

sinqia

3Q21 Earnings Release



Results webcast in Portuguese with simultaneous translation into English

11.17.2021 (Wednesday)

11 a.m. (Brasília) / 9 a.m. (New York) /
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Webcast: **[Register here](#)**

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Price: R\$18.30

Market Cap.: R\$1,609 million

Number of shares: 87,941,972

Base 11.12.2021

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São Paulo, November 16, 2021. Sinqia S.A. (B3: SQIA3) ("**Company**"), technology provider for the financial system, announces its consolidated results for the third quarter of 2021 ("**3Q21**").

3Q21 Highlights

Consolidation Strategy

We announced the acquisition of QuiteJá to reinforce Sinqia Digital;

Innovation Strategy

We selected Canary, a venture capital manager, as a new partner of Torq Ventures;
We announced a direct investment in CashWay, in order to evolve BaaS technology;
We announced a partnership with TechRules to expand the offer in Funds;

Capital Structure

We issued a debenture of up to R\$250 million;
We concluded a follow-on offering in the amount of R\$400 million;

Software ARR

All-time high of R\$286.9 million in 3Q21 (**+88.3% vs. 3Q20**);

Number of Customers

493 customers at the end of 3Q21 (**+148 vs. 3Q20**)

Net Revenue

All-time high of R\$92.1 million in 3Q21 (**+74.5% vs. 3Q20**);

Recurring Revenue

Reached R\$81.4 million in 3Q21 (**+73.6% vs. 3Q20**), 88.4% of the total amount;

Adjusted EBITDA

Reached R\$16.6 million in 3Q21 (**+88.0% vs. 3Q20**), with a Margin of 18.0%;

Disclaimer

This material was prepared by Sinqia S.A. ("Sinqia") (B3: SQIA3) and may contain forward-looking statements that express management's expectations, beliefs, and/or projections of future events or results. These forward-looking statements involve risks and uncertainties that could cause results to differ materially from our projections. Such forward-looking statements are based on information currently available related to Sinqia and Sinqia's operating sector and are not intended to be comprehensive or provide advice to potential investors, so readers should not rely exclusively on the information contained herein. The investment in Sinqia's securities involves certain risks. Before making any investment decision, potential investors should carefully analyze all the information contained in the Reference Form, in the financial statements accompanied by the respective notes and, if applicable, in the offering documents, among others. The business, financial condition, operating results, cash flow, liquidity, and/or prospects may be adversely affected by currently known or unknown risk factors. This document does not constitute an offer to sell or a solicitation to buy any securities of Sinqia.

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MESSAGE FROM MANAGEMENT

The third quarter of 2021 was one of the most important quarters in Sinqia's history, mainly marked by the issue of debentures and shares that enabled the beginning of a new investment cycle. In addition, we continued to advance in our consolidation and innovation strategies, delivering growing results.

In July, we concluded the second offering of debentures of up to R\$250.0 million, of which R\$150.0 million has already been paid and R\$100.0 million will be paid in the future. Given the potential commitment of these resources, in light of our M&A pipeline, we carried out a third share offering of R\$400.0 million in September 2021. These resources will allow us to capture all the consolidation opportunities offered by the market.

In addition to the Company's capitalization, the share offering helped us conclude important objectives: (i) we increased our market visibility, demonstrating our strategy's consistent track record and enormous potential; (ii) we diversified our shareholder base, attracting new investors; and (iii) we significantly increased our liquidity, with ADTV by 145% in the 60 days after the offer pricing in relation to the previous 60 days. Therefore, we further strengthened our market presence.

We started the fourth cycle of consolidation with the acquisition of QuiteJá. This movement reinforces our digital presence and entry into the credit recovery market, which has an annual turnover of billions of reais in Brazil and represents an important expansion of our TAM, surpassing the borders of the software market.

We advanced in our open innovation strategy by becoming shareholders of Canary, a venture capital manager. This will help us to expand the origination capacity of our corporate venture capital (CVC). Our ecosystem now has 3 important managers, Astella, Parallax and Canary, in addition to other players, such as Darwin and Distrito.

We announced a direct minority investment in CashWay, a startup that provides technological solutions for credit unions and fintechs. It became part of our ecosystem through Darwin Startups in 2020 and in the last months, we have seen a strong synergy, mainly due to the use of our PIX solution by the startup, we decided to further strengthen the relationship.

In addition, we signed a partnership with TechRules, a Spanish company, aimed at expanding our offer to Funds vertical, with unparalleled asset management, private banking and wealth management solutions. This partnership is a step towards the goal of building a complete solution for the vertical.

The third quarter of 2021 was extremely positive, supported by the consolidation of the results from latest acquisitions, strong revenue growth and enhancement of the R&D investments. It is worth noticing that the numbers below do not include the newly acquired companies Mercer and QuiteJá.

ARR – Annual Recurring Revenues for Software totaled R\$286.9 million in the quarter. In comparison with 3Q20, this number increased by R\$134.5 million, (or 88.3%). In comparison with 2Q21, this number increased by R\$14.1 million, (or 5.2%). This is one of the best quarterly results since we began reporting ARR. Thanks to this, net revenue recorded a record of R\$92.1 million, a growth of R\$39.3 million (or 74.5%) over the same period of the previous year, being R\$81.4 million recurring.

