, as well as credits on purchases of inputs used in the manufacture of products intended for export.

- **PIS and COFINS without ICMS** – refers to the amount determined by the Company as a result of the final unappealable decision favoring the exclusion of ICMS from the PIS and COFINS calculation basis.

  Actions have been taken to use these accumulated tax credits, either for their consumption in the operation, compensation with debts or cash refund.

7 Other accounts to be received

As of March 31, 2022, the Company has the following balances recorded as other accounts receivable in current and non-current assets, as shown below:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Other accounts receivable - Current				
Other accounts receivable	451	976	1,010	1,522
Arbitration Procedure CSL	27,234	25,227	27,234	25,227
Debentures convertible into shares	4,359	4,359	6,626	6,628
Total	32,044	30,562	34,870	33,377
Other accounts receivable - Non-current				
Loans receivable from related Luxxon	163	163	6,091	6,091
Total	163	163	6,091	6,091

The Company has a loan agreement with Luxxon Participações Ltda in the amount of R$6,091 on March 31, 2022, the same balance was presented on December 31, 2021. This amount is recorded in other accounts receivable in non-current assets. Said contract was not subject to a transaction upon exit from the company on January 15, 2021, the credit remaining sound, and Luxxon was granted a grace period for the renegotiation of its liabilities.

As described in Note 1.1, the Company recognized in the balance sheet the credit right against Cordoaria São Leopoldo Ltda and its successor Cordoaria São Leopoldo Original Ltda, referring to a contractual fine imposed by decision in an Arbitration Proceeding, in the updated amount of R$27,234.

8 Investments

8.1 Investments in subsidiaries and affiliates

	Mipel	Recu	LESP	Finance	LO&G	Lochness	Ilno	Parent	
								03/31/2022	12/31/2021
Investment									
Amount of share or quotas									
Ordinary shares (thd)	-	3,000	-	-	-	-	97,765		
Capital stock quotas (thd)	34,762	-	-	50	-	-	-		
Participation %	100	95	100	100	5	100	100		
Shareholders' equity	**5,578**	**192**	**29,920**	**91,815**	**15,955**	**80,549**	**97,764**		
Results in the period	(1,701)	-	(548)	375	(73)	4,233	-		
Unrealized profits	(544)	-	-	-	-	-	-		
Changes in investments									
Opening balance in the period	6,925	232	33,157	112,631	943	89,575	97,764	341,227	331,920
Advance for future capital increase	1,234	-	128	-	-	-	-	1,362	3,588
Capital increase	-	-	12	-	-	-	-	12	26,757
Equity in earnings	(1,890)	-	(548)	(9,609)	(4)	4,233	-	(7,818)	(33,648)
Equity valuation adjustment	-	(50)	(2,702)	(11,207)	(141)	(13,259)	-	(27,359)	12,610
Final balance in the period	**6,269**	**182**	**30,047**	**91,815**	**798**	**80,549**	**97,764**	**307,424**	**341,227**

The corporate names of the subsidiaries and affiliates are as follows: Mipel – Mipel Comércio e Indústria de Peças Técnicas Ltda. - In Judicial Recovery; Recu - S/A; LESP - Lupatech - Equipment and Services for Petróleo Ltda. - In Judicial Recovery; Finance - Lupatech Finance Limited - In Judicial Reorganization; LO&G - Lupatech Oil&Gas Coöperatief U.A, Lochness Participações S/A - In Judicial Recovery and Ilno Administradora de Bens e Direitos Ltda.

Investments in subsidiaries are valued using the equity method. The equity result is composed as follows:

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
In affiliates	-	(6,434)	-	-
Total	-	(6,434)	-	-

8.2 Investment Property

It currently consists of land and built-up area, located in Macaé, Rio de Janeiro, where there are no operational activities. These unused portions are reserved for another destination that may be more profitable and efficient for the Company, namely, leasing, real estate development or long-term sale.

As of March 31, 2022 and December 31, 2021, the balance of investment properties is R$21,942 on a consolidated basis.

9 Fixed Assets

	Weighted avarage rate of depreciation % p.p.	Parent		Consolidated	
		03/31/2022 net fixed assets	12/31/2021 net fixed assets	03/31/2022 net fixed assets	12/31/2021 net fixed assets
Land	-	3,751	3,751	13,730	13,730
Building and construction	2%	5,806	5,851	101,632	101,782
Machinery and equipment	12%	11,498	12,084	13,066	15,103
Molds and matrixes	19%	579	470	665	560
Industrial facilities	6%	108	79	1,631	1,606
Furniture and fixtures	13%	617	623	853	856
Date processing equipments	12%	248	198	157	115
Improvements	9%	388	328	995	939
Vehicles	19%	8	7	120	119
Advances for fixed assets acquisitions	-	101	113	11,320	11,331
Construction in progress	-	1,220	967	1,929	1,333
Total		24,324	24,471	146,098	147,474

Summary of fixed assets movement:

	Parent								
Gross Cost	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**3,751**	**8,269**	**88,345**	**1,373**	**3,921**	**4,090**	**967**	**600**	**111,316**
Additions	-	-	203	-	5	62	399	-	669
Transfer	-	-	31	116	-	-	(147)	-	-
Capitalized financial effect	-	-	-	-	-	-	1	(11)	(10)
Balance on March 31, 2022	**3,751**	**8,269**	**88,579**	**1,489**	**3,926**	**4,152**	**1,220**	**589**	**111,975**

	Parent								
Accumulated depreciation	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	-	**(2,418)**	**(75,791)**	**(966)**	**(3,298)**	**(3,892)**	-	**(480)**	**(86,845)**
Additions	-	(45)	(711)	(27)	(11)	(12)	-	-	(806)
Balance on March 31, 2022	-	**(2,463)**	**(76,502)**	**(993)**	**(3,309)**	**(3,904)**	-	**(480)**	**(87,651)**

	Parent								
Net fixed assets	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**3,751**	**5,851**	**12,554**	**407**	**623**	**198**	**967**	**120**	**24,471**
Balance on March 31, 2022	**3,751**	**5,806**	**12,077**	**496**	**617**	**248**	**1,220**	**109**	**24,324**

Gross Cost	Land	Building and construction	Machinery and equipment, molds and matrixes	Industrial facilities and improvements	Furniture and fixtures	Date processing equipments	Construction in progress	Others	Total
	Consolidated								
Balance on December 31, 2021	**13,730**	**110,032**	**113,560**	**5,280**	**6,743**	**7,428**	**1,333**	**21,572**	**279,678**
Additions	-	-	208	-	21	63	399	-	691
Disposal	-	-	(2,032)	-	-	(5)	-	(21)	(2,058)
Transfer	-	-	31	116	-	-	(147)	-	-
Reversal/estimate for non-recoverability of assets	-	-	-	-	-	-	343	-	343
Effect of the conversion of subsidiaries abroad	-	-	(10,104)	-	-	-	1	-	(10,103)
Assets held for sale	-	-	11,315	-	(1)	(2)	-	(1)	11,311
Capitalized financial effect	-	-	-	-	-	-	-	(9)	(9)
Balance on March 31, 2022	**13,730**	**110,032**	**112,978**	**5,396**	**6,763**	**7,484**	**1,929**	**21,541**	**279,853**

Accumulated depreciation	Land	Building and construction	Machinery and equipment, molds and matrixes	Industrial facilities and improvements	Furniture and fixtures	Date processing equipments	Construction in progress	Others	Total
	Consolidated								
Balance on December 31, 2021	**-**	**(8,250)**	**(97,897)**	**(2,735)**	**(5,887)**	**(7,313)**	**-**	**(10,122)**	**(132,204)**
Additions	-	(150)	(814)	(35)	(23)	(14)	-	(1)	(1,037)
Disposal	-	-	1,206	-	-	-	-	21	1,227
Effect of the conversion of subsidiaries abroad	-	-	4,123	-	-	-	-	-	4,123
Assets held for sale	-	-	(5,865)	-	-	-	-	1	(5,864)
Balance on March 31, 2022	**-**	**(8,400)**	**(99,247)**	**(2,770)**	**(5,910)**	**(7,327)**	**-**	**(10,101)**	**(133,755)**

Net fixed assets	Land	Building and construction	Machinery and equipment, molds and matrixes	Industrial facilities and improvements	Furniture and fixtures	Date processing equipments	Construction in progress	Others	Total
	Consolidated								
Balance on December 31, 2021	**13,730**	**101,782**	**15,663**	**2,545**	**856**	**115**	**1,333**	**11,450**	**147,474**
Balance on March 31, 2022	**13,730**	**101,632**	**13,731**	**2,626**	**853**	**157**	**1,929**	**11,440**	**146,098**

There are property, plant and equipment items linked to liability warranties as of March 31, 2022, liabilities assessed at the time of attachment, in the following amounts:

	Fixed assets	
Garanteed liabilities	Parent	Consolidated
Taxation (Tax executions)	14,791	14,949
Loans and financing	35,920	37,937
Total	50,711	52,886

* Values according to Evaluation

On March 31, 2022, the balance was R$50,711 in the parent company and R$52,886 in the consolidated.

10 Intangibles

	Weighted depreciation rate% per year	Parent		Consolidated	
		03/31/2022 net	12/31/2021 net	03/31/2022 net	12/31/2021 net
Goodwill on acquisition of investments	-	61,479	61,479	82,166	82,166
Software and other licenses	20%	855	1,037	900	1,085
Development of new products	20%	1,154	1,237	1,410	1,494
Total		63,488	63,753	84,476	84,745

(*) In the Parent Company represents the balance of the goodwill of the merged subsidiaries.

