



Earnings  
Release

1Q21



eletromidia

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3 pm Brasilia | 2 pm EST | 6 pm GMT

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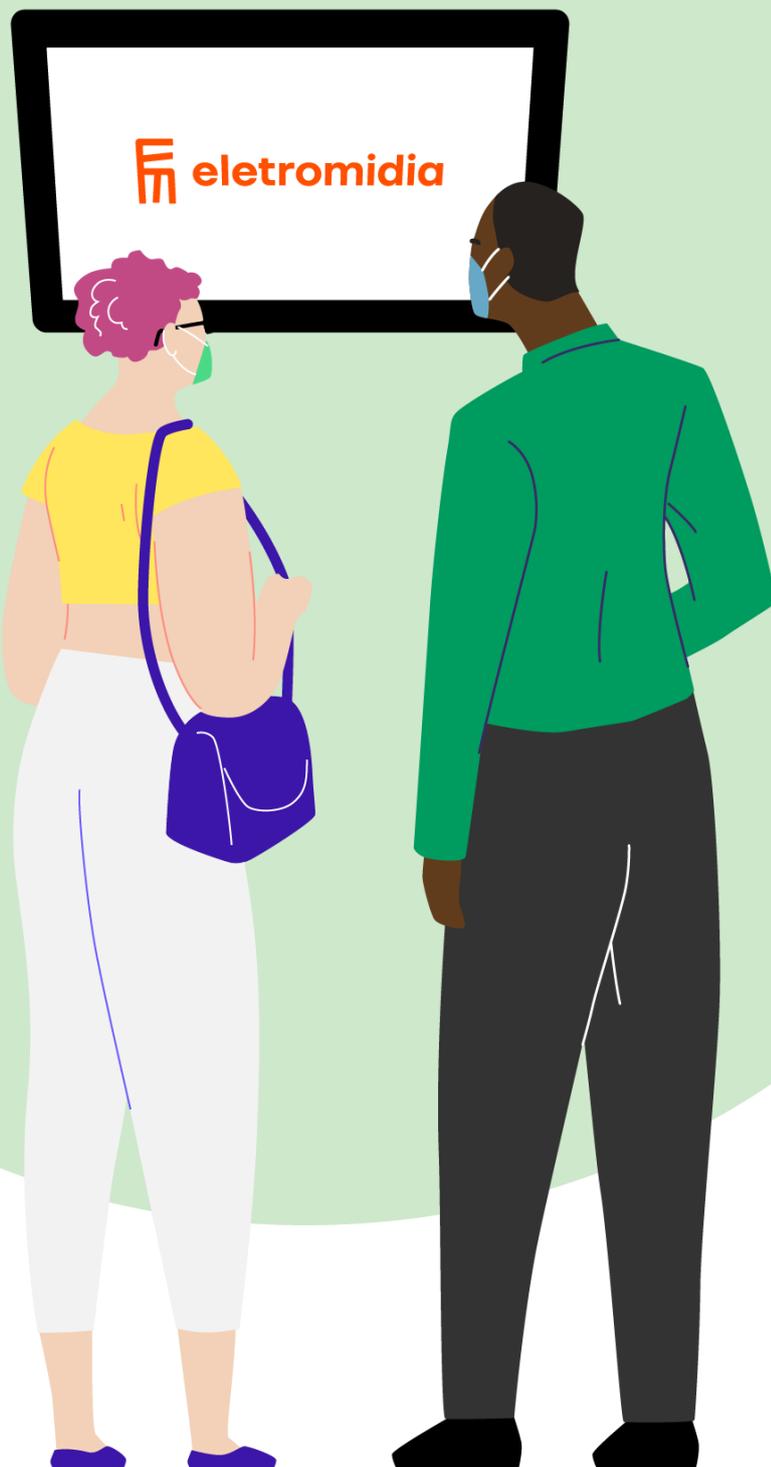
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The following information was prepared according to the Exchange Commission of Brazil (CVM) rules and the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The operating and financial information is presented based on consolidated figures in Reais (R\$). Sums may differ due to rounding. Non-financial data such as volume, quantity, average price, average quotation in Reais were not reviewed by the independent auditors.

## Highlights | 1Q21

- **Gross Revenue:** R\$70.3 million, down 43% compared to 1Q20, as a result of the restriction of people circulation due to the COVID-19 pandemic;
- **Gross Profit:** R\$9.5 million (-81% vs. 1Q20), with a gross margin of 16.4%;
- **Elevators:** 7% growth in the elevators vertical, reaching ~21 thousand faces, 100% of which were digital;
- **Tembici:** 100% completion of the project in Recife - additional potential audience of ~800 thousand people daily;
- **Vehicle Marketing Panel Research:** OOH is one of the highlights, being the second ranked medium of investment intention in 2021.



Despite the result impacted in the short term due to the coronavirus health crisis, the fundamentals of long-term expansion remain unchanged

R\$ Thousand, unless otherwise stated	1Q21	1Q20	Δ R\$	Δ %
<b>Financial Results</b>				
<b>Gross Revenues</b>	<b>70,318</b>	<b>122,518</b>	<b>(52,200)</b>	<b>-42.6%</b>
<b>Gross Profit</b>	<b>9,522</b>	<b>49,381</b>	<b>(39,859)</b>	<b>-80.7%</b>
<i>Gross Margin</i>	16.4%	46.6%		
<b>Adjusted EBITDA</b>	<b>(11,481)</b>	<b>22,528</b>	<b>(34,010)</b>	<b>-151.0%</b>
<i>Adjusted EBITDA Margin</i>	-19.8%	21.3%		
<b>Net Income (Loss) Adjusted</b>	<b>(16,276)</b>	<b>2,768</b>	<b>(19,045)</b>	<b>-688.0%</b>
<i>Adjusted Net Margin</i>	-28.0%	2.6%		
<b>#</b>				
<b>Operational Indicators</b>				
<b>Number of Panels</b>				
Elevators	20,720	19,383	1,337	6.9%
Malls	1,607	1,566	41	2.6%
Streets	617	528	89	16.9%
Transportation	24,316	24,286	30	0.1%
Airports	8,180	8,180	-	0.0%
<b>TOTAL</b>	<b>55,440</b>	<b>53,943</b>	<b>1,497</b>	<b>2.8%</b>
<i>% Digital</i>	69%	68%		
<i>% Static</i>	31%	32%		

## Message from Management

We started 2021 **inaugurating a new chapter in the history of Eletromidia**, with the **Company's listing on B3 in the Novo Mercado segment, the highest level of corporate governance on the Brazilian Stock Exchange**. The proceeds from this initial public offering will enable and accelerate Eletromidia's expansion plan in the out-of-home ("OOH") media market. We believe that we are experiencing a window of opportunity for expansion in the market in which we operate with multiple growth avenues mapped such as (i) new concessions and biddings for urban furniture and airports, (ii) organic expansion, as in the residential buildings segment, (iii) acquisitions, (iv) investments in technology, among others.