Costs totaled R\$56.9 million, an increase of R\$21.6 million (or 61.0%) over the same period of 2020, with a relevant intensification of R&D investments, aiming at the integration and modernization of the product portfolio. General and administrative expenses totaled R\$20.0 million, up by R\$11.4 million (or 131.7%) over 3Q20. Excluding costs reclassifications for expenses, this account would have totaled R\$12.6 million in the period, significantly lower than the growth in net revenue.

Consequently, our Adjusted EBITDA was R\$16.6 million, up by R\$7.8 million (or 88.0%) over the same period of 2020, with an Adjusted EBITDA Margin of 18.0%, up by 1.3 p.p.. Net income, in turn, reached R\$3.0 million, an increase of R\$2.1 million (or 248.4%), positively impacted by the increase in the fair value of investments from Torq Ventures, which were marked to market. This indicates that we have already started to reap the first financial results of the program.

As we enter into the final stretch of 2021, it is worth highlight the coherence of the financial results, and, above all, the rapid evolution in our consolidation strategy: we are confident with the quantity and quality of opportunities in our M&A pipeline and we are working hard to carry out these opportunities in the short-term and continue to pursue our growth history.

RECENT EVENTS

Acquisition of QuiteJá In October, we acquired QuiteJá, a specialist in credit recovery, which solutions have been transforming debt negotiations in Brazil through high levels of digitalization and humanized services. The Company recovered more than R\$222 million in bad credits in the last 12 months ended in June 2021, with a net income of R\$20.3 million and EBITDA of R\$5.4 million in the period. The transaction was closed in October 2021.

Investment in Cashway. In October, we announced Torq Ventures' second direct minority investment. With more than 40 clients, the startup offers Banking as a Service (BaaS) and Open Banking technology for credit unions and fintechs (SCDs, SCFIs and SCMs). The investment of R\$1.5 million composed a round of R\$5.0 million. The resources will enable the startup to become one of the references in Cloud Banking for the credit union segment.

Partnership with TechRules. In August, we entered into a partnership with TechRules to enhance our offering for Funds vertical. The Spanish company provides unique solutions for asset management, private banking e wealth management industries. This partnership consists of a commercial and technical cooperation in the Brazilian market, focus on providing a joint offer of solutions that fully meet the needs of these customers.

Corporate Reorganization. In October, we carried out a corporate reorganization that resulted in the incorporation of 4 subsidiaries into the Company. This reorganization significantly contributed to the optimization of the group's tax planning, reducing the burden of indirect taxes (ISS, PIS and COFINS), and in particular direct taxes (IRPJ and CSLL), since this reorganization allowed us to take advantage of the tax benefit arising from the goodwill on acquisitions.

Repurchase of shares. In September, due to the substantial reduction in our share prices, we carried out our 6th Share Buyback Program, aimed at (i) maximizing the generation of value for shareholders; (ii) meeting our share-based compensation plans; and (ii) allowing us to pay for potential mergers or acquisitions with shares. We repurchased 1.0 million shares during the quarter, in the amount of R\$22.2 million.

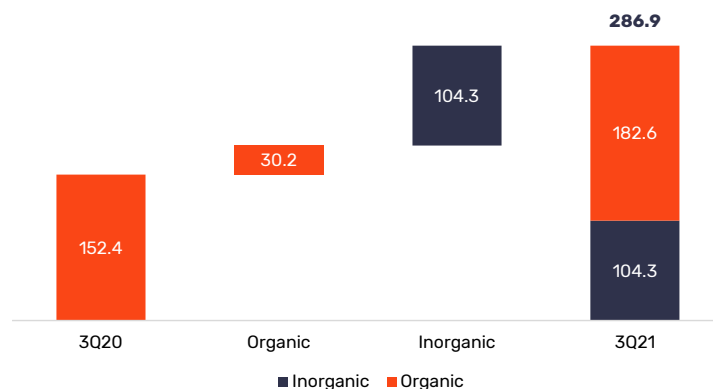
Great Place to Work (GPTW). In August, we were certified by the Great Place to Work Institute as one of the best companies to work for in Brazil for the 3rd consecutive year. In this 2021 edition, our employees became more actively engaged in the survey, increasing the Company's rating. This reflects our commitment in ensuring that Sinqia remains an excellent place to work and that it can easily attract and retain talent.

OPERATIONAL PERFORMANCE

Software ARR¹

In 3Q21, Software ARR reached R\$286.9 million (**+88.3% vs. 3Q20**), compared to R\$152.4 million in 3Q20. This increase was due to a growth of R\$104.3 million from acquisitions and an organic growth of R\$30.2 million (**19.8% vs. 3Q20**). In this quarter, we highlight our good sales performance, mainly in the Banks vertical.