Synthesis of movement of intangible assets:

	Parent								
Gross Cost	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**3,751**	**8,269**	**88,345**	**1,373**	**3,921**	**4,090**	**967**	**600**	**111,316**
Additions	-	-	203	-	5	62	399	-	669
Transfer	-	-	31	116	-	-	(147)	-	-
Capitalized financial effect	-	-	-	-	-	-	1	(11)	(10)
Balance on March 31, 2022	**3,751**	**8,269**	**88,579**	**1,489**	**3,926**	**4,152**	**1,220**	**589**	**111,975**

	Parent								
Accumulated depreciation	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**-**	**(2,418)**	**(75,791)**	**(966)**	**(3,298)**	**(3,892)**	**-**	**(480)**	**(86,845)**
Additions	-	(45)	(711)	(27)	(11)	(12)	-	-	(806)
Balance on March 31, 2022	**-**	**(2,463)**	**(76,502)**	**(993)**	**(3,309)**	**(3,904)**	**-**	**(480)**	**(87,651)**

	Parent								
Net fixed assets	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**3,751**	**5,851**	**12,554**	**407**	**623**	**198**	**967**	**120**	**24,471**
Balance on March 31, 2022	**3,751**	**5,806**	**12,077**	**496**	**617**	**248**	**1,220**	**109**	**24,324**

	Consolidated								
Gross Cost	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**13,730**	**110,032**	**113,560**	**5,280**	**6,743**	**7,428**	**1,333**	**21,572**	**279,678**
Additions	-	-	208	-	21	63	399	-	691
Disposal	-	-	(2,032)	-	-	(5)	-	(21)	(2,058)
Transfer	-	-	31	116	-	-	(147)	-	-
Reversal/estimate for non-recoverability of assets	-	-	-	-	-	-	343	-	343
Effect of the conversion of subsidiaries abroad	-	-	(10,104)	-	-	-	1	-	(10,103)
Assets held for sale	-	-	11,315	-	(1)	(2)	-	(1)	11,311
Capitalized financial effect	-	-	-	-	-	-	-	(9)	(9)
Balance on March 31, 2022	**13,730**	**110,032**	**112,978**	**5,396**	**6,763**	**7,484**	**1,929**	**21,541**	**279,853**

	Consolidated								
Accumulated depreciation	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**-**	**(8,250)**	**(97,897)**	**(2,735)**	**(5,887)**	**(7,313)**	**-**	**(10,122)**	**(132,204)**
Additions	-	(150)	(814)	(35)	(23)	(14)	-	(1)	(1,037)
Disposal	-	-	1,206	-	-	-	-	21	1,227
Effect of the conversion of subsidiaries abroad	-	-	4,123	-	-	-	-	-	4,123
Assets held for sale	-	-	(5,865)	-	-	-	-	1	(5,864)
Balance on March 31, 2022	**-**	**(8,400)**	**(99,247)**	**(2,770)**	**(5,910)**	**(7,327)**	**-**	**(10,101)**	**(133,755)**

	Consolidated								
Net fixed assets	**Land**	**Building and construction**	**Machinery and equipment, molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Date processing equipments**	**Construction in progress**	**Others**	**Total**
Balance on December 31, 2021	**13,730**	**101,782**	**15,663**	**2,545**	**856**	**115**	**1,333**	**11,450**	**147,474**
Balance on March 31, 2022	**13,730**	**101,632**	**13,731**	**2,626**	**853**	**157**	**1,929**	**11,440**	**146,098**

Below is a summary of the allocation of the goodwill balance by cash-generating unit level:

	Goodwill on acquisition of investments			
	Intangible		Intangible	
	Parent		Consolidated	
UGCs	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Products Segment				
Mipel Comércio e Indústria de Peças Técnicas Ltda	6,065	6,065	6,065	6,065
Unit Lupatech Ropes	55,414	55,414	55,414	55,414
Lupatech – Equipamentos e Serviços para Petróleo – Unit Fiberware	-	-	20,687	20,687
Total	61,479	61,479	82,166	82,166
Investment	-	-	-	-
Intangible	61,479	61,479	82,166	82,166

Goodwill is allocated to cash-generating units for which they can be identified in the cash flows of the Cash-Generating Units - "CGU".

Below is a summary of the amounts recorded as a loss due to the non-recoverability of goodwill per Cash-Generating Unit:

	Products Segment						Services Segment	Consolidated
UGCs	Mipel Comércio e Indústria de Peças Técnicas Ltda	Unidade Lupatech Ropes	Lupatech - Equipamentos e Serviços para Petróleo - Unit Oil Tools	Unidade Tecval	Lupatech - Equipamentos de Serviços para Petróleo - Unit Monitoring Systems	Lupatech – Equipamentos de Serviços para Petróleo – Unit Fiberware	Lupatech – Equipamentos de Serviços para Petróleo - Unit Oil & Gas	Total
Goodwill on acquisition of investments	-	125,414	9,149	55,680	9,884	20,687	59,227	280,041
Impairment due to non-recoverability	6,065	(70,000)	(9,149)	(55,680)	(9,884)	-	(59,227)	(197,875)
Net Goodwill	6,065	55,414	-	-	-	20,687	-	82,166
Balance on December 31, 2021	6,065	55,414	-	-	-	20,687	-	82,166
Reversal of losses due to non-recoverability	-	-	-	-	-	-	-	-
Estimated losses due to non-recoverability	-	-	-	-	-	-	-	-
Balance on March 31, 2022	6,065	55,414	-	-	-	20,687	-	82,166

11 Suppliers

	03/31/2022						12/31/2021					
	Parent			Consolidated			Parent			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Suppliers												
Subject to Judicial Recovery												
Domestic Suppliers	5,515	98,873	**104,388**	5,515	98,873	**104,388**	5,124	98,802	**103,926**	5,124	98,802	**103,926**
Export Suppliers	-	19,872	**19,872**	-	19,872	**19,872**	-	21,289	**21,289**	-	21,289	**21,289**
(-) Present value adjustment	-	(62,928)	**(62,928)**	-	(62,928)	**(62,928)**	-	(64,567)	**(64,567)**	-	(64,567)	**(64,567)**
	5,515	**55,817**	**61,332**	**5,515**	**55,817**	**61,332**	**5,124**	**55,524**	**60,648**	**5,124**	**55,524**	**60,648**
Not Subject to Judicial Recovery												
Domestic Suppliers	8,024	-	**8,024**	11,763	-	**11,763**	3,624	-	**3,624**	6,000	-	**6,000**
Export Suppliers	564	-	**564**	564	-	**564**	47	-	**47**	47	-	**47**
	8,588	-	**8,588**	**12,327**	-	**12,327**	**3,671**	-	**3,671**	**6,047**	-	**6,047**
Total of Suppliers	**14,103**	**55,817**	**69,920**	**17,842**	**55,817**	**73,659**	**8,795**	**55,524**	**64,319**	**11,171**	**55,524**	**66,695**

According to the Judicial Reorganization plan in force, 50% of the unsecured credits of suppliers in reais and 70% of the unsecured credits of suppliers in foreign currency will be paid through the payment of subscription bonus and the remaining 50% and 30% will be paid in cash within 15 years, plus interest and monetary restatement at a variable rate equivalent to TR + 3% per year for Class IV in reais and TR + 3.3% per year for Class III in reais , 0.4% for creditors in foreign currency to be paid respectively 30 days or in four quarterly installments after the maturity of the last installment of the principal, as proposed in the terms of payments of the unsecured creditors of the new Plan.

On March 31, 2022, there was an adjustment to present value on suppliers subject to judicial reorganization in the amount of R$1,639 (R$1,969 on December 31, 2021).

The balance of adjustment to present value on suppliers subject to judicial reorganization on March 31, 2022 is R$62,928 (R$64,567 on December 31, 2021) in the parent company and in the consolidated, considering the discount rate of 13.65% per year.

12 Loans and financing

			03/31/2022						12/31/2021					
			Parent			Consolidated			Parent			Consolidated		
Description	Indexer	Fees weighted interest	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
Subject to Judicial Recovery														
Local currency														
Secured creditors	FIXO	3,00% a.a. + TR	1,495	40,596	**42,091**	1,495	40,596	**42,091**	1,495	40,657	**42,152**	1,495	40,657	**42,152**
Working capital / expansion			1,495	40,596	**42,091**	1,495	40,596	**42,091**	1,495	40,657	**42,152**	1,495	40,657	**42,152**
(-) Present value adjustment			-	(20,264)	**(20,264)**	-	(20,264)	**(20,264)**	-	(20,647)	**(20,647)**	-	(20,647)	**(20,647)**
Unsecured creditors	FIXO	3,3% a.a. + TR	1,212	85,916	**87,128**	1,212	85,916	**87,128**	1,118	85,624	**86,742**	1,118	85,624	**86,742**
Working capital / expansion			227	13,840	**14,067**	227	13,840	**14,067**	208	13,782	**13,990**	208	13,782	**13,990**
Working capital / expansion			192	12,256	**12,448**	192	12,256	**12,448**	176	12,202	**12,378**	176	12,202	**12,378**
Working capital / expansion			87	14,144	**14,231**	87	14,144	**14,231**	87	14,144	**14,231**	87	14,144	**14,231**
Research and development funding			94	5,700	**5,794**	94	5,700	**5,794**	86	5,676	**5,762**	86	5,676	**5,762**
Debentures			612	39,976	**40,588**	612	39,976	**40,588**	561	39,820	**40,381**	561	39,820	**40,381**
(-) Adjustment to present value			-	(47,213)	**(47,213)**	-	(47,213)	**(47,213)**	-	(47,821)	**(47,821)**	-	(47,821)	**(47,821)**
Foreign currency														
Unsecured creditors	FIXO	0,4% a.a	-	-	-	816	70,638	**71,454**	-	-	-	748	83,466	**84,214**
Noteholders			-	-	-	816	70,638	**71,454**	-	-	-	748	83,466	**84,214**
(-) Adjustment to present value			-	-	-	-	(37,589)	**(37,589)**	-	-	-	-	(50,692)	**(50,692)**
			2,707	**59,035**	**61,742**	**3,523**	**92,084**	**95,607**	**2,613**	**57,813**	**60,426**	**3,361**	**90,587**	**93,948**
Not subject to Judicial Recovery														
Local currency														
Working capital / expansion	TJLP	4,86% a.m.	5,034	-	**5,034**	8,648	-	**8,648**	5,034	-	**5,034**	8,648	-	**8,648**
Discounted titles	FIXO	1,24% a.m.	9,617	-	**9,617**	12,372	-	**12,372**	6,313	-	**6,313**	6,501	-	**6,501**
Credit titles	FIXO	1,15 % a.m	3,977	-	**3,977**	13,968	-	**13,968**	2,000	-	**2,000**	17,000	-	**17,000**
Credit limit	FIXO	6,00% a.m.	288	-	**288**	289	-	**289**	201	-	**201**	202	-	**202**
Foreign currency														
Working capital / expansion	DOLLAR	7,48% a.a.	1,214	-	**1,214**	2,519	-	**2,519**	1,214	-	**1,214**	2,519	-	**2,519**
			20,130	-	**20,130**	**37,796**	-	**37,796**	**14,762**	-	**14,762**	**34,870**	-	**34,870**
			22,837	**59,035**	**81,872**	**41,319**	**92,084**	**133,403**	**17,375**	**57,813**	**75,188**	**38,231**	**90,587**	**128,818**