While we see several opportunities for expansion and **work focused on building the Company's long-term thesis**, we are experiencing short-term challenges in our business due to the COVID-19 pandemic that negatively impacts our operations. The measures to restrict the circulation of people adopted in public transport, airports, commercial buildings, and shopping malls directly impact our service delivery to advertisers, so that we see a reduced audience in these environments.

After a period in which we experienced a temporary relaxation of measures to restrict the circulation of people, in March 2021 we observed the main cities in the country to adopt strict measures again, such as the lockdown, as a way of increasing isolation rates and containing the increase of the COVID-19 pandemic. Thus, our results in 1Q21 reflect the challenges of the current health crisis. We know that the level of uncertainty is still high in relation to the future developments of this crisis, and we continue to carry out a series of measures to preserve cash, such as the continuous review of expenses reduction, renegotiation of contracts with partners, among others.

**We remain confident that the fundamentals of the OOH sector remain intact** and focused on Eletromidia's long term, putting our growth strategy under implementation since the IPO, after the funding with the offering.

**In the residential building segment, we started accelerating our expansion** by strengthening our building customer acquisition and installation teams and implementing our growth strategy. **As a result of the reformulation of our strategy, we signed 347 contracts with new points in 1Q21**, representing an increase of **8%** from our current base.

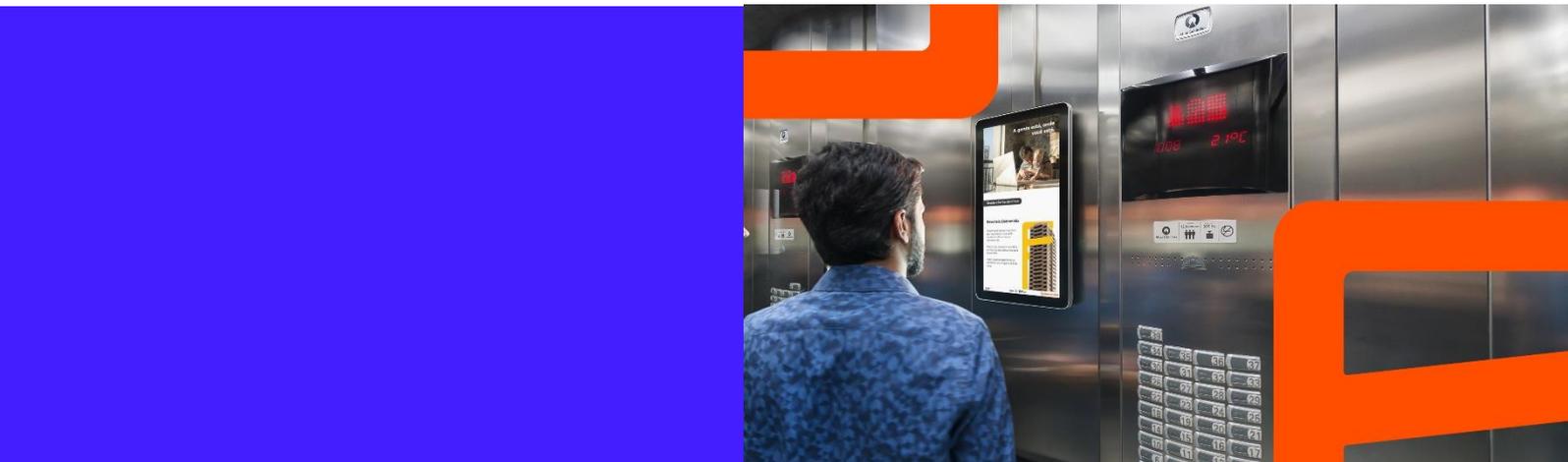
Regarding **technology initiatives**, since the IPO, **we have developed a new version of our small advertisers platform** that is in the testing phase, and we remain focused on projects to develop metrics for our business. To support these projects, **we have expanded our team**, with emphasis on the arrival of an Information Security Head.

Recently, the results of the **Vehicle Marketing Panel** ("PMV") were published, a survey carried out annually since 1996 and recognized by the sector, held with the main advertisers and agencies in the country. **The research shows that, despite the lower investment intention for the year and the people's circulation limitations, OOH is still seen as a relevant medium for advertising investment projections in 2021**. According to the general assessment, **when not compared to digital vehicles, Eletromidia ranks 6th in the "leading vehicles" index**. The Company was only behind major vehicles such as TV Globo, Google and Facebook and is **the only one from OOH mentioned in the total ranking with 12 players**, including as the 7th company with the most day-to-day contacts. In cities such as Rio de Janeiro, where we have a consolidated city domination strategy, Eletromidia is ranked second,

behind only TV Globo. Finally, even with the drop resulting from the pandemic, 90% still intend to invest in the OOH environment.

We know that the current scenario of adversity brings uncertainty in the short term, but **we reinforce our commitment to the future vision for the Company.** We are **focused on increasingly expanding our national presence, doing it responsibly and preserving our agility in execution.** As a result, even in a challenging scenario, we were able to **accelerate customer acquisition in the residential building segment** - one of our main growth avenues. We emphasize the solid fundamentals of the OOH sector, the results of the PMV demonstrated that **out-of-home remains one of the main projections of advertising investment in 2021.** We remain optimistic about the sector, **dedicating our work to generate more and more value to our stakeholders.**

**Eduardo Alvarenga** - CEO



Residential segment panel

## Panels Network

### We remain committed to expanding the elevators vertical and digital assets

Our panels network grew 3% in 1Q21, when compared to 1Q20, totaling 55 thousand faces. When compared to 4Q20, growth was 1% with 419 new advertising faces in the period. We remain focused on the growth of the elevator vertical and digital assets, which represented 37% and 69% of our panels in 1Q21, respectively.