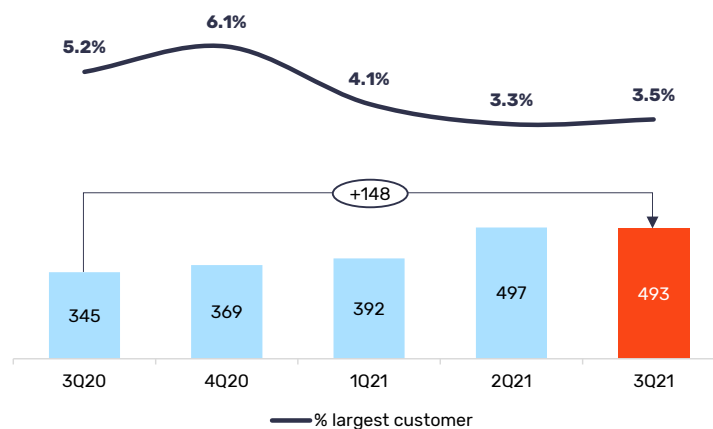
Software ARR (R\$ million)



Number of Customers

The number of customers in the quarter amounted to 493 (**+148 vs. 3Q20**), due to the addition of new customers from the latest acquisitions and new sales. The largest customer accounted for 3.5% of net revenue (5.2% in 3Q20), down by 1.7p.p. as a result of portfolio dilution following the entry of new customers. In the quarterly comparison, we observed a slight drop in the number of small customers, mainly due to the closure of activities.

Number of Customers



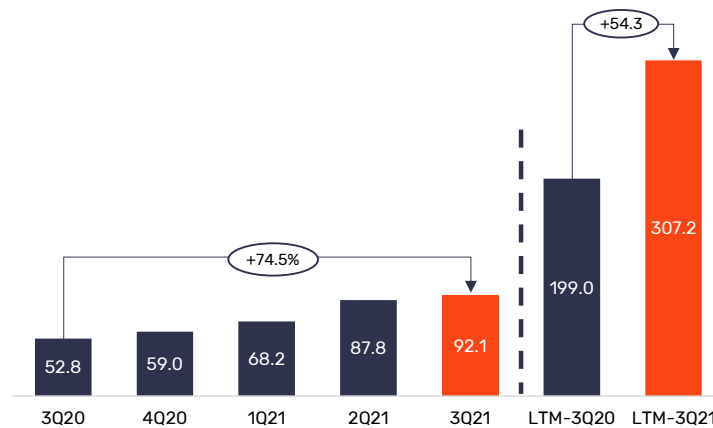
¹ Annualized executed contracts, implemented or not, that will generate recurring revenues after the completion of the implementation. The concept of inorganic ARR considers only acquisitions made in the period of 12 months before to disclosure, i.e. Tree, Fromtis, ISP, FEPWeb, and Simply (acquired in 4Q20 and 2Q21) are considered.

FINANCIAL PERFORMANCE

Net Revenue

Net Revenue reached an all-time high of R\$92.1 million in the quarter **(+74.5% vs. 3Q20)**, compared to R\$52.8 million in the same period of the previous year. The increase was due to an increase of R\$30.2 million **(57.3% vs. 3Q20)** inorganic and of R\$9.1 million **(+17.2% vs. 3Q20)** organic, of which R\$6.0 million in Software and R\$3.1 million in Services.

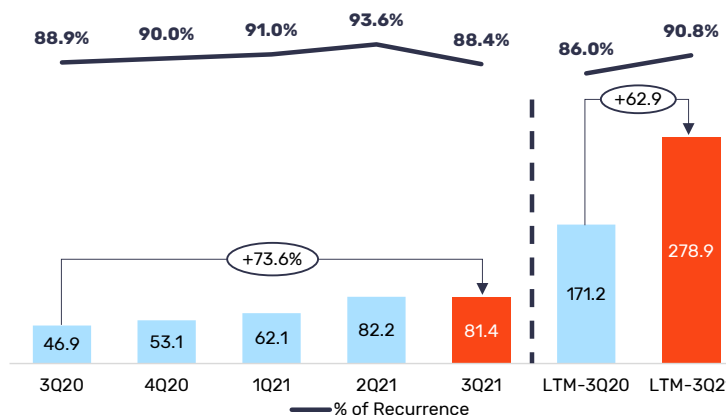
Net Revenue (R\$ million)



Recurring Revenues

Recurring Revenues amounted to R\$81.4 million in the quarter **(+73.6% vs. 3Q20)** compared to R\$46.9 million in 3Q20. These revenues represented 88.4% of the total net revenue (vs. 88.9% in 3Q20), and reflects the increase of specific customized projects in the quarter.

Recurring Revenues (R\$ million)

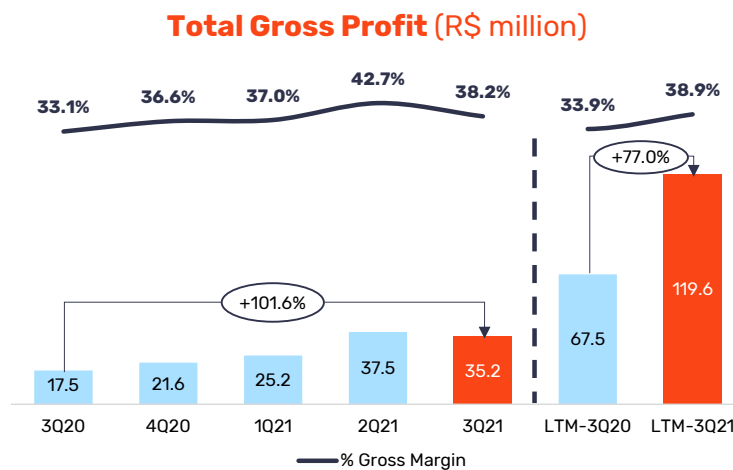


Costs

Costs amounted to R\$56.9 million in the quarter **(+61.0% vs. 3Q20)**, compared to R\$35.3 million in the same period of the previous year. This increase was mainly driven by the inorganic parcel of R\$14.4 million from acquisitions carried out in the last 12 months. Excluding this effect, costs would have increased by 20.1%, reflecting the expansion in headcount, both in support of operations and product development, salary adjustments and a higher level of outsourced labor due to higher market demand in practically all Software and Services verticals.