According to the Judicial Reorganization plan in force, 35% of the credits with real guarantee subject to the Judicial Reorganization must be paid through the payment of subscription bonus and the remaining 65% will be paid in cash within 15 years, with accrual of interest and monetary restatement at a variable rate equivalent to the TR + 3% per year, to be paid 30 days after the maturity of the last installment of the principal, as proposed in the terms of payments by creditors with real guarantee of the new Plan.

In the case of unsecured credits of loans and financings listed in reais, in accordance with the Judicial Recovery plan in force, 50% will be paid through the payment of subscription bonus and the remaining 50% will be paid in cash within 15 years, with interest accrued and monetary correction at a variable rate equivalent to the TR + 3.3% per year, to be paid four quarterly installments after the maturity of the last installment of the principal, as approved in the terms of payments of the unsecured creditors of the new Plan.

The payment of the *Noteholder's* unsecured credits will be made upon payment of 30% of the value of the respective unsecured credit, including principal, interest incurred updated at a rate of 0.4% and exchange variation, and payment of 70% of the value of the respective unsecured credit, equivalent to the remaining balance of the principal, through the payment of Subscription Bonuses *(Warrants)*.

As of December 31, 2021, there was an adjustment to present value of loans and financing subject to judicial reorganization in the amount of R$991 in the parent company (R$4,203 on December 31, 2021) and of R$14,094 in the consolidated (R$12,725 on December 31, 2021).

The balance of adjustment to present value on loans and financing subject to judicial reorganization on March 31, 2022 is R$67,477 (R$68,468 on December 31, 2021) in the parent company and R$105,066 (R$119,160 on December 31, 2021) in the consolidated, considering the discount rate of 13.65% per year.

The maturities of non-current financing installments are as follows:

	Parent		Consolidated	
Maturity	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
2022	1,724	1,596	2,283	2,331
2023	1,903	1,765	2,665	2,767
2024	3,138	2,907	4,256	4,377
2025	3,806	3,529	5,330	5,533
2026	1,930	2,539	6,094	6,405
From 2027	46,534	45,477	71,456	69,175
	59,035	57,813	92,084	90,588

The guarantees for loans and financing were granted as follows, as of March 31, 2022 and December 31, 2021:

		03/31/2022				12/31/2021			
		Value of the guarantee				Value of the guarantee			
		Parent		Consolidated		Parent		Consolidated	
		Book value*	Appraisal report value**	Book value*	Appraisal report value**	Book value*	Appraisal report value**	Book value*	Appraisal report value**
Subject and not subject to Judicial Recovery									
Local currency	**Garantee**								
Working capital / expansion	Mortgage / Buildings	33,281	117,165	33,906	139,107	33,288	117,165	33,913	139,107
Working capital / expansion	Machinery and equipment	2,639	2,540	4,031	5,005	2,639	2,540	4,171	5,005
		35,920	119,705	37,937	144,112	35,927	119,705	38,084	144,112

* Net values of depreciation.
** Appraisal according to reports prepared by Appraisal Evaluations and Engineering Ltda.

The Notes and Debentures are treated as loans subject to judicial reorganization, in non-current liabilities, which bear interest and monetary correction at a variable rate equivalent to TR + 3.3% per year in reais, as determined for the payment of these creditors in the New Judicial Recovery Plan.

13 Related parties

13.1 Parent

The balances and transactions between the Company and its subsidiaries, which are its related parties, have been eliminated in the consolidation. The details in regard to transactions between the parent company and its subsidiaries are presented below:

	Parent					
	SABR	Mipel Sul	Lupatech Finance	LESP	03/31/2022	12/31/2021
Assets						
Current						
Accounts receivable	-	30	-	-	30	25
Other accounts receivable	80	797	-	18,816	19,693	19,588
Non-current						
Mutual and loans	13,579	-	-	-	13,579	15,983
	13,659	827	-	18,816	33,302	35,596
Liabilities						
Current						
Accounts payable	-	-	-	3,469	3,469	881
Other accounts payable	9,759	-	1,251	9,171	20,181	17,977
Mutual and loans	11,036	-	-	-	11,036	12,999
Non-current						
Mutual and loans	-	-	128,570	-	128,570	151,377
Other bills to pay	29,853	-	-	-	29,853	35,163
	50,648	-	129,821	12,640	193,109	218,397
					03/31/2022	03/31/2021
Result for the year						
Product purchases	-	2,015	-	-	2,015	1,121
Financial income	11	-	-	-	11	10
Financial expenses	-	-	185	-	185	224
Exchange variation	-	-	14,503	-	14,503	2,723
	11	2,015	14,688	-	16,714	4,078

	Parent						
	Transaction date	Duration	Interest rate	Amount R$	Balance US$	03/31/2022	12/31/2021
Assets mutual							
Foreign currency							
Contract 1	Jul-14	Undetermined	105% do DI-Cetip	19,502	2,796	13,245	15,601
Contract 2	Dec-14	Undetermined	12,000% a.a.	288	70	334	382
				19,790	**2,866**	**13,579**	**15,983**
Liabilities mutual							
Foreign currency							
Contract 3	Jan-18	Undetermined	0,4%a.a	227,331	27,137	128,570	151,377
Contract 4	Dec-21	Undetermined	-	11,972	2,329	11,036	12,999
				239,303	**29,466**	**139,606**	**164,376**

The transactions are carried out in accordance with the conditions agreed between the parties.

The foreign currency loan and loan agreements between the Parent Company and Lupatech Finance are presented as of March 31, 2022 for the net amount of R$128,570 (remaining balance of R$151,377 as of December 31, 2021) in the Parent Company's liabilities.

a. Guarantees granted

The transactions with related parties do not have guarantees linked to the operation, being limited to ordinary commercial transactions (purchase and sale of inputs), which are not backed by guarantees, as well as loan operations with Group companies, which also do not present guarantees in its composition.

b. Pricing and charges conditions

Loan agreements between companies in Brazil are monetarily restated by the monthly DI-Cetip market funding rate.

13.2 Key Personnel of the Administration

a. Remuneration of the Administration

The amount of R$872 in the parent company and consolidated (R$2,240 in the parent company and R$1,639 in the consolidated in the same period of 2021) comprises fixed compensation and amounts corresponding to variable compensation. This variable compensation recorded in the period of 2021 refers to amounts originally contracted in the compensation for the years 2019 and 2020, which were provisioned in the results of the respective years, and whose credit was calculated and authorized by the Board of Directors in March 2021.

At the Annual and Extraordinary General Meeting held on May 19, 2022, the annual global fixed and variable compensation of the Company's managers for the year 2022 in the amount of up to R$6,335 was approved, distributed as follows: (i) up to R$3,029 for the Board's global fixed compensation, including benefits and charges; (ii) up to R$2,123 for the global variable compensation of the Executive Board; and (iii) up to R$1,183 for the global fixed compensation of the Board of Directors.

14 Income tax and social contribution

For companies based in Brazil, depending on the situation of each company, if taxed by taxable income, the provision for income tax is calculated and recorded at the rate of 15% on taxable income, plus an additional 10%, and social contribution at the rate of 9%, calculated and recorded on profit before income tax, adjusted in accordance with tax legislation. Companies taxed based on presumed profit calculate income tax at the rate of 15%, plus an additional 10%, and social contribution at the rate of 9%, on an estimated profit of 8% to 32% for income tax and 12% for social contribution applied on the gross sales of sales and services of the subsidiaries, in compliance with the tax rules in force.