In 1Q21, the buildings vertical grew 7% compared to 1Q20 and 2% compared to 4Q20. The installation of new panels was mostly in residential buildings, focusing mainly on the cities of São Paulo, Rio de Janeiro, Porto Alegre, Curitiba and Belo Horizonte. Additionally, 347 new residential building contracts were signed in 1Q21, reflecting our expansion plan focusing on this vertical.

The increase of 8% in the period or 17% when compared to 1Q20 in the streets vertical is mainly a result of the implementation of the Tembici project in Recife, where it has already been 100% completed and can generate an impact on ~800 thousand people daily, and in Rio de Janeiro, a project that still under implementation. The increase in the transportation vertical was mainly due to the installation of the CPTM digitalization project.



Tembici project panel in Rio de Janeiro

# of Panels	1Q21	1Q20	Δ #	Δ %	4Q20	Δ #	Δ %
<b>Elevators</b>	<b>20,720</b>	<b>19,383</b>	<b>1,337</b>	<b>6.9%</b>	<b>20,393</b>	<b>327</b>	<b>1.6%</b>
Digital	20,720	19,383	1,337	6.9%	20,393	327	1.6%
Static	-	-	-	-	-	-	-
<b>Malls</b>	<b>1,607</b>	<b>1,566</b>	<b>41</b>	<b>2.6%</b>	<b>1,591</b>	<b>16</b>	<b>1.0%</b>
Digital	1,607	1,566	41	2.6%	1,591	16	1.0%
Static	-	-	-	-	-	-	-
<b>Streets</b>	<b>617</b>	<b>528</b>	<b>89</b>	<b>16.9%</b>	<b>571</b>	<b>46</b>	<b>8.1%</b>
Digital	155	66	89	134.8%	109	46	42.2%
Static	462	462	-	-	462	-	-
<b>Transportation</b>	<b>24,316</b>	<b>24,286</b>	<b>30</b>	<b>0.1%</b>	<b>24,286</b>	<b>30</b>	<b>0.1%</b>
Digital	15,466	15,436	30	0.2%	15,436	30	0.2%
Static	8,850	8,850	-	-	8,850	-	-
<b>Airports</b>	<b>8,180</b>	<b>8,180</b>	<b>-</b>	<b>0.0%</b>	<b>8,180</b>	<b>-</b>	<b>0.0%</b>
Digital	280	280	-	0.0%	280	-	0.0%
Static	7,900	7,900	-	-	7,900	-	-
<b>Total</b>	<b>55,440</b>	<b>53,943</b>	<b>1,497</b>	<b>2.8%</b>	<b>55,021</b>	<b>419</b>	<b>0.8%</b>
Digital	38,228	36,731	1,497	4.1%	37,809	419	1.1%
Static	17,212	17,212	-	-	17,212	-	-
<b>% Digital</b>	<b>69%</b>	<b>68%</b>			<b>69%</b>		
<b>% Static</b>	<b>31%</b>	<b>32%</b>			<b>31%</b>		

\* Proforma number of panels in 1Q20, incorporating the assets of the Elemidia subsidiary

## Main Financial Indicators

The following financial information is presented consolidating the direct subsidiary **Elemidia Consultoria e Serviços de Marketing S/A (“Elemidia”)** as of February 1, 2020.

R\$ Thousand, unless otherwise stated	1Q21	1Q20	Δ R\$	Δ %
<b>Gross Revenues</b>	<b>70,318</b>	<b>122,518</b>	<b>(52,200)</b>	<b>-42.6%</b>
<b>Net Revenue</b>	<b>58,048</b>	<b>105,940</b>	<b>(47,892)</b>	<b>-45.2%</b>
<b>Gross Profit</b>	<b>9,522</b>	<b>49,381</b>	<b>(39,859)</b>	<b>-80.7%</b>
<i>Gross Margin</i>	16.4%	46.6%		
<b>Adjusted EBITDA</b>	<b>(11,481)</b>	<b>22,528</b>	<b>(34,010)</b>	<b>-151.0%</b>
<i>Adjusted EBITDA Margin</i>	-19.8%	21.3%		
<b>Net Income (Loss) Adjusted</b>	<b>(16,276)</b>	<b>2,768</b>	<b>(19,045)</b>	<b>-688.0%</b>
<i>Adjusted Net Margin</i>	-28.0%	2.6%		

In view of the acquisition of Elemidia in 2020, Eletromidia discloses below its **main Proforma financial information for the first quarter of 2020:**

R\$ Thousand, unless otherwise stated	1Q21	1Q20	Δ R\$	Δ %
<b>Net Revenue</b>	<b>58,048</b>	<b>116,901</b>	<b>(58,853)</b>	<b>-50.3%</b>
<b>Gross Profit</b>	<b>9,522</b>	<b>57,846</b>	<b>(48,324)</b>	<b>-83.5%</b>
<i>Gross Margin</i>	16.4%	49.5%		
<b>Adjusted EBITDA</b>	<b>(11,481)</b>	<b>25,946</b>	<b>(37,428)</b>	<b>-144.3%</b>
<i>Adjusted EBITDA Margin</i>	-19.8%	21.3%		
<b>Net Income (Loss) Adjusted</b>	<b>(16,276)</b>	<b>6,186</b>	<b>(22,463)</b>	<b>-363.1%</b>
<i>Adjusted Net Margin</i>	-28.0%	5.3%		

The consolidated Proforma financial information, audited individually, but not jointly, was prepared in accordance with the provisions of CVM Resolution No. 709, of May 2, 2013. This information was prepared as if the acquisition of Elemidia had taken place on January 1, 2020.

This consolidated Proforma financial information is presented for informational purposes only and should not be interpreted as an indication of the Company's future consolidated financial statements or as an effective consolidated statement of profit or loss if the aforementioned business combination had occurred on January 1, 2019.