Gross Profit and Gross Margin

Gross Profit totaled R\$35.2 million in the quarter **(+101.6% vs. 3Q20)**, compared to R\$17.5 million in the same period of the previous year. Gross Margin stood at 38.2% **(+5.2 p.p. vs. 3Q20)** compared to 33.1% in 3Q20, mainly due to the good performance in practically all Software and Services verticals. In relation to the previous quarter, Gross Margin was substantially impacted by the increase in costs associated with the increase in hiring, as detailed below.



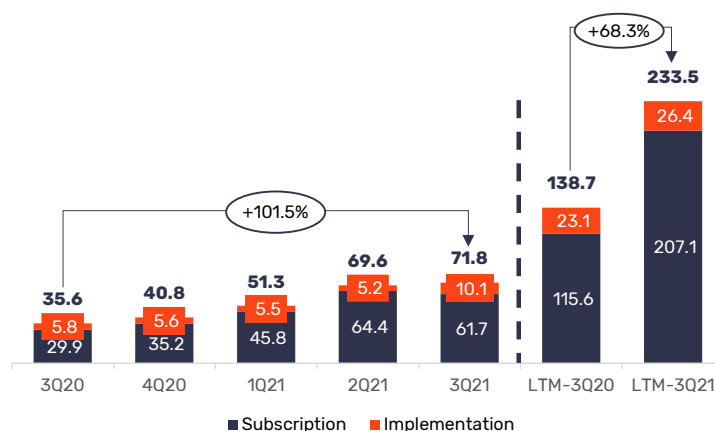
Software Unit

Net Revenue from Software

Net Revenue from Software reached an all-time high of R\$71.8 million in the quarter **(+101.5% vs. 3Q20)**, compared to R\$35.6 million in the same period of the previous year. Subscription Revenue reached R\$61.7 million **(+106.3% vs. 3Q20)**, compared to R\$29.9 million in 3Q20 and recorded an organic growth of 14.8%. Implementation and Customization Revenues totaled R\$10.1 million **(+76.3% vs. 3Q20)**, compared to R\$5.8 million in the same period of the previous year.

It is worth mentioning that in 3Q21, we had a slight increase in variable revenues related to one-off customization projects requested by our customers. However, we highlight that the improvement in the commercial model in which new customers start paying for the use of the software upon signing the contract (and no longer upon software installation), and are exempted from Implementation costs, continues to positively impact subscription revenue.

Total Gross Profit (R\$ million)



Of the total addition of R\$36.2 million, R\$6.0 million was organic, 16.7% higher than 3Q20, reflecting the conversion of implementation backlog into revenue, given the increase in sales in the last 12 months, both for new and existing customers in the base in practically all verticals, and contractual readjustments by inflation and business volume.

Net Revenues from Software (R\$ thousand)

(R\$ '000)	3Q21	3Q20	3Q21 x 3Q20	2Q21	3Q21 x 2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21 x LTM-3Q20
Net Revenues from Software	71,829	35,649	101.5%	69,560	3.3%	233,462	138,689	68.3%
Organic	41,614	35,649	16.7%	40,051	3.9%	157,890	138,689	13.8%
Banks	23,304	19,208	21.3%	23,023	1.2%	90,165	76,283	18.2%
Funds	6,312	4,926	28.1%	6,018	4.9%	22,943	18,166	26.3%
Pension	10,093	8,959	12.7%	9,080	11.1%	37,128	33,559	10.6%
Consortium	1,905	2,556	-25.5%	1,930	-1.3%	7,654	10,681	-28.3%
Inorganic	30,215	-	n.a	29,509	2.4%	75,572	-	n.a
Digital	12,265	-	n.a	11,992	2.3%	24,257	-	n.a
Others	17,951	-	n.a	17,517	2.5%	51,315	-	n.a

Software Costs

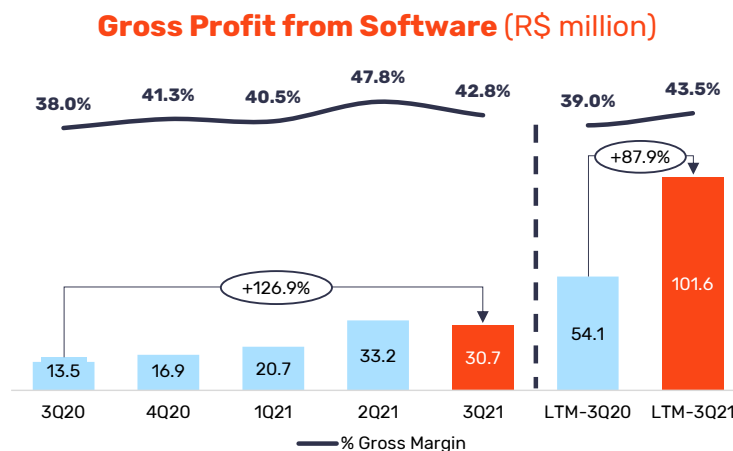
Software Costs totaled R\$41.1 million in the quarter (**+86.0% vs. 3Q20**), compared to R\$22.1 million in the same period of the previous year. The organic growth of R\$4.6 million was mainly driven by the increase in headcount, salary adjustments and the hiring of outsourced labor in the Banks,

Funds and Pensions verticals, while the inorganic increase of R\$14.4 million was due to the acquisitions of Tree, Fromtis, ISP, Simply and FEPWeb, which did not exist in the same quarter of the previous year.