Lupatech S / A and its subsidiaries and affiliates have R$1,850,662 of tax loss accumulated up to December 2021.

a. Deferred income and social contribution taxes

As of March 31, 2022, in the parent company and in the consolidated, the balances of existing non-current deferred income tax and social contribution are presented as shown in the table below:

	Parent		Consolidated	
NON-CURRENT LIABILITIES	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Adjustment to present value of suppliers, fines, loans and debentures	(31,036)	(31,662)	(39,983)	(43,727)
Assigned Cost	-	-	(2,975)	(2,975)
Others	(557)	(283)	(557)	(282)
Deferred income tax and social contribution	**(31,593)**	**(31,945)**	**(43,515)**	**(46,984)**

Deferred income tax and social contribution, referring to the result for the three months ended on this date, in the amounts of R$268 (revenue) in the parent company and R$3,387 (revenue) in the consolidated (R$238 (income) in the parent company and R$860 (expense) in the consolidated referring to the three-month period ended March 31, 2021).

b. Conciliation of the expenditure of income tax and social contribution

	Parent		Consolidated	
	03/31/2022	**03/31/2021**	**03/31/2022**	**03/31/2021**
Profit (loss) before taxes from continuing operations	**14,565**	**(43,002)**	**11,452**	**(41,895)**
Additions and exclusions				
Equity pick-up	7,818	(6,434)	-	-
Estimated losses for doubtful accounts	(131)	-	626	-
(Reversal) Provision for losses due to non-recoverability of assets	-	-	1,738	(963)
(Reversal) Allowance for doubtful accounts	(23)	171	53	169
Provision for contingency losses	480	342	575	16,921
Non-deductible expenses	2	-	39	-
Adjust to present value	2,630	1,000	15,733	(3,611)
Investment valued at equity value	-	(50,055)	-	(50,055)
Provision for interest on suppliers	29	(5)	46	17
Exchange variation provision	(29,674)	16,156	(32,845)	16,909
Others	(1,438)	9,964	(6,258)	(17,671)
Calculation basis	**(5,742)**	**(71,863)**	**(8,841)**	**(80,179)**
Current income tax and social contribution of subsidiaries with taxable income	**-**	**-**	**(6)**	**(9)**
Deferred income tax and social contribution	**351**	**238**	**3,470**	**(860)**

15 Contingent proceedings and judicial deposits

15.1 Provision for tax, labor and civil risks

The Company, through its lawyers, has been discussing some tax, labor and civil matters in the judicial sphere. The provision for tax, labor and civil risks was determined by Management based on available information and supported by the opinion of its lawyers regarding the expected outcome, in an amount considered sufficient to cover the losses considered probable that may occur due to judicial decisions unfavorable.

		Parent		Consolidated	
		Expectation of loss		Expectation of loss	
		Possible	Probable	Possible	Probable
Tax (i)					
ICMS - Tax on Circulation of Goods and Services	(i.1)	85,670	-	87,321	-
CSLL - Social Contribution on Net Income	(i.2)	2,107	-	7,519	-
IRPJ - Corporate Income Tax	(i.3)	11,259	-	59,262	-
INSS - National Institute of Social Security	(i.4)	-	-	6,798	-
IRRF - Withholding Income Tax	(i.5)	53,449	-	53,449	-
IPI - Excise Tax		851	-	851	-
COFINS - Tax for Social Security Financing		-	-	554	-
ISS - Services Tax	(i.6)	-	-	7,449	166
CIDE - Contribution for Intervention in the Economic Domain		-	-	1,159	-
Other tax provisions	(i.7)	1,058	758	42,687	842
		154,394	758	267,049	1,008
Labor (ii)		3,278	2,874	24,883	24,131
Civil (iii)		32,545	988	58,285	9,241
Total on March 31, 2022		190,217	4,620	350,217	34,380
Total on December 31, 2021		190,089	4,140	332,277	33,786

These amounts cover the totality of the Group's companies and include amounts in judicial and administrative discussion as well as situations incurred where, even without the existence of launches or formal questioning by the authorities, they may give rise to risks of future losses.

The provision for resources involved in lawsuits in the amounts mentioned above (R$4,620 in the parent company and R$34,380 in the consolidated as of March 31, 2022 and R$4,140 in the parent company and R$33,786 in the consolidated as of December 31, 2021) and referring to the spheres below listed takes into account the probability of probable loss, which is configured when an outflow of economic benefits is presumed in view of the matter discussed, the judgments made in each claim and the jurisprudential understanding of each case.

Claims with a possible probability of loss are excluded from the provision.

Changes in the provision balance as of March 31, 2022 are as follows:

	Parent				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance on December 31, 2021	**758**	**2,885**	**497**	**4,140**	**1,160**	**24,336**	**8,290**	**33,786**
Additions	-	-	491	491	1	112	3,253	3,366
Write-offs	-	(11)	-	(11)	(153)	(317)	(2,302)	(2,772)
Balance on March 31, 2022	**758**	**2,874**	**988**	**4,620**	**1,008**	**24,131**	**9,241**	**34,380**

Judicial demands are divided into three spheres, namely:

(i) *Tax contingencies*

Discussions involving taxes at the state and federal levels, including IRPJ, PIS, COFINS, INSS, ICMS and IPI. There are processes in all procedural stages, from the initial instance to the Superior Courts, STJ and STF. The main processes and values are as follows:

The main contingent proceedings classified as possible loss as of March 31, 2022:

(i.1) Annulment Action of the State of Rio Grande do Sul that aims to deconstitute ICMS tax credit. Process distributed on April 28, 2017, subject to a possible loss of R$68,699.

Fiscal execution of the Public Treasury of the State of São Paulo aiming at the collection of ICMS on imports. Process distributed on October 22, 2015, subject to possible loss of R$7,364.

Action for Annulment filed against the State of São Paulo, distributed on October 22, 2015, with the objective of canceling ICMS debt. Process subject to possible loss of R$3,936.

(i.2) Tax assessment notice issued by the Federal Revenue Service of Brazil, distributed on July 13, 2011, referring to the collection of social contributions levied on the payroll. Process subject to possible loss of R$2,198.

Notice of infraction issued by the Federal Government, distributed on December 14, 2018, referring to the collection of fines levied as a result of the alleged non-compliance with the special customs regime for temporary admission. Process subject to possible loss of R$2,658.

Notice of infraction drawn up by the Federal Revenue Service of Brazil, as a result of Manifestation of Nonconformity. Process distributed on July 23, 2014, subject to possible loss of R$2,047.

(i.3) Tax assessment notice from the Brazilian Federal Revenue Service, issued as a result of the arbitration of profit in calendar year 2010. Proceeding distributed on November 10, 2014, subject to possible loss of R$15,571.

Annulment action aiming at the deconstitution of the tax credit (IRPJ and CSLL referring to calendar years 2009 and 2010. Process distributed on April 15, 2020, subject to possible loss of R$5,974.

Tax assessment notice issued by the Federal Revenue Service of Brazil, due to alleged irregularities in the calculation of IRPJ, CSLL, PIS and COFINS in 2013. Process distributed on October 6, 2016, subject to possible loss of R$27,542.

Tax enforcement, in which the arbitration of profit for the purpose of the IRPJ requirement is discussed. Process distributed on June 29, 2018, subject to a possible loss of R$2,722.

Tax assessment notice from the Federal Revenue Service of Brazil, drawn up as a result of a Manifestation of Non-conformity presented against the decision-making order. Process distributed on July 23, 2014, subject to possible loss of R$5,285.

(i.4) Tax assessment notice from the Federal Revenue Service of Brazil, drawn up for the collection of Social Security Contribution credits. Process distributed on December 20, 2007, subject to possible loss of R$4,980.

(i.5) Fiscal Execution of the National Treasury, referring to the collection of IRRF debt. Process distributed on January 21, 2016, subject to possible loss of R$53,449.

(i.6) Tax Enforcement of the Municipality of Três Rios – RJ, for the collection of ISS for the periods of 2013 and 2014. Process distributed on December 10, 2015, subject to possible loss of R$3,483.

(i.7) Tax assessment notice issued by the Brazilian Federal Revenue Service to collect the remaining balance of II, IPI, PIS and COFINS levied on declared imports. Process distributed on January 23, 2020, subject to a possible loss of R$2,364.

Infraction notices drawn up by the Federal Revenue Service of Brazil for the collection of fines due to the alleged non-compliance with the special customs regime for temporary admission. Proceedings subject to possible loss of R$17,058.

Tax assessment notices issued by the Brazilian Federal Revenue Service to collect the remaining balance of II, IPI, PIS and COFINS levied on declared imports. Proceedings subject to possible loss of R$15,525.

(ii) Labor contingencies

The Company and its subsidiaries are parties to lawsuits of a labor nature relating to discussions that mainly involve claims for overtime, material and moral damages, unhealthy work and hazardous work, among others.

(iii) Civil contingencies

The main discussions in this area, classified as possible loss as of March 31, 2022 are related to:

(iii.1) Bond common stock filed by Weatherford Indústria e Comércio Ltda. and Weus Holding INC in the industrial property sphere. The process has a risk of loss classified as probable of approximately R$624, a possible loss of R$2,080 and a remote loss of R$52,024. Process distributed on July 14, 2008.

(iii.2) Return action for damages and indemnity action filed by the company Aeróleo Táxi Aéreo S/A, subject to possible loss of R$3,232. Process distributed on November 1, 2013.

(iii.3) Petrobras's declaratory action, aimed at reducing the contractual penalty applied by the contracting party. Process distributed on March 14, 2014, subject to possible loss of R$7,200.

(iii.4) Search and Seizure Action filed by BNDES - National Bank for Economic Development against Lupatech S.A. - In Judicial Recovery and Lupatech - Equipamentos e Serviços para Petróleo Ltda. - In Judicial Recovery. Process distributed on October 20, 2015, subject to possible loss of R$29,903.

This is an action that aims to promote the search and seizure of machinery and equipment offered in fiduciary alienation on the occasion of financing granted by BNDES to the referred companies of Grupo Lupatech.

Due to the judicial reorganization of Grupo Lupatech, on February 1, 2017, the court of the 5th Federal Court of São Paulo, in which the search and seizure action is being carried out, determined the suspension of all expropriation acts and submitted to the judgment of the judicial recovery the analysis of the essentiality of the referred machines and equipment for the operations of Grupo Lupatech. The goods belong to the Macaé, Pojuca and Nova Odessa units. The search and seizure action has remained in such a situation ever since.