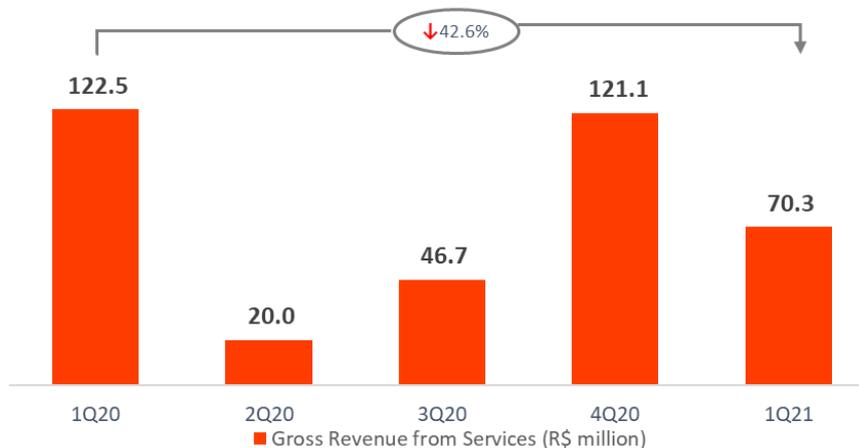


## Gross Revenue

Eletromidia is an out-of-home media company with an extensive portfolio of assets positioned in prominent locations with high attractiveness for advertisers. Our panels are located in environments that are classified as (i) transportation, (ii) elevators, (iii) shopping malls, (iv) airports and (v) streets. Thus, **the Company's Gross Revenue is earned through the sale of these spaces for advertisers to run their advertising campaigns.**

R\$ Thousand	1Q21	1Q20	Δ R\$	Δ %
<b>Gross Revenue</b>	<b>70,318</b>	<b>122,518</b>	<b>(52,200)</b>	<b>-42.6%</b>
(-) Sales Tax	(9,394)	(16,047)	6,653	-41.5%
(-) Cancellations & Deductions	(2,876)	(531)	(2,345)	441.6%
<b>Net Revenue</b>	<b>58,048</b>	<b>105,940</b>	<b>(47,892)</b>	<b>-45.2%</b>
(-) Costs of Services Rendered	(48,526)	(56,559)	8,033	-14.2%
<b>Gross Profit</b>	<b>9,522</b>	<b>49,381</b>	<b>(39,859)</b>	<b>-80.7%</b>
<i>Gross Margin</i>	16.4%	46.6%		

Gross Revenue totaled R\$70.3 million in 1Q21, down 43% when compared to 1Q20. The retraction was the result of the impacts of the COVID-19 pandemic, which resulted in restriction of people circulation, reducing the average audience base by around 44% in the first two months of the year. In addition, postponement of important commemorative dates for the advertising market such as the Carnival, worsened by the more restrictive measures of lockdown implemented in the main capitals of the country in March 2021, had a negative impact on Gross Revenue.

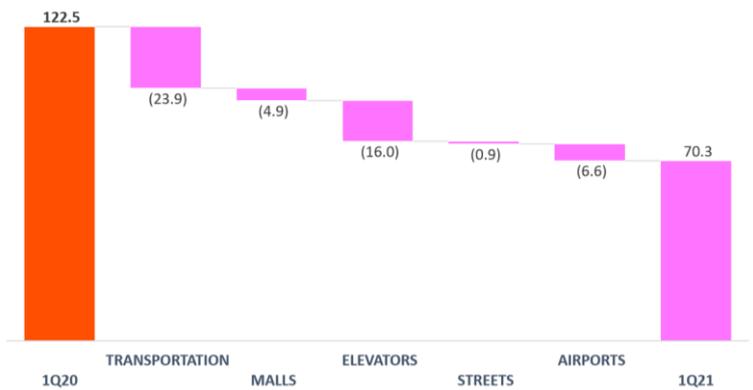


To maintain the comparability of the result, the Company informs that Eletromidia's Gross Revenue in January 2020 was R\$12.5 million. When added to 1Q20 Gross Revenue, the reduction in the annual comparison is 48%.

Eletromidia's results vary from quarter to quarter due to the seasonality of the advertising market. Historically, the Company's revenue is lower in the first quarter of the year – a vacation period for the majority of the population, who, in general, end up leaving the cities, having a gradual evolution quarter by quarter and reaching higher levels at the end of the year – a period of commemorative dates and with great circulation of people in external environments.

The Company uses the daily audience and the wide coverage in the country's urban centers to earn its revenue. 1Q21 was impacted by the lower circulation of people in the main centers of the country.

The transportation vertical was lower by R\$23.9 million in the quarter, followed by elevators with R\$16.0 million and airports with R\$6.6. The sharpest reduction in these verticals is also explained by the relevance in the share of Gross Revenue.



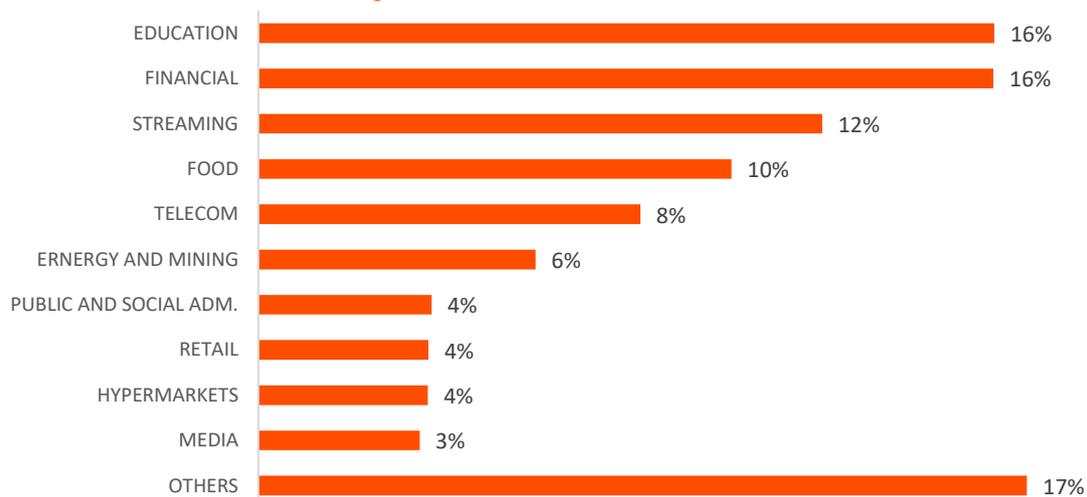
Regarding the drop in audience, when comparing the average for 1Q21 with the average for 1Q20, the most affected verticals were: (i) airports, with a drop of 62%, (ii) shopping malls, with a drop of 56%, and (iii) commercial buildings, with a drop of 68%.

It is important to mention that the impact on the elevators segment is explained mainly by the commercial elevator segment. The company remains focused on expanding the residential elevator segment, as commented on page 6.