Depreciation and Amortization Costs totaled R\$0.9 million in the period.

Gross Profit and Gross Margin from Software

Gross Profit totaled R\$30.7 million in the quarter **(+126.9% vs. 3Q20)**, compared to R\$13.5 million in 3Q20, while Gross Margin stood at 42.8% **(+4.8 p.p. vs. 3Q20)**, compared to 38.0% in the same period of the previous year. This result was impacted by the higher number of hires in the period. Even so, this performance reflects operational improvements, in addition to the consolidation of results from the companies acquired during the quarter, which did not exist in the previous year.

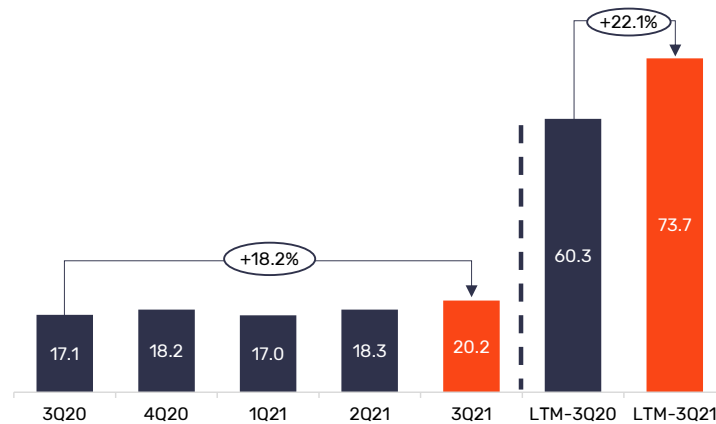


Services Unit

Net Revenues from Services

Net Revenue from Services totaled R\$20.2 million in the quarter **(+18.2% vs. 3Q20)**, compared to R\$17.1 million in the same period of the previous year. Outsourcing Revenues, which are recurring, amounted to R\$19.7 million in 3Q21 **(+16.1% vs. 3Q20)**, due to the entry of new customers, the increase of managed services compared to resources allocated at customers and the development of customized solutions, still arising from the strong demand for digital transformation in the financial industry.

Net Revenues from Services (R\$million)



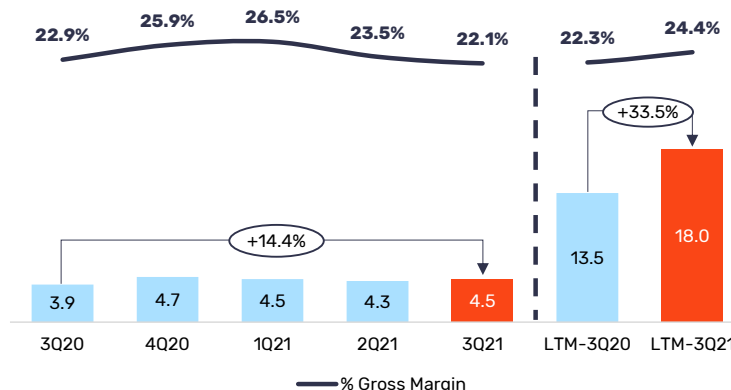
Service Costs

Service Costs totaled R\$15.8 million in the quarter **(+19.3% vs. 3Q20)**, compared to R\$13.2 million in 3Q20, mainly reflecting the hiring of third parties to support the teams. The annual comparison was impacted by the reclassification of part of Depreciation and Amortization to costs from expenses in 2Q21, which R\$0.4 million in the quarter. Excluding this effect, the increase in the cost of services was lower than revenue growth, reflecting efficiency of the segment.

Gross Profit and Gross Margin from Services

In the quarter, Gross Profit totaled R\$4.5 million **(+4.4% vs. 3Q20)**, compared to R\$3.9 million in 3Q20, with a Gross Margin of 22.1% **(-0.7 p.p. vs. 3Q20)**, compared to a Gross Margin of 22.9% in 3Q20. Excluding the impact of part Depreciation and Amortization mentioned above, the Gross Margin would reached 24.0%.

Gross Profit from Services (R\$ million)



Operating Expenses

Selling, General and Administrative Expenses

SG&A expenses totaled R\$20.0 million in the quarter **(+131.7% vs. 3Q20)**, compared to R\$8.6 million in the same period of the previous year. This increase was mostly explained by the consolidation of expenses from the acquisitions made in the last 12 months, in the amount of R\$4.7 million, broken down across several lines.

Organic expenses were mainly impacted by: (i) Administrative expenses, given the higher number of hiring and salary adjustments, as well as the increased use of specialized consultants for recruitment and selection processes; and (ii) Other expenses, due to the increase in expenses with legal provisions and higher bad debt provisions accounted in the period.