In the judicial reorganization records, with the exception of the assets belonging to the Macaé unit, the others were declared by the judges as essential for the operation of the Lupatech Group, preventing its removal. Later, after the appeal deadlines had passed, the BNDES again demanded the resumption of the search and seizure. The new BNDES request was accepted by the Reorganization court and later by the São Paulo Court of Justice, but it ended up being challenged by the Superior Court of Justice, which determined that the Judicial Reorganization court indicated others means other than the seizure of assets, so that the BNDES' credit is satisfied.

Notwithstanding, the Lupatech Group also questions in the judicial reorganization records (i) the soundness of the guarantee, due to the existence of defects in its constitution, as well as (ii) the effective value of the BNDES covered by the statutory lien (if any) of machinery and equipment.

The Judicial Administrator expressed a favorable opinion on the Company's position in the sense that the credit to be considered as extra-bankruptcy in favor of BNDES is equivalent to the forced liquidation value of machinery and equipment, estimated at approximately R$3.5 million. On the other hand, the Public Prosecutor's Office, with regard to the merits, opined for the non-implementation of the precedent condition for the constitution of the guarantee of fiduciary alienation. Without going into the merits, the Reorganization court ruled on the impossibility of the delayed challenge. For this reason, an interlocutory appeal was filed with the 2nd Chamber of Business Law of the Court of Justice of São Paulo, through which the company requested recognition of the possibility of filing late objections to credit and, on the merits, that it be the full bankruptcy of the BNDES credit was recognized due to the ineffectiveness of the fiduciary guarantee since there was no implementation of the suspensive condition of the contracts entered into with BNDES or, alternatively, that the extra-bankruptcy of the credit was limited to the value of forced liquidation of the assets object of the fiduciary alienation. Once the appeal was judged, the TJSP considered it partially granted to recognize the possibility of filing late objections and, on the merits, to recognize that the extrajudicial nature of the BNDES' credit is limited to the amount obtained with the foreclosure of the assets covered by the fiduciary warranty. The judgment was the subject of a special appeal, which is pending admissibility by the TJSP for subsequent remittance and distribution to the Superior Court of Justice.

The main discussions in this area, classified as probable loss on March 31, 2022 are related to:

(i) Declaratory action filed against Petrobras, aiming at reducing the contractual penalty applied by the contracting party. Process distributed on March 14, 2014, subject to a probable loss of R$3,467.

15.2 Contingent Assets

The statement containing information on unrecorded contingencies, according to the opinion of its legal advisors, is detailed below with the possibility of gain.

	Probability of probable gain	
	Parent	Consolidated
Tax (i)	4,663	5,450
Civil (ii)	50,000	50,000
Balance on March 31, 2022	**54,663**	**55,450**
Balance on December 31, 2021	**79,913**	**80,683**

(i) **Contingent Tax Assets**

Grupo Lupatech has lawsuits seeking recognition of the exclusion of ICMS from the PIS and COFINS calculation basis. The matter was decided by the STF in general repercussion, so the company expects that these processes will be processed with favorable decisions. As they are still the subject of dispute, the accounting treatment of part of the contingent assets is maintained until the elements to recognize the corresponding tax credits are present.

The amount determined by the Company as a result of a partial final and unappealable decision favorable to the exclusion of ICMS from the PIS and COFINS calculation basis, is shown in Note 6.

(ii) **Civil Contingent Assets**

- Arbitration proceeding against GP *Investments*/San Antonio Internacional and its vehicles:

The Company is entitled to be reimbursed up to the nominal limit of R$50,000 referring to losses that it may incur as a result of any unknown contingencies, pursuant to the indemnity clause provided for in the Investment Agreement. On April 4, 2017, the Company presented before the Market Arbitration Chamber a request for the initiation of arbitration against GP Investments and its vehicles seeking reimbursement for the losses incurred by the Company and arising from (i) contingencies not known to the San Antonio Societies, and (ii) breach of obligations and breach of representations and warranties. An increase in the nominal limit of R$50,000 for indemnities is also claimed in the arbitration.

On February 22, 2021, the Company was informed of the Partial Judgment issued by the Arbitration Court, which provided for a substantial part of the claims formulated in the Arbitration, and specifically (i) determined responsibilities, (ii) settled part of the claims and (iii) accepted the request to increase the nominal limit of R$50 million. Arbitration continues in the judgment settlement phase to determine the amounts of the remaining convictions. Once sentenced and settled, the amounts constitute a judicial enforcement order.

On March 25, 2021, the Company received the amount of R$5,222 as a result of voluntary compliance with the partial award rendered in the scope of the arbitration process in progress.

Currently, the arbitration procedure is in the award settlement phase in relation to the other claims made by Lupatech, excluding the amount already paid for the voluntary compliance with the award.

15.3 Judicial deposits

The Company presents the following balances of escrow deposits, as of March 31, 2022, which are linked to contingent liabilities:

	Judicial deposits	
	Parent	Consolidated
Tax contingencies	1	805
Labor contingencies	1,486	8,054
Civil contingencies	413	1,565
Balance on March 31, 2022	**1,900**	**10,424**
Balance on December 31, 2021	**1,915**	**10,456**

16 Taxes payable

	Parent		Consolidated	
Taxes payable - Current	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Ordinary Installment Payment (PIS / COFINS / Social Security Contribution)	737	429	1,271	773
Exceptional Transaction Law 13.988/2020 (Ordinance PGFN No. 14.402/2020) and Law 112/2020	3,270	3,037	4,796	4,351
Judicial Recovery Installment	901	1,025	1,130	1,381
INSS installment	-	-	18	18
Installment SESI/SENAI	-	-	8	11
INSS	1,839	1,950	2,452	2,448
IRRF	523	715	576	764
CSLL	37	34	44	40
COFINS	590	774	885	1,160
PIS	281	322	364	424
IPI	-	-	771	541
FGTS	2,680	2,568	4,143	4,010
ICMS	83	96	1,229	1,184
Other miscellaneous taxes	75	82	586	688
Total	11,016	11,032	18,273	17,793

Taxes payable - Non-current	Parent 03/31/2022	Parent 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Installment INSS	516	516	580	580
Installment IRPJ	7,691	7,691	7,691	7,691
Installment CSLL	2,837	2,837	2,837	2,837
Installment COFINS	1,415	1,415	1,415	1,415
Installment ICMS	-	-	1,615	1,586
Installment Ordinário (PIS/COFINS/Contribuição Previdenciária)	3,917	2,718	5,698	3,840
Exceptional Transaction Law 13.988 / 2020 (Ordinance PGFN No. 14.402 / 2020) and Law 112 / 2020	18,205	18,827	24,239	24,739
Judicial Recovery Installment	1,283	1,499	3,833	4,139
Installment ISS	5	6	409	423
Installment SESI/SENAI	-	-	21	16
Other miscellaneous taxes	87	98	679	1,260
	35,956	35,607	49,017	48,526
Judicial deposits linked to installments of IRPJ / CSLL	(12,459)	(12,459)	(12,459)	(12,459)
Total	23,497	23,148	36,558	36,067

On November 14, 2017, the Company promoted the adhesion of several subsidiaries and investees of Grupo Lupatech to the Special Tax Regularization Program – PERT, instituted by Provisional Measure no. 783/2017 and by Law no. 13.496/2017, reorganizing, through this action, the amount of R$123,000 of its liability related to contingencies and tax obligations, which was accompanied by discounts in interest, fines and charges in a total of R$48,000. Due to operational issues of the adhesion process, a significant part (73%) of the liabilities adhered to has not yet been consolidated. This stems from an operational/systemic issue of the Federal Revenue – liabilities that are not listed in the systems available for processing by taxpayers have to be handled manually. In the case of the Company, a large number of processes, especially customs, were included in this context. The company has timely taken the administrative and legal preventive measures indicated by its tax advisors to ensure the right to process the adhesion.

In 2021, taking advantage of the favors introduced in the Exceptional Transaction modality Law 13,988/2020 (PGFN Ordinance No. 14,402/2020) and Law 14,112/2020, the Company reorganized the amount of R$35,050 of its liabilities related to Social Security and Treasury obligations, generating a direct benefit to Grupo Lupatech with discounts on interest, fines and charges in the amount of R$19,477. The adhesion required payment of a toll of R$93 in cash, with the remainder being settled in up to 120 installments. In the RJ modality within the scope of the RFB, such adhesion granted the right to settle 30% of the consolidated debt using credits arising from tax losses and negative basis in the amount of R$9,085.

17 Net equity

a. Capital stock

The current paid social capital is composed only by ordinary shares, with 100% of right to Tag Along:

	Parent and Consolidated	
	Number of Shares	Capital Stock
	Mil	R$
Balance on December 31, 2021	**29,117**	**1,897,348**
Issuance of new shares - subscription bonus exercise	94	83
Balance on March 31, 2022	**29,211**	**1,897,431**

According to the minutes of meetings disclosed in the three-month period ended March 31, 2022, the Board of Directors approved the Company's Capital Stock increase through the exercise of subscription bonus for the acquisition of 94 common shares. The increase in the period was R$83.

b. Dividends

To shareholders is ensured, annually, the mandatory distribution of minimum dividends corresponding to 25% of the adjusted net profit in the terms of corporate legislation.

c. Equity Valuation Adjustments

The Company recognizes in this item the effect of exchange rate variations on investments in subsidiaries abroad and on goodwill arising from acquisitions of investments abroad, whose functional currency follows that to which the foreign operation is subject. The accumulated effect will be reversed to income for the year as a gain or loss only in the event of disposal or write-off of the investment. As of March 31, 2022, the balance of adjustment to equity valuation is R$177,310 (R$204,671 as of December 31, 2021).

d. Capital reserve

On October 29, 2018, Lupatech S.A. - In Judicial Reorganization communicated to its shareholders and the general public that its Board of Directors approved the 1st Issuance of Subscription Bonuses in a single and onerous series in the amount of R$340,453. The issuance took place within the scope of the Judicial Recovery Plan of the Company and other companies of its group, to promote the payment of the creditors of Classes II, III and IV of the Judicial Recovery whose credits come to pay the Subscription Warrants.