We present below the participation of each vertical in the Company's Gross Revenue:

Gross Revenue	1Q21	1Q20	Δ R\$	Δ %	1Q21 (%)	1Q20 (%)	Δ %
Elevators	16,987	32,943	(15,956)	-48%	24%	27%	-3 p.p
Malls	3,879	8,766	(4,887)	-56%	6%	7%	-2 p.p
Streets	5,949	6,838	(889)	-13%	8%	6%	+3 p.p
Transportation	36,923	60,790	(23,867)	-39%	53%	50%	+3 p.p
Airports	6,580	13,181	(6,601)	-50%	9%	11%	-1 p.p
<b>Total</b>	<b>70,319</b>	<b>122,518</b>	<b>(52,199)</b>		<b>100%</b>	<b>100%</b>	

## Gross Revenue breakdown by clients sector



Among the sectors that had more relevance, we highlight that: (i) the Financial and Insurance sector remains one of the Company's main advertisers; and (ii) the Streaming sector showed the highest growth in the quarter, following the increase in entertainment consumption during the pandemic.

## Cost of Services Rendered

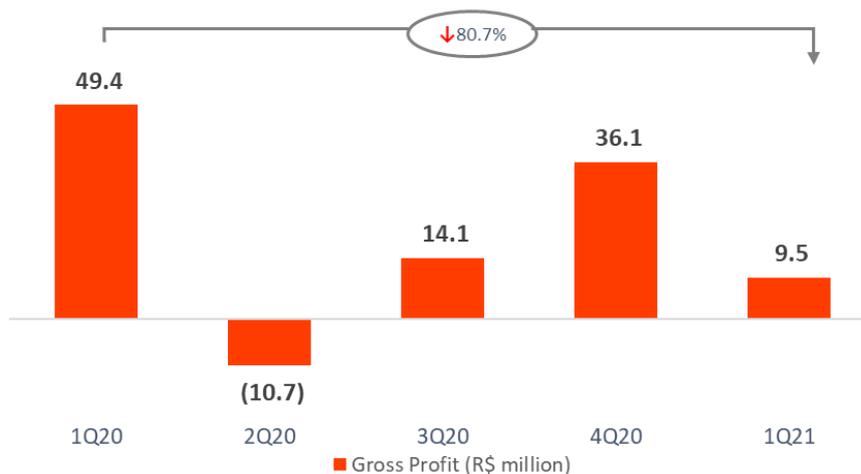
Eletromidia's Cost of Services Rendered totaled R\$48.5 million in 1Q21 (R\$56.5 million in 1Q20). The 14% reduction is the result of the various actions taken by the Company throughout 2020 seeking to reduce operating costs, mainly due to the renegotiation of transfers to partners, a process that is in progress in order to obtain discounts related to fixed commitments and change of the index for monetary adjustment of the amounts due. While the negotiations are not properly formalized, the transfers remain recorded at the contract amounts. Eletromidia's costs in January 2020 totaled R\$1.6 million, when added to Costs in 1Q20, the reduction in the annual comparison is 16%.

In the quarter, the Company's fixed costs represented 81%, while variable costs represented 19%.

It is important to mention that the reduction in the cost line item at a lower level than revenue is explained by the Company's unchanged expansion strategy, which includes the maintenance and installation of new screens.

## Gross Profit

In 1Q21, Gross Profit was R\$9.5 million, down 81% when compared to Gross Profit of R\$49.5 million realized in 1Q20. The drop in the quarter is a result of the lower volume of revenue, due to the lower circulation of people, as mentioned in the "Gross Revenue" chapter, as well as the accounting of costs at contractual values, as explained in the chapter "Costs of Services Provided". The Gross Margin in 1Q21 was 16.4%, down 30.2 pp. vs. 46.6% in 1Q20.



**Gross Profit in 1Q21 was R\$9.5 million, representing a gross margin of 16.4% (-30.2 pp. vs. 1Q20)**

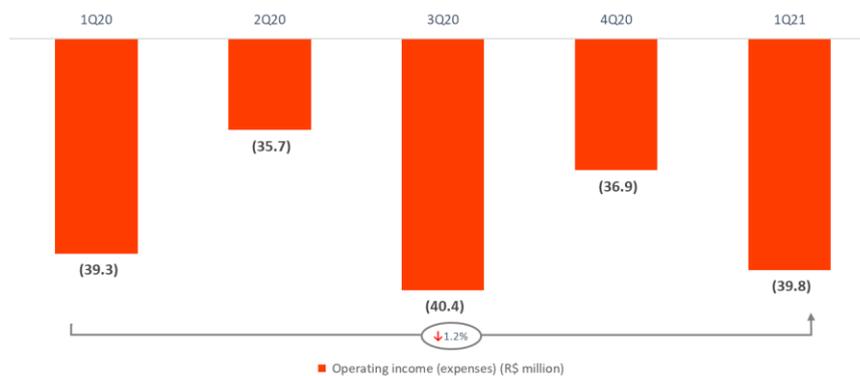
LED panel of the CPTM project

## Operating Expenses

R\$ Thousand	1Q21	1Q20	Δ R\$	Δ %
<b>Operating income (expenses)</b>				
(-) Personal, General & Administrative expenses	(33,100)	(22,804)	(10,296)	45.1%
(-) Selling Expenses	(2,550)	(9,677)	7,127	-73.6%
(+/-) Other income (expenses), net	(4,159)	(6,846)	2,687	-39.2%
<b>Total Operating Income (expenses)</b>	<b>(39,809)</b>	<b>(39,327)</b>	<b>(482)</b>	<b>1.2%</b>
<i>SG&amp;A on Net Revenue</i>	<i>-68.6%</i>	<i>-37.1%</i>		

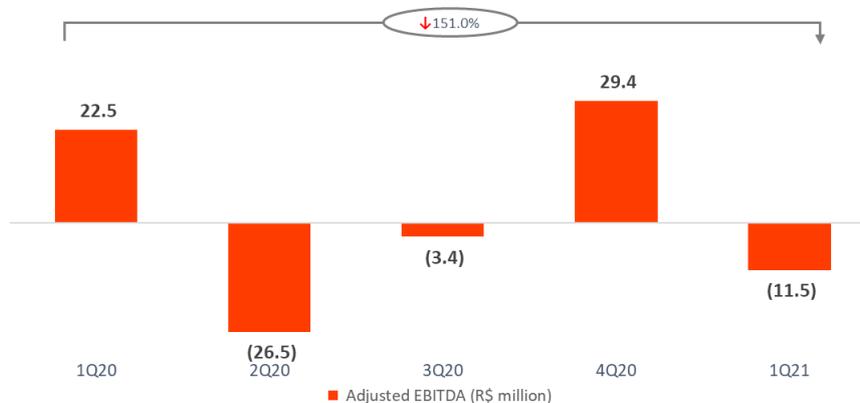
Operating Expenses were practically stable in the annual comparison, totaling R\$39.8 million in 1Q21 (R\$39.3 million in 1Q20.)