Additionally, the RD&I lines were reclassified from costs to expenses in 2Q21, in a total amount of R\$3.0 million in 3Q21 **(+132.6% vs. 3Q20)** compared to R\$1.3 million in the same quarter of the previous year, reflecting, mainly, the intensification of technological updating of our product portfolio, such as the migration to more modern programming languages, and product development, such as *PIX saque* and *troco*, as well as *PIX indireto*, aimed at non-financial institutions.

SG&A Expenses (R\$ thousand)

(R\$ '000)	3Q21	3Q20	3Q21 x 3Q20	2Q21	3Q21 x 2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21 x LTM-3Q20
SG&A Expenses	19,998	8,631	131.7%	19,021	5.1%	62,836	42,905	46.5%
% of Revenue	21.7%	16.4%	5.4 p.p.	21.7%	0.1 p.p.	20.5%	21.6%	-1.1 p.p.
Commercial	3,394	2,418	40.4%	3,520	-3.6%	13,143	11,741	11.9%
Marketing	485	399	21.6%	470	3.3%	1,996	2,018	-1.1%
Administrative	5,347	3,331	60.5%	5,447	-1.8%	18,793	14,563	29.0%
IT and Facilities	4,631	2,307	100.8%	3,597	28.8%	13,887	11,473	21.0%
M&A	1,148	910	26.1%	929	23.6%	4,393	3,256	34.9%
RD&I	3,034	-	0.0%	2,361	28.5%	5,394	-	n.a
Other expenses	1,958	(734)	n.a	2,698	-27.4%	5,229	(146)	n.a

Depreciation and Amortization

Depreciation and Amortization Expenses totaled R\$11.5 million in the quarter **(+84.4% vs. 3Q20)**, compared to R\$6.3 million in the same period of the previous year. Depreciation of property and equipment totaled R\$1.8 million **(+20.6% vs. 3Q20)**, compared to R\$1.5 million in the same period of the previous year, due to the increase in the computers and peripherals, and property lease lines. While amortization stood at R\$9.7 million in the quarter, vs. R\$3.4 million in the same period of the previous year, which is mainly explained by the addition of intangible assets from the acquisitions of companies (Tree, Fromtis, ISP, FEPWeb, and Simply), and third-party software right of use, given the adjustments in values and terms of server contracts, as well as the increase in licenses.

In the table below, we present the D&A expenses breakdown. It is worth noticing that starting from the 2Q21, part of this line was reclassified from expenses to costs, and at the 3Q21 its totaled R\$1.3 million, mainly comprised of depreciation of computers and peripherals and amortization of servers.

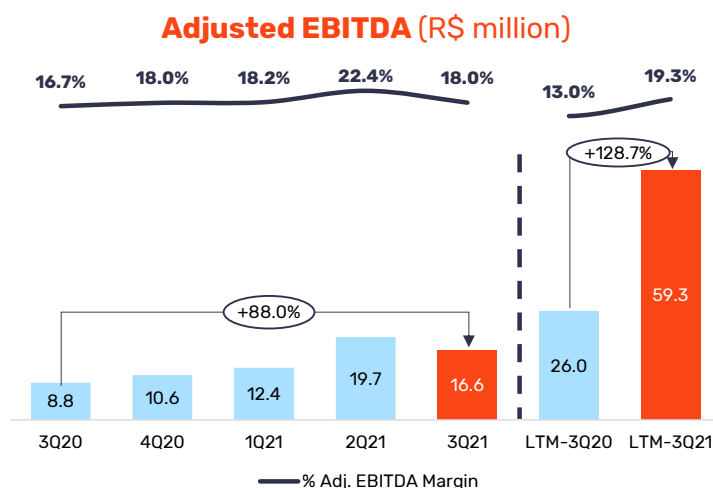
Depreciation and Amortization (R\$thousand)

(R\$ '000)	3Q21	3Q20	3Q21x3Q20	2Q21	3Q21x2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21x LTM-3Q20
Depreciation and Amortization	11,538	6,256	84.4%	10,430	10.6%	36,374	21,815	66.7%
Depreciation	1,816	1,506	20.6%	1,841	-1.4%	6,850	4,614	48.5%
Amortization	9,723	3,446	182.1%	8,589	13.2%	26,974	17,306	55.9%
Acquisitions amortization	6,007	2,378	152.6%	5,751	4.5%	17,378	10,980	58.3%
Other amortizations	3,716	1,068	247.9%	2,838	30.9%	9,596	6,326	51.7%

EBITDA and Adjusted EBITDA

Adjusted EBITDA reached R\$16.6 million **(+88.0% vs. 3Q20)**, compared to R\$8.8 million in the same period of the previous year, with an Adjusted EBITDA Margin of 18.0% **(+1.3 p.p. vs. 3Q20)**, compared to 16.7% in 3Q20.

Adjusted EBITDA Margin was impacted by the significant increase in costs related to hiring. In this quarter we were able to fill a large number of open positions planned for the beginning of the year but delayed due to the shortage of talent in the technology field.