A total of 3,404,528 subscription warrants were issued, at the rate of 1 bonus for each R$100.00 (one hundred reais) owed. The bonds were subscribed and paid in on December 11, 2018 (“Subscription Term”).

The Subscription Bonuses may be exercised, during their term, for the fixed price of R$0.88 per Share.

Following the Judicial Reorganization Plan, of the total issued, R$326,746 was allocated to creditors, part of which remains in the Company's power until operationally delivery to creditors is possible, with an unrealized capital reserve of R$2,875 being recorded. The remaining balance of R$13,707 refers to the reserve subscribed for gross contingencies subject to Recovery.

Due to the amendment to the Judicial Reorganization Plan ratified in court on November 26, 2020, foreign currency creditors had a change in the percentage of payment in subscription bonus from 50% to 70%. Thus, for the sole purpose of complying with accounting standards, the Company applied the provisions of ICPC 16. Thus, the amounts of liabilities exchanged for subscription bonuses in the amount of R$35,121 and the adjustment to an estimated fair value of R$34,384 were recorded as an unrealized capital reserve in the net amount of R$736,407.

In the three-month period ended March 31, 2022, for the acquisition of 94,457 common shares of the Company, 94,457 Subscription Warrants were exercised.

18 Financial instruments

18.1 Financial Risk Management

Financial risk factors

The Company's activities expose it to various financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity. The Group's global risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance, through the use of derivative financial instruments to hedge certain exposures.

Risk management is carried out by the central treasury, according to established principles, except for jointly controlled companies, which are shared with the other controlling shareholders. The Group's treasury identifies and assesses the Company's position against possible financial risks in cooperation with the Group's operating units. The Board of Directors establishes principles for the management of global risk, as well as for specific areas, such as exchange rate risk, interest rate risk, use of derivative and non-derivative financial instruments. The implementation of risk protection devices through the contracting of financial instruments is subordinated to the company's liquidity and the availability of credit limits with potential counterparties.

(i) *Exchange rate risk*

The Company operates internationally and is exposed to foreign exchange risk arising from exposure to certain currencies, mainly in relation to the US dollar. Exchange risk arises from commercial and financial operations, recognized assets and liabilities and net investments in foreign operations.

Management has established foreign exchange risk management principles that require the Company to manage its foreign exchange risk in relation to its functional currency. To manage its foreign exchange risk arising from commercial operations, the Company seeks to balance its trade balance between purchases and sales in currencies other than the functional currency. The credit and cash constraints faced by the Company significantly limit the possibilities of contracting foreign exchange derivatives, commonly used in the management of foreign exchange risk.

The Company has certain investments in operations abroad, whose net assets are exposed to foreign exchange risk.

As of March 31, 2022 and December 31, 2021, the Company and its subsidiaries had assets and liabilities denominated in US dollars, as shown in the tables below:

Items	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
	Amounts in US dollar thousands			
Cash and cash equivalents	69	69	619	69
Accounts receivable	2,462	-	2,462	-
Other assets	-	-	8,219	12,372
Related parties - Assets	2,866	2,864	-	-
Loans	(256)	(218)	(15,613)	(15,542)
Related parties - Liabilities	(29,466)	(29,455)	-	-
Other liabilities	-	-	(162)	(38)
Net exposure in US dollars	(24,325)	(26,740)	(4,475)	(3,139)

In March 31, 2022, the exchange rate of the US dollar against the real was US$1.00 = R$4.7378 (US$1.00 = R$5.5805 in December 31, 2021). If the real depreciates by 10% against the official US dollar at the end of the year, all other variables being maintained, the impact on the result is a loss of approximately R$7,664 in the parent company and R$697 in the consolidated.

Sensitivity analysis of foreign currency variations, interest rate variations and risks involving derivative operations:

As mentioned above, the Company is exposed to interest rate fluctuation risks and foreign currencies (other than its functional currency, the “Real”), mainly the US dollar in its loans and financing. The analysis takes into account 3 fluctuation scenarios in these variables. In defining the scenarios used, Management believes that the following assumptions can be realized, with their respective probabilities, however, it should be noted that these assumptions are judgmental exercises performed by Management and that they may generate significant variations in relation to the actual results determined due to the conditions market, which cannot be reliably estimated at this date for the full profile of the estimates.

As determined by the CVM, through Instruction 475, the Company's Management presents the sensitivity analysis, considering:

Interest rate scenario and parity of the US dollar (US$) in relation to the probable real (R$) estimated by Management:
Interest rate for the year 2022: 13%
US$: 5.02

Interest rate scenario and parity of the US dollar (US$) in relation to the real (R$) possible, with a deterioration of 25% (twenty-five percent) in the risk variable considered as probable:
Interest rate for the year 2022: Increase to 16.3%
US$: 6.28

Remote interest rate and parity scenario of the US dollar (US$) in relation to the Brazilian real (R$), with a deterioration of 50% (fifty percent), in the risk variable considered as probable:
Interest rate for the year 2022: Increase to 19.5%
US$: 7.54

The impact presented in the table below refers to the 1-year projection period:

		Scenario as per description above					
		Parent			Consolidated		
Operating	**Risk**	**Probable**	**Possible**	**Remote**	**Probable**	**Possible**	**Remote**
Loans and financing	US$ hike	(79)	425	770	3,769	4,734	13,237
Loans and financing	Interest rate hike	(299)	56	67	77	96	115
Mutual contracts	US$ hike	(8,457)	45,601	82,746	-	-	-
Total (gain) loss		(8,835)	46,082	83,583	3,846	4,830	13,352

The credit and cash constraints faced by the Company significantly limit the possibilities of managing exchange risk

(ii) Risk of cash flow or fair value associated with interest rate

The Group's interest rate risk arises from long-term borrowings. Loans raised at variable rates expose the Group to cash flow interest rate risk. The Group's loans at variable rates are mainly denominated in “Reais”. To minimize possible impacts arising from these fluctuations, the Company adopts diversification practices, alternating the contracting of its debts, aiming to adapt them to the market.

The Group analyzes its interest rate exposure dynamically. Several scenarios are simulated taking into account refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group defines a reasonable change in the interest rate and calculates the impact on income. For each simulation, the same interest rate change is used for all currencies. The scenarios are prepared only for liabilities that represent the main interest-bearing positions.

Based on the simulations carried out, considering the Group's indebtedness profile as of March 31, 2022, the impact on the result, after calculating income tax and social contribution, with a variation of around 0.25 percentage points in variable interest rates, considering that all other variables were kept constant, this would correspond to an approximate increase of R$1,627 in interest expenses in the year.

The credit and cash constraints faced by the Company significantly limit the possibilities of managing interest rate risk.

(iii) Credit risk

Credit risk is managed corporately. Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, securities from entities classified by the Company's Management as first class are accepted. Individual risk limits are determined based on internal or external ratings in accordance with limits established by Management. The use of credit limits is regularly monitored and, when applicable, an allowance for doubtful accounts is recorded.

The selectivity of its customers, as well as the monitoring of sales financing terms by business segment and individual position limits, are procedures adopted in order to minimize possible problems of default in its accounts receivable. Our revenues present amounts involving the client Petrobras, directly and indirectly, which in the three-month period ended March 31, 2022 accounted for approximately 40% (41% in the three-month period ended March 31, 2021) of the revenues of the Company and its subsidiaries.

(iv) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, availability of funding through committed credit facilities and the ability to settle market positions. Due to the dynamic nature of the Group's business, the treasury seeks to obtain flexibility in funding through committed credit lines when contracting them is feasible.

Management monitors the Group's liquidity level, considering the expected cash flow, which comprises unused credit lines, cash and cash equivalents. This is generally carried out at the corporate level of the Group, in accordance with the practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the Company operates. In addition, the Group's liquidity management principles involve projecting cash flows in major currencies and considering the level of liquid assets necessary to achieve these projections, monitoring balance sheet liquidity ratios in relation to internal regulatory requirements and external debt and maintenance of debt financing plans.

18.2 Fair Value Estimate

The fair value of financial assets and liabilities, which have standard terms and conditions and are traded in active markets, is determined based on prices observed in those markets.

The fair value of other financial assets and liabilities (with the exception of derivative instruments) is determined in accordance with pricing models that are based on estimated discounted cash flows, based on the prices of similar instruments practiced in transactions carried out in a current market. observable.

The fair value of derivative instruments is calculated using quoted prices. When these prices are not available, discounted cash flow analysis is used through the yield curve, applicable according to the duration of the instruments for derivatives without options. For derivatives containing options, option pricing models are used.