The company carried out a continuous effort to review expenses throughout 1Q21, considering the lower volume of revenue caused by social isolation. The renegotiations included lease contracts, service contracts – in some cases, the temporary suspension and review of marketing planning. The increase in the Personnel, General & Administrative line is explained, in part, by the consolidation of Elemidia, which represented R\$26.7 million in January 2020.



## Adjusted EBITDA

Adjusted EBITDA was negative by R\$11.5 million in 1Q21, down 151% compared to R\$22.5 million in 1Q20. In the quarter, the Adjusted EBITDA margin was negative by 19.8%, down 41.0 pp. compared to 1Q20.



The decrease was chiefly due to the economic downturn and reduction in the circulation of people generated by the effects of the COVID-19 pandemic.

## Adjusted EBITDA reconciliation

The Company discloses its Adjusted EBITDA excluding other non-recurring operating income (expenses) as it understands that they should not be considered in the calculation of recurring operating cash generation.

R\$ Thousand	1Q21	1Q20	Δ R\$	Δ %
<b>Net Profit (Loss)</b>	<b>(22,292)</b>	<b>(1,308)</b>	<b>(20,984)</b>	<b>1604.3%</b>
(+/-) Finance Income (Costs), Net	7,642	2,875	4,767	165.8%
(+/-) Income Tax and Social Contribution	(15,637)	8,487	(24,124)	-284.2%
(+/-) Depreciation and amortization	17,377	12,161	5,216	42.9%
<b>EBITDA (IN CVM 527/09)</b>	<b>(12,910)</b>	<b>22,215</b>	<b>(35,125)</b>	<b>-158.1%</b>
(+/-) Expenses with Business Combination	61	689	(628)	-91.1%
(+/-) Stock Options Expenses	1,148	-	1,148	0.0%
(+/-) Other non-recurring	219	(376)	595	-158.3%
<b>Adjusted EBITDA</b>	<b>(11,481)</b>	<b>22,528</b>	<b>(34,010)</b>	<b>-151.0%</b>
<i>Adjusted Ebitda Margin</i>	<i>-19.8%</i>	<i>21.3%</i>		

Adjusted EBITDA is calculated from net profit (loss), plus depreciation and amortization, income taxes, net finance income (costs) and the result of other non-operating or non-recurring income/expenses, such as expenses with business combination, Stock Options expenses, among others.

Regarding the adjustments made, the Business Combinations line item refers to expenses with legal diligence and commissions to financial advisors related to the acquisition of Elemidia. Stock Options line item refers to expenses with the granting of stock options that have vested in the period. The adjustments allocated to the Other non-recurring line item refer to expenses with company integration consultancy and service provision agreements with companies belonging to the controlling shareholder's economic group, a contract that was discontinued after the company's IPO .

## Finance Income (costs), net

R\$ Thousand	1Q21	1Q20	Δ R\$	Δ %
<b>Finance Income (costs)</b>				
(+) Finance Income	2,708	1,432	1,276	89.1%
(-) Finance Costs	(10,350)	(4,307)	(6,043)	140.3%
<b>Total Finance Income (costs), net</b>	<b>(7,642)</b>	<b>(2,875)</b>	<b>(4,767)</b>	<b>165.8%</b>

The Finance income (costs) presented a negative balance of R\$7.6 million in 1Q21, compared to a negative balance of R\$2.9 million. The increase observed in Finance Income is a result of the increase in investment balances. The 140% change in Finance Costs is explained: (i) by debentures funding in March 2020 in the amount of R\$660 million; and (ii) the adherence to tax installment payment programs.

## Depreciation and Amortization

Depreciation & Amortization expenses were R\$17.3 million in 1Q21 (R\$12.1 million in 1Q20). The increase is due, in part, to the effect of the amortization of contracts resulting from the corporate restructuring process that took place during 2020, which totaled R\$4.6 million in 1Q21.

The amortizations are calculated monthly according to the term of the contracts as established in the appraisal reports and in the PPA (Purchase Price Allocation), with amortizations varying between 70 and 120 months.

## Net Profit

Adjusted Net Profit (Loss) is calculated from Net Profit (loss), excluding: Those items listed in the Adjusted EBITDA reconciliation section and the expenses related to intangible assets amortization resulting from the acquisitions of companies in the periods.

R\$ Thousand	1Q21	1Q20	Δ R\$	Δ %
<b>Net Profit (Loss)</b>	<b>(22,292)</b>	<b>(1,308)</b>	<b>(20,984)</b>	<b>1604.3%</b>
<i>Net Margin</i>	-38.4%	-1.2%		
(+/-) EBITDA adjustments	1,429	313	1,115	356.0%
(+/-) PPA amortizations	4,587	3,763	824	21.9%
<b>Adjusted Net Profit (Loss)</b>	<b>(16,276)</b>	<b>2,768</b>	<b>(19,045)</b>	<b>-688.0%</b>
<i>Adjusted Net Margin</i>	-28.0%	2.6%		-30.7 p.p

In 1Q21, Adjusted Net Loss was R\$16.3 million, down 688% compared to Adjusted Net Profit of R\$2.8 million in 1Q20. The Adjusted Net Margin was negative by 28.0% in the quarter, down 30.7 pp. compared to the positive net margin of 2.6% in 1Q20.

## Cash flow

R\$ Mil	1Q21	1Q20	Δ R\$	Δ %
<b>Opening balance</b>	<b>86,135</b>	<b>32,335</b>	<b>53,800</b>	<b>166.4%</b>
(+/-) Net Operating Cash	(20,132)	14,477	(34,609)	-239.1%
(+/-) Net Cash Investment	(31,545)	(588,864)	557,319	-94.6%
(+/-) Net Cash Financing	662,083	822,967	(160,884)	-19.5%
<b>Closing balance</b>	<b>696,541</b>	<b>280,915</b>	<b>415,626</b>	<b>148.0%</b>
Net Cash Generation	610,406	248,580	361,826	145.6%

Eletromidia's Operating Cash ended 1Q21 with a negative balance of R\$20.1 million, compared to R\$14.5 million in 1Q20. The change was mainly due to the loss recorded in the period, partially offset by the increase in working capital, which totaled R\$7.1 million.