Reconciliation of EBITDA² and Adjusted EBITDA (R\$ thousand)

(R\$ '000)	3Q21	3Q20	3Q21 x 3Q20	2Q21	3Q21 x 2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21 x LTM-3Q20
EBITDA	16,461	8,822	86.6%	19,707	-16.5%	59,190	23,215	155.0%
(+) Extraordinary expenses - earnout	-	-	n.a	-	n.a	-	1,384	n.a
(+) Extraordinary expenses - integration	-	-	n.a	-	n.a	-	1,073	n.a
(+) Extraordinary expenses - Debentures issuance	138	-	n.a	-	n.a	138	-	n.a
(+) Extraordinary costs - integration	-	8	n.a	-	n.a	22	283	-92.2%
Adjusted EBITDA	16,600	8,830	88.0%	19,707	-15.8%	59,350	25,955	128.7%
<i>Adj. EBITDA Margin</i>	<i>18.0%</i>	<i>16.7%</i>	<i>1.3 p.p.</i>	<i>22.4%</i>	<i>-4.4 p.p.</i>	<i>19.3%</i>	<i>13.0%</i>	<i>6.3 p.p.</i>

Financial Result

In the quarter, the financial result was negative R\$0.3 million (vs. negative R\$0.5 million in 3Q20).

Financial expenses totaled R\$7.2 million (vs. R\$2.3 million in 3Q20), mainly reflecting: (i) an increase of R\$2.2 million in interest on loans, with the increase in gross debt caused by issuance of debentures and (ii) an increase of R\$1.6 million in liabilities related to the payment installments for the latest acquisitions, due to new acquisitions, in addition to the increase in interest rates, which impacted both lines.

Financial revenues totaled R\$6.9 million (vs. R\$1.8 million in 3Q20), due to (i) an increase of R\$2.8 million in the fair value of Torq Ventures investments, marked to market, in particular FIP Parallax, which increased with the contribution of Softbank in investee 2TM; and (ii) an increase of R\$2.3 million in interest on financial investments, with the increase in gross cash caused by the issuance of debentures and shares.

Financial Result (R\$ thousand)

(R\$ '000)	3Q21	3Q20	3Q21 x 3Q20	2Q21	3Q21 x 2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21 x LTM-3Q20
Financial Result	(284)	(455)	-37.6%	(2,943)	-90.3%	(5,779)	379	-1624.8%
Financial revenues	6,928	1,803	284.2%	1,471	371.0%	11,579	12,563	-7.8%
Financial expenses	(7,212)	(2,258)	219.4%	(4,414)	63.4%	(17,358)	(12,184)	42.5%

Income Tax and Social Contribution

Income tax and social contribution totaled R\$0.3 million (positive) in 3Q21. Current tax amounted to R\$7.1 million, with cash impact, mainly due to the positive tax result of the Company's

² EBITDA is a non-accounting measurement prepared by the Company, according to CVM Instruction 527/12, that consists of the net result for the period plus taxes on income, financial result, minority interest, and depreciation and amortization. Adjusted EBITDA corresponds to EBITDA, plus one-off effects from acquisitions and non-recurring events. The "Non-recurring expenses - earn-out" line represents the additional provision for earn-outs; the "Non-recurring expenses - integration" represents one-off termination costs in the corporate areas; and the "Non-recurring costs - integration" represents one-off termination costs in the Software and Services units;

subsidiaries. Deferred income tax and social contribution amounted to R\$7.5 million, with no cash impact, comprising by temporary differences, mainly due to the tax loss of Company's subsidiaries that have tax amortization of the goodwill generated on acquisitions (R\$6.0 million in 3Q21).

Income Tax and Social Contribution (R\$ thousand)

(R\$ '000)	3Q21	3Q20	3Q21x3Q20	2Q21	3Q21x2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21x LTM-3Q20
Income tax and social contribution	349	(1,228)	n.a	462	-24.5%	(1,392)	288	-583.3%
Current	(7,108)	(1,786)	298.0%	(5,766)	23.3%	(16,316)	(5,010)	225.7%
Deferred	7,457	558	1236.4%	6,228	19.7%	14,924	5,298	181.7%

Net Income

In the quarter, Net Income was R\$3.0 million compared to R\$0.9 million in the same period of the previous year. The R\$2.1 million growth reflects the following variations: (i) R\$7.6 million improvement in EBITDA; (ii) deterioration of R\$6.6 million in the Depreciation and Amortization line; (iii) an improvement of R\$0.2 million in the financial result; (iv) an increase of R\$1.6 million in income tax and social contribution and (v) a decrease of R\$0.7 million in minority interest, related to the portion of FEPWeb's results held by the other partners.

Net income adjusted by the tax benefit of goodwill was R\$11.1 million versus R\$4.6 million in the same period of the previous year. The R\$6.5 million growth is mainly a result of R\$2.1 million expansion in Net Income itself, and also from the R\$3.6 million increase in the amortization of intangible assets from acquisitions, an expense with no cash effect.