The Company's main financial assets and liabilities are described below, as well as the criteria for their valuation/evaluation:

a. The Cash, cash equivalents and marketable securities - restricted

The balances in cash and cash equivalents and in marketable securities have their values similar to the book balances, considering their turnover and liquidity. The table below presents this comparison, as of March 31, 2022:

	Parent		Consolidated	
Items	Book value	Fair Value	Book value	Fair Value
Cash and cash equivalents	2,166	2,166	12,408	12,408
Marketable securities	44	44	44	44

b. Loans and financing

The estimated fair value was calculated based on the present value of the future cash disbursement, using interest rates that are available to the Company and the evaluation indicates that the fair values, in relation to the book balances, are as follows, as of March 2022:

Items	Parent		Consolidated	
	Book value	Fair Value	Book value	Fair Value
Loans and financing not judicial recovery	6,536	6,432	11,456	11,337
Discounted securities with non-RJ co-obligation	9,617	9,617	12,372	12,372
Credit title	3,977	3,977	13,968	14,250
Loans and financing judicial recovery	61,742	61,742	95,607	95,607
Total	81,872	81,768	133,403	133,566

18.3 Financial Instruments by Category

Summary of financial instruments by category:

	Parent			
	03/31/2022		12/31/2021	
	Amortized cost	Fair Value by Result	Amortized cost	Fair Value by Result
Financial Assets				
Securities-restricted	44	44	44	44
Accounts receivable	23,173	23,173	15,301	15,301
Cash and cash equivalents	2,166	2,166	1,098	1,098
Related parties	33,302	33,302	35,596	35,596
Total	58,685	58,685	52,039	52,039

	Parent					
	03/31/2022			12/31/2021		
	Judicial Recovery	Not subject to Judicial Recovery		Judicial Recovery	Not subject to Judicial Recovery	
	Creditors list	Financial liabilities at amortized cost	Fair Value by Result	Creditors list	Financial liabilities at amortized cost	Fair Value by Result
Financial Liabilities						
Loans and financing	61,742	20,130	81,872	60,426	14,762	75,188
Suppliers	61,332	8,588	69,920	60,648	3,671	64,319
Related parties	-	193,109	193,109	-	218,397	218,397
Total	123,074	221,827	344,901	121,074	236,830	357,904

	Consolidated			
	03/31/2022		12/31/2021	
	Amortized cost	Fair Value by Result	Amortized cost	Fair Value by Result
Financial Assets				
Securities-restricted	44	44	44	44
Accounts receivable	29,991	29,991	20,943	20,943
Cash and cash equivalents	12,408	12,408	19,176	19,176
Total	42,443	42,443	40,163	40,163

	Consolidated			
	03/31/2022		12/31/2021	
	Judicial Recovery		Judicial Recovery	
	Creditors list	Fair Value by Result	Creditors list	Fair Value by Result
Financial Liabilities				
Loans and financing	95,607	133,403	93,948	128,818
Suppliers	61,332	73,658	60,648	66,696
Total	156,939	207,061	154,596	195,514

19 Insurance Coverage

It is the Company's principle to maintain insurance coverage for property, plant and equipment and inventories subject to risks, in the "Comprehensive Business" modality. It also has coverage for general liability insurance and life insurance, as shown below:

Insurance Purpose	Amount secured 03/31/2022	
- Comprehensive business insurance	R$	90,354
- Life insurance	R$	54,898
- General civil responsability insurance	R$	24,216
- International freight insurance *	US$	400

* Amounts in US dollar thousands.

The scope of the work of our auditors does not include the issuance of an opinion on the sufficiency of the insurance coverage, which was determined by the Company's Management, which considers it sufficient to cover any claims.

20 Stock option plan - "Stock option"

The Company has Stock Option Plans that have the following main objectives:

- Stimulate the resumption of the historical levels of the Company's operational activity and the fulfillment of the established business goals, by creating incentives to align the interests and objectives of the Company's key professionals with its shareholders, especially the fulfillment of the obligations contained in its Plan Judicial Recovery;

- Enable the Company to obtain and maintain the services of its key professionals, offering them, as an additional advantage, the opportunity to become shareholders of the Company, enabling and encouraging the subscription of shares with credits held against the Company from fixed or fixed remuneration. variable, with the consequent preservation of cash; and

- Promote the good performance of the Company and the interests of shareholders through a long-term commitment on the part of its key professionals.

There are two Concession Plans in force:

(i) Plan 2017, approved by the AGE of April 12, 2017, which authorized the granting of options equivalent to up to 10% of the Company's capital stock. All the grants provided for under this plan have already been carried out, with pending exercises.
(ii) Incentive Plan 2020, approved by the Extraordinary General Meeting of August 18, 2020, which decided to grant up to 2,550,000 common shares issued by the Company.

The grants made until March 31, 2022 are shown in the following table:

Grants	2017 Plan			2020 Plan		
	The amoun	Strike Price	Maximum Exercise Term	The amoun	Strike Price	Maximum Exercise Term
Board Members	1,455,028	1.18	04/26/2024	1,143,000	1.78	09/02/2025
	1,129,630	1.35	06/24/2027			
Other Beneficiaries				480,000	3.99	11/30/2025
				51,250	4.44	11/30/2026

On April 30, 2021 and August 19, 2021, the Board of Directors decided to adjust the granting of options due to subsequent corporate events, as well as welcoming the exercise of options by members of the management.

Pursuant to the RCA of February 10, 2022, the Board of Directors approved to the beneficiaries a new grant of up to 51,250 options to purchase common shares of the Company, within the scope of the 2020 Incentive Plan.

After computing the changes and exercises, the following options granted and not exercised remain:

Remaining Options	Exercisable	Not yet Exercisable (term)	Conditioned
Rafael Gorenstein			
Plan 2017 - 1st grant	709,656	-	241,805
Plan 2017 - 2st grant	306,262	459,394	120,903
Plan 2020	860,000	-	-
Paulo Prado da Silva			
Plan 2017	431,026	-	72,541
Plan 2020	-	-	-
João Marcos C. Feiteiro			
Plan 2017	77,884	116,825	48,362
Plan 2020	283,000	-	-
Other Beneficiaries			
Plan 2017	-	-	-
Plan 2020	-	531,250	-

Under the 2017 and 2020 Plans, the right to exercise the Option takes place in successive and annual installments of 20%, the first installment being exercisable from the date of signature of the Agreement, thus totaling 4 years for the acquisition of the right over the total number of Options.

In all Plans, there is provision for the possibility of adjusting the terms and conditions of the options due to certain subsequent corporate events.

21 Demonstration of net revenue

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross sales and/or services				
In Brazil	21,271	21,032	24,135	23,047
Export	9,456	145	9,995	289
	30,727	21,177	34,130	23,336
Deductions for gross sales				
Taxes on sales	(3,506)	(3,875)	(4,016)	(4,255)
Net sales and/or services	27,221	17,302	30,114	19,081

22 Profit (loss) per share

a. Basic

Basic profit (loss) per share are calculated by dividing the profit attributable to the Company's controlling shareholders by the weighted average number of common shares outstanding during the period.

Itens	Parent Company and Consolidated	
	03/31/2022	03/31/2021
Net income (loss) from the exercise	14,916	(42,764)
Profit (loss) attributable to the Company's controlling shareholders	**14,916**	**(42,764)**
Weighted average number of common shares issued (thousands)	**12,986**	**16,501**
Basic earnings (loss) per share - R$	**1.15**	**(2.59)**

b. Diluted

The diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding, to assume the conversion into common shares of instruments that may cause dilution.

Equity instruments have a dilutive effect when they result in the issuance of shares at a value lower than the current share price.

On March 31, 2022, the dilutive effects referring to the stock options were verified, as per explanatory note nº 20, to the subscription warrants of creditors subject to the Judicial Reorganization, as per explanatory note nº 1.2.

23 Financial outcome

Items	Parent 03/31/2022	Parent 03/31/2021	Consolidated 03/31/2022	Consolidated 03/31/2021
Financial Income				
Income from financial investments	4	-	102	51
Related-party interest income (mutual contrac	11	10	-	-
Present value adjustment	-	-	-	4,611
Monetary variance	214	-	371	229
Arbitration Procedure CSL	2,007	-	2,007	-
Other financial income	15	10	18	20
Total financial Income	2,251	20	2,498	4,911
Financial Expenses				
Interest on loans and financing	(1,404)	(678)	(1,626)	(703)
Interest on bonds	-	-	(81)	(1,287)
Interest on Debentures	-	(203)	-	(203)
Present value adjustment	(2,630)	(1,000)	(15,733)	(1,000)
Interest of mutual contract	(185)	(224)	-	-
Interest on suppliers	(858)	5	(875)	(17)
Fines and interest on taxes	(362)	(37)	(630)	(222)
IOF, banking expenses and others	(410)	(1,690)	(675)	(2,548)
Total financial expenses	(5,849)	(3,827)	(19,620)	(5,980)
Gain on exchange variance	32,014	3,055	33,171	12,137
Loss on exchange variance	(2,541)	(19,201)	-	(29,380)
Exchange variance, net	29,473	(16,146)	33,171	(17,243)

24 Other operating income (expenses)

Items	Parent 03/31/2022	Parent 03/31/2021	Consolidated 03/31/2022	Consolidated 03/31/2021
Others operating income				
Reversal of estimate with lawsuit	11	5,808	1,391	9,086
Gain on disposal of fixed assets	-	-	479	-
Reversal of estimated losses due to non-recoverability of assets	-	-	1,738	963
Others	262	62	2,381	631
Total other operating income	273	5,870	5,989	10,680
Others operating expenses				
Provision for loss of lawsuit	(481)	(1,182)	(1,985)	(4,697)
Loss on disposal of fixed assets	-	-	(831)	(1,993)
Cost of idle production	(2,953)	(2,804)	(2,971)	(3,070)
Capital losses on investment	-	(17,197)	-	(18,862)
Others	(529)	(657)	(2,672)	(1,152)
Total other operating expenses	(3,963)	(21,840)	(8,459)	(29,774)
Other net operating expenses	**(3,690)**	**(15,970)**	**(2,470)**	**(19,094)**

25 (Expenditure) by nature

Items	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cost of goods sold	(20,287)	(12,596)	(23,360)	(14,259)
Raw materials, materials for use and consumption, labor and third-party services	(19,669)	(11,849)	(22,464)	(13,224)
Depreciation and amortization	(840)	(887)	(937)	(1,044)
Others	222	140	41	9
Selling expenses	(2,365)	(1,736)	(2,486)	(1,842)
Third-party labor and services	(1,501)	(1,340)	(968)	(906)
Depreciation and amortization	(4)	(5)	(4)	(6)
Other commercial expenses	(860)	(391)	(1,514)	(930)
General and Administrative Expenses	(3,499)	(5,855)	(5,523)	(5,830)
Third-party labor and services	(2,505)	(2,140)	(4,043)	(4,118)
Depreciation and amortization	(227)	(244)	(365)	(249)
Other administrative expenses	(767)	(3,471)	(1,115)	(1,463)
Remuneration of directors	(872)	2,240	(872)	(1,639)

26 Information by business segment and geographic region

The Company's Management defined the Group's operating segments, based on the reports used to make strategic decisions, reviewed by the Board of Directors and considers that the market in which it operates is segmented into the **Product** line, the same composition presented in explanatory note no. 1.