During the quarter, the Company focused its efforts on preserving cash, reviewing processes to improve operating working capital, reducing the average collection period and lengthening payment terms.

Investments totaled R\$31.5 million in 1Q21, consisting essentially of: (i) R\$17.3 million related to the payment for the full acquisition of the equity interest in the Hyperfator subsidiary; and (ii) R\$14.0 million in the acquisition of equipment, in line with the expansion plan, allocated to the expansion CAPEX for

new projects, such as: Tembici, installation of screens in elevators and equipment for the CPTM digitalization project.

The changes in the Financing Cash generation are mainly due to the funding from the Initial Public Offering (“IPO”), which totaled R\$668.6 million (net of commissions and fees).

In 1Q21, the Company's Net Cash Generation was R\$610.4 million (R\$248.6 million in 1Q20). The Company started the year with a balance of R\$89.0 million and ended the quarter with R\$699.4 million.

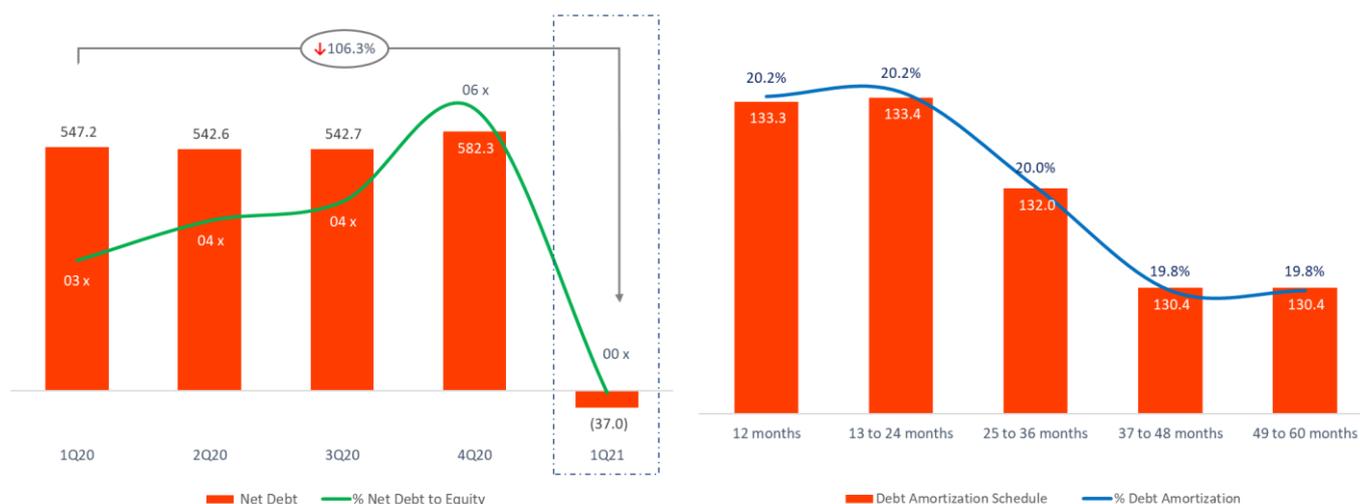
It is important to mention that in the period the company incurred expenses with the payment of interest on debentures and borrowings in the amount of R\$15 million and with the acquisitions made in 2020 in the amount of R\$11 million.

## Indebtedness

R\$ Thousand	1Q21	4Q20	Δ R\$	Δ %
<b>Borrowings</b>				
(+) Debentures	653,155	660,184	(7,029)	-1.1%
(+) Borrowings	1,171	2,535	(1,364)	-53.8%
(+) Lease Liabilities	5,252	5,745	(493)	-8.6%
<b>Gross Debt</b>	<b>659,578</b>	<b>668,464</b>	<b>(8,886)</b>	<b>-1.3%</b>
(-) Cash and cash equivalents	(696,541)	(86,135)	(610,406)	708.7%
<b>Net Debt</b>	<b>(36,963)</b>	<b>582,329</b>	<b>(619,292)</b>	<b>-106.3%</b>
<b>Equity</b>	<b>749,032</b>	<b>186,779</b>	<b>562,253</b>	<b>301.0%</b>

The Company ended 1Q21 with a Gross Debt of R\$659.6 million, down 1.3% when compared to a Gross Debt of R\$668.5 million in 4Q20.

The funding from the primary offering had a positive impact on the Company's Net Debt, reducing the ratio in relation to Equity, the Net Debt/ Equity went from 6.3x at the end of 2020 to less than 1.0x in 1Q21. It should be noted that 20.2% of the Company's Gross Debt matures in the Short Term (next 12 months), and 19.8% of the Gross Debt matures between 49 and 60 months, as shown in the graph below with the Gross Debt amortization schedule.



# Income Statement

R\$ Thousand	1Q21	1Q20	Δ R\$	Δ %
<b>Gross Revenue</b>	<b>70,318</b>	<b>122,518</b>	<b>(52,200)</b>	<b>-42.6%</b>
(-) Sales Tax	(9,394)	(16,047)	6,653	-41.5%
(-) Cancellations & Deductions	(2,876)	(531)	(2,345)	441.6%
<b>Net Revenue</b>	<b>58,048</b>	<b>105,940</b>	<b>(47,892)</b>	<b>-45.2%</b>
(-) Costs of Services Rendered	(48,526)	(56,559)	8,033	-14.2%
<b>Gross Profit</b>	<b>9,522</b>	<b>49,381</b>	<b>(39,859)</b>	<b>-80.7%</b>
<i>Gross Margin</i>	<i>16.4%</i>	<i>46.6%</i>		<i>-30.2 p.p</i>
(-) Personal, General & Administrative expenses	(33,100)	(22,804)	(10,296)	45.1%
(-) Selling Expenses	(2,550)	(9,677)	7,127	-73.6%
(+/-) Other income (expenses), Net	(4,159)	(6,846)	2,687	-39.2%
(+/-) Finance Income (Costs), Net	(7,642)	(2,875)	(4,767)	165.8%
<b>Profit Before Taxes</b>	<b>(37,929)</b>	<b>7,179</b>	<b>(45,108)</b>	<b>-628.3%</b>
(+/-) Income Tax and Social Contribution	15,637	(8,487)	24,124	-284.2%
<b>Net Profit (Loss)</b>	<b>(22,292)</b>	<b>(1,308)</b>	<b>(20,984)</b>	<b>1604.3%</b>
<i>Net Margin</i>	<i>-38.4%</i>	<i>-1.2%</i>		

# Balance Sheet

R\$ Thousand	1Q21	1Q20	Δ %
<b>Current Assets</b>			
Cash and cash equivalents	696,541	86,135	708.7%
Trade receivables	52,242	77,406	-32.5%
Taxes recoverable	6,565	12,056	-45.5%
Advances	14,326	6,311	127.0%
Other	4,505	6,458	-30.2%
<b>Total Current Assets</b>	<b>774,179</b>	<b>188,366</b>	<b>311.0%</b>
<b>Long-term Assets</b>			
Financial investments	30,960	30,816	0.5%
Taxes recoverable	54,943	24,958	120.1%
Advances	10,341	10,141	2.0%
Other	3,685	2,895	27.3%
<b>Total Long-term Assets</b>	<b>99,929</b>	<b>68,810</b>	<b>45.2%</b>
<b>Permanent Assets</b>			
Property, plant and equipment	134,391	128,421	4.6%
Intangible assets	615,573	624,632	-1.5%
Right-of-use assets	4,722	5,241	-9.9%
<b>Total Permanent Assets</b>	<b>754,686</b>	<b>758,294</b>	<b>-0.5%</b>
<b>Total Assets</b>	<b>1,628,794</b>	<b>1,015,470</b>	<b>60.4%</b>
<b>R\$ Thousand</b>			
<b>Current Liabilities</b>			
Trade payables	90,863	102,599	-11.4%
Loans and Financing	134,494	78,245	71.9%
Labor obligations	10,427	11,616	-10.2%
Tax obligations	6,093	5,446	11.9%
Advances	56,883	51,895	9.6%
Other	7,580	13,056	-41.9%
<b>Total Current Liabilities</b>	<b>306,340</b>	<b>262,857</b>	<b>16.5%</b>
<b>Noncurrent Liabilities</b>			
Loans and Financing	525,084	590,219	-11.0%
Tax obligations	9,893	9,019	9.7%
Trade payables for acquisition of investments	28,515	40,771	-30.1%
Related parties	-	10,993	-100.0%
Other	9,930	9,694	2.4%
<b>Total Noncurrent Liabilities</b>	<b>573,422</b>	<b>660,696</b>	<b>-13.2%</b>
<b>Total Liabilities</b>	<b>879,762</b>	<b>923,553</b>	<b>-4.7%</b>
<b>Equity</b>			
Share capital	206,556	161,470	27.9%
Capital reserve	640,530	6,209	10216.2%
Retained earnings (accumulated losses)	(98,054)	(75,762)	29.4%
<b>Total Equity</b>	<b>749,032</b>	<b>91,917</b>	<b>714.9%</b>
<b>Total Liabilities and Equity</b>	<b>1,628,794</b>	<b>1,015,470</b>	<b>60.4%</b>



## Cash Flow - Indirect Method

R\$ Mil	1Q21	1Q20	Δ %
<b>Profit (loss) before income tax and social contribution</b>	<b>(37,929)</b>	<b>7,180</b>	<b>-628.3%</b>
<b>Adjustments:</b>			
Interest on borrowings, debentures and leases	7,741	3,118	148.3%
Provision for contingencies	304	411	-26.0%
Estimated loss on doubtful receivables	(1,340)	(39)	3335.9%
Depreciation and amortization	17,377	12,161	42.9%
Income tax and social contribution paid	(168)	(3,191)	-94.7%
Interest paid	(15,022)	(2,120)	608.6%
Other	1,813	427	324.6%
<b>Variations in assets and liabilities</b>	<b>7,092</b>	<b>(3,470)</b>	<b>-304.4%</b>
Accounts receivable	26,505	(28,825)	-192.0%
Recoverable taxes	(2,271)	(1,458)	55.8%
Advances	(454)	(7,155)	-93.7%
Judicial deposits	(150)	(42)	257.1%
Other Assets	1,315	(10,894)	-112.1%
Suppliers	(11,737)	38,905	-130.2%
Labor obligations	(1,189)	6,220	-119.1%
Taxes payable	1,520	(19,813)	-107.7%
Advances from clients	(2,756)	2,232	-223.5%
Deferred revenues	7,744	10,979	-29.5%
Other liabilities	(11,435)	6,381	-279.2%
<b>Net cash generated by operating activities</b>	<b>(20,132)</b>	<b>14,477</b>	<b>-239.1%</b>
Payment for acquisition of investee	(17,358)	(459,091)	-96.2%
Restricted financial investment	(144)	-	100.0%
Acquisition of property and equipment and intangible assets	(14,043)	(129,773)	-89.2%
<b>Net cash used in investing activities</b>	<b>(31,545)</b>	<b>(588,864)</b>	<b>-94.6%</b>
Funding through borrowings and debentures	-	713,409	-100.0%
Payments of loans and financing	(1,363)	-	100.0%
Payment of lease liabilities	(633)	(442)	43.2%
Capital Increase	45,086	110,000	-59.0%
Fundraising from the IPO	660,696	-	100.0%
Expenses with shares issues	(41,703)	-	100.0%
<b>Net cash provided by (used in) financing activities</b>	<b>662,083</b>	<b>822,967</b>	<b>-19.5%</b>
<b>Net cash increase</b>	<b>610,406</b>	<b>248,580</b>	<b>145.6%</b>
Cash at the beginning of the year	86,135	38,018	126.6%
Cash at the end of the year	696,541	286,597	143.0%



## Legal warning

Some statements in this document may be statements about future expectations. Such statements are subject to known and unknown risks and uncertainties that may cause such expectations to not materialize or to be substantially different from what was expected. These risks include, among others, changes in the future demand for the Company's products, changes in factors that affect domestic and international prices of products, changes in the cost structure, changes in the seasonality of the markets, changes in prices practiced by competitors, exchange rate variations, changes in the Brazilian political and economic scenario, in the emerging and international markets. The forward-looking statements have not been reviewed by the independent auditors.