The Company operated in the oil services business **(Services segment),** of which several assets in the process of demobilization remain, as well as the legacy associated with it.

Geographically, Management considers the performance of the Brazilian and South American markets in general. Distribution by region is considered to be the location of the Group's companies and not the location of the customer.

The revenue generated by the reported operating segments comes mainly from:

a. **Products:** mainly producing industrial valves; valves for oil and gas; synthetic fiber ropes for anchoring oil platforms and various other applications; and artifacts of composite materials, such as pole and tubular sleeves for coating oil pipelines.

b. **Services:** The Company proceeds with the demobilization of activities through the sales of equipment, as well as the legacy associated with it. The revenues that make up this segment derive from the settlement of inventory balances, not referring to regular operations.

Sales between segments were carried out as sales between independent parties. Revenue from external parties reported to the Executive Board was measured in a befittingly with that presented in the income statement.

The amounts related to total assets are consistent with the balances recorded in the financial statements. These assets are allocated based on segment operations and the physical location of the asset.

The amounts related to total liabilities are consistent with the balances recorded in the financial statements. These liabilities are allocated based on segment operations.

Segment information is shown below:

	Products		Services		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net sales	**29,718**	**19,054**	**396**	**27**	**30,114**	**19,081**
Cost of sales	(22,989)	(14,220)	(371)	(39)	**(23,360)**	**(14,259)**
Gross Profit (Loss)	**6,729**	**4,834**	**25**	**(12)**	**6,754**	**4,822**
Selling expenses	(2,441)	(1,842)	(45)	-	**(2,486)**	**(1,842)**
General and administrative expenses	(4,550)	(6,456)	(973)	626	**(5,523)**	**(5,830)**
Management remuneration	-	-	(872)	(1,639)	**(872)**	**(1,639)**
Reversal of estimated losses due to the non-recoverability of assets	-	-	1,738	963	**1,738**	**963**
Estimate of losses due to the non-recoverability of assets	-	-	-	-	**-**	**-**
Other operating income (expenses), net	(2,858)	(3,603)	(1,350)	(16,454)	**(4,208)**	**(20,057)**
Operating income (loss) before financial result	**(3,120)**	**(7,067)**	**(1,477)**	**(16,516)**	**(4,597)**	**(23,583)**

	Products		Services		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Identifiable assets	**173,379**	**160,474**	**193,453**	**197,021**	**366,832**	**357,495**
Identifiable liabilities	**17,594**	**7,361**	**184,317**	**183,394**	**201,911**	**190,755**

	Products		Services		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Depreciation and amortization	**(988)**	**(1,016)**	**(128)**	**(283)**	**(1,116)**	**(1,299)**
Acquisition of Property, plants and equipment	**670**	**1**	**23**	**-**	**693**	**1**

The information by geographic region is shown below:

	Brazil		Others		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net sales	**30,114**	**19,081**	-	-	**30,114**	**19,081**
Cost of sales	(23,360)	(14,259)	-	-	**(23,360)**	**(14,259)**
Gross Profit (Loss)	**6,754**	**4,822**	**-**	**-**	**6,754**	**4,822**
Selling expenses	(2,486)	(1,842)	-	-	**(2,486)**	**(1,842)**
Administrative costs	(5,523)	(5,830)	-	-	**(5,523)**	**(5,830)**
Management remuneration	(872)	(1,639)	-	-	**(872)**	**(1,639)**
Reversal of estimated losses due to the non-recoverability of assets	1,738	-	-	-	**1,738**	**-**
Estimate of losses due to the non-recoverability of assets	-	-	-	-	**-**	**-**
Other income (expenses), net	(4,208)	(19,094)	-	-	**(4,208)**	**(19,094)**
Operating income (loss) before financial result	**(4,596)**	**(23,583)**	**-**	**-**	**(4,596)**	**(23,583)**

	Brazil		Others		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Identifiable assets	**366,832**	**357,495**	**-**	**-**	**366,832**	**357,495**
Identifiable liabilities	**168,046**	**157,233**	**33,865**	**33,522**	**201,911**	**190,755**

	Brazil		Others		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Depreciation and amortization	**(2,022)**	**(1,298)**	**-**	**-**	**(2,022)**	**(1,298)**
Acquisition of Property, plants and equipment	**693**	**1**	**-**	**-**	**693**	**1**

27 Assets classified as held for sale

The Company has assets classified as held for sale in current assets, which mainly comprise fixed assets in the service segment, in which they are not in operation and are in the process of being negotiated for sale.

In the context of actions to restructure the Company's operations, Management has been conducting actions and negotiations that may result in the sale of certain assets. The sale of such assets will only be considered highly probable to the extent that there is a prior understanding between the parties and, mainly, there is judicial authorization for the conclusion of the business, since such authorization is an essential requirement in the judicial reorganization process.

As of March 31, 2022, the balance of assets held for sale is shown as follows:

	Parent		Consolidated	
Assets classified as held for sale - Current assets	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Machinery and equipment	3,236	3,236	38,392	43,517
Industrial tools	-	-	2,005	2,329
Furniture and fixtures	-	-	3	3
Date processing equipments	-	-	111	111
Vehicles	-	-	2	2
Total	3,236	3,236	40,513	45,962

	Parent		Consolidated	
Assets classified as held for sale - Non-Current	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Total	-	-	-	-

Summary of movement of assets held for sale:

	Parent							
Gross Cost	**Land**	**Buildings and constructions**	**Machinery and equipment**	**Industrial Tools**	**Furniture and fixtures**	**Date processing equipments**	**Vehicles**	**Total**
Balance on December 31, 2021	-	-	3,236	-	-	-	-	3,236
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
Balance on March 31, 2022	-	-	3,236	-	-	-	-	3,236

	Consolidated							
Gross Cost	**Land**	**Buildings and constructions**	**Machinery and equipment**	**Industrial Tools**	**Furniture and fixtures**	**Date processing equipments**	**Vehicles**	**Total**
Balance on December 31, 2021	-	-	43,517	2,329	3	111	2	45,962
Disposal	-	-	(5)	(324)	-	-	-	(329)
Reversal/Estimation for non-recoverability of assets	-	-	343	-	-	-	-	343
Effect of the conversion of subsidiaries abroad	-	-	(5,463)	-	-	-	-	(5,463)
Balance on March 31, 2022	-	-	38,392	2,005	3	111	2	40,513

28 Subsequent Events

Development of new products

With the prolonged crisis experienced by the oil and gas sector, Lupatech endeavored to promote the development of a new range of products, which took advantage of the expertise and industrial base of the Company's manufacturing units located in Rio Grande do Sul, in the cities of São Leopoldo and Feliz.

On April 14, 2022, according to the Material Fact disclosed, as a strategic part, the Company has been developing new products based on other synthetic fibers and aimed at other application spectrums, such as naval use and cargo handling. On this date, he informed that he had started the commercialization of HMPE (High Modulus Polyethylene) fiber ropes manufactured by Lupatech Ropes located in São Leopoldo - RS.

In turn, the Company's manufacturing unit located in Feliz-RS, which has historically been dedicated to the manufacture of tubular shirts in fiberglass reinforced resin for the coating of oil production tubes, promoted the development of a new range of products – poles made of polyester resin reinforced with glass fibers – as well as the necessary factory adaptations for their production on a commercial scale. According to the Material Fact of April 28, 2022, the efforts undertaken have been fruitful, so that on this date, Lupatech informed that it had signed a contract related to the winning bid, with Celesc Distribuição S.A., for the supply of 426 poles, totaling the global amount of R$1,672,299.00.

Arbitration proceeding against Cordoaria São Leopoldo S.A.

According to the Material Fact of May 17, 2022, although the arbitration award has become final, it was not complied with by Cordoaria São Leopoldo and its controller, which forced Lupatech to file a court order. In the midst of the aforementioned execution, the MM. Court of the 2nd Civil Court of Porto Alegre granted the request for attachment of credits, arising from the contracts that Cordoaria São Leopoldo Original Ltda. (successor of Cordoaria São Leopoldo Ltda.) has with Petrobras, up to the limit of R$33,554, which represents the updated credit of the Company. According to the Transparency Portal, the contracts in force signed by Cordoaria São Leopoldo Original Ltda. with Petrobras exceed R$60 million. The decision is subject to appeal by the defendants.

Comment on the behavior of business projections

	Projected for fiscal year 2022	Held in the 1st Quarter of 2022
Period	**Net revenue - in R$ million**	**Net revenue - in R$ million**
2022	150 a 200	30

The beginning of 2022 was marked by the events related to the outbreak of the Covid Omicron variant and the war in Ukraine. But despite this extremely volatile environment, our markets continued to show strong recovery. The company managed to perform sales reasonably as planned, but it could have been much better if it weren't for the delays arising from the troubled environment. In the first quarter of 2022, the Company obtained R$30 million in consolidated net revenue.

Declaration of directors on the financial statements

In accordance with item VI of article 25 of CVM Instruction No. 480, of December 7, 2009, the Board of Executive Officers declares that it has reviewed, discussed and agreed with the Company's Quarterly Informativo Form for the quarter ended March 31, 2022.

Nova Odessa, May 27, 2022.

Rafael Gorenstein – CEO and IRO

Paulo Prado da Silva - Director without specific designation