Adjusted Net Income (R\$ thousand)

(R\$ '000)	3Q21	3Q20	3Q21x3Q20	2Q21	3Q21x2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21x LTM-3Q20
Net income	2,965	851	248.4%	4,813	-38.4%	11,639	2,067	463.1%
(+) Extraordinary effects	138	8	1630.5%	-	-38.4%	160	2,740	-94.1%
(+) Intangible Amortization from acquisitions	6,007	2,378	152.6%	5,751	4.5%	17,378	10,980	58.3%
(+) Def. income tax/Social Contr. (goodwill on acquisitions)	2,017	1,393	44.8%	2,017	0.0%	6,923	4,456	55.4%
Adjusted net income by goodwill tax benefit	11,127	4,630	140.3%	12,581	-11.6%	36,101	20,243	78.3%

FINANCIAL POSITION

Gross Cash

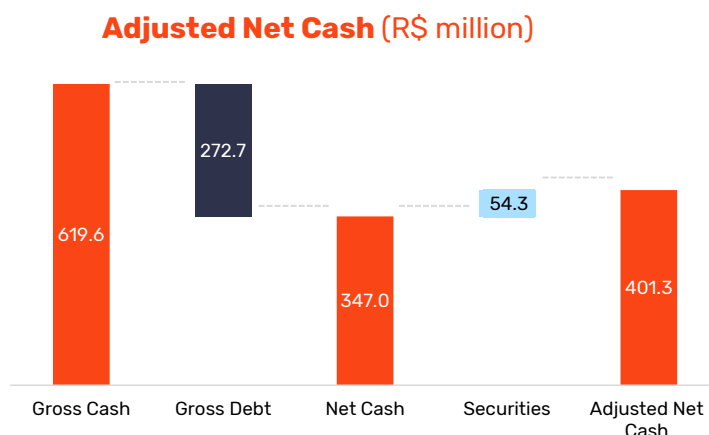
We ended 3Q21 with a total cash position of R\$619.6 million **(+R\$465.5 million vs. 2Q21)** compared to R\$154.1 million in the last quarter. There was an addition of cash mainly with (i) the issuance of debentures of up to R\$250 million, of which R\$150.0 million were paid in the quarter, and (ii) the issuance of shares of R\$400.0 million. On the other hand, there was a consumption of cash mainly due to (i) the variation of R\$30.3 million in the “Securities” line, due to investments made by Torq Ventures; (ii) the variation of R\$25.4 million in the “Costs to Issue Shares” line, related to commissions and fees paid to our advisors in the offering; and (iii) the variation of R\$21.9 million in the “Purchase of Treasury Shares” line, funds used in the repurchase of shares under the 6th Program, among other transactions.

Gross Debt

Gross Debt totaled R\$272.7 million at the end of the quarter **(+143.5 million vs 2Q21)**, compared to R\$129.2 million in the previous quarter. This variation was mainly due to the issuance of Debentures of up to R\$250.0 million, of which R\$150.0 million has already been paid in the quarter.

Net Cash

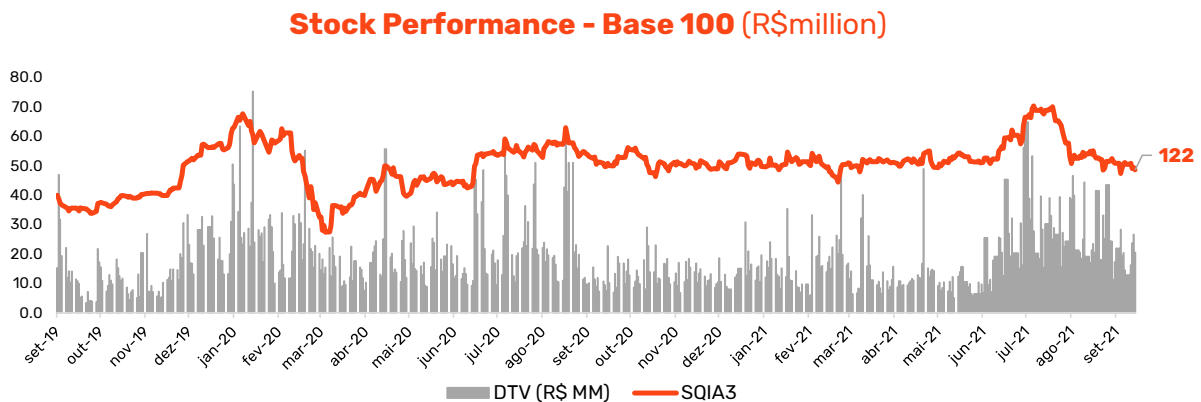
We ended 3Q21 with Net Cash position of R\$347.0 million **(+R\$322.0 million vs. 2Q21)**, compared to R\$25.0 million in the previous quarter. Considering the balance of R\$54.3 million in the “Securities” line, we ended the quarter with an adjusted net cash of R\$401.3 million in **(+R\$352.3 million vs. 2Q21)**.



CAPITAL MARKET

Stock Performance

The Company's shares (NM: SQIA3) closed 3Q21 at R\$21.16 (-14.0% vs. 2Q21), compared to R\$24.60 in the previous quarter. If we analyze the Company's share performance since the follow-on offering (Sep/21), shares had decreased by -7.6% until 9/30/2021, while in the same period the Ibovespa index had a drop of -5.1%.



Market Capitalization

At the end of the second quarter of 2021, the Company had a market capitalization of R\$1.86 billion **(+7.2% vs. 2Q21)**, compared to R\$1.74 billion in the previous quarter.

Average Daily Trading Volume (ADTV)

Our shares had an increase in liquidity during the three months that make up 3Q21, with an average volume traded of R\$28.1 million **(+125% vs. 2T21)** compared to R\$12.4 million in the previous quarter.

Shareholder Base

The shareholder base at the end of the quarter consisted of 98.5 shareholders **(-5.4% vs. 2Q21)** compared to 104.2 in the previous quarter.

Outstanding Shares (free float)

We ended the quarter with 83.4% of our shares in free float **(+1.8 p.p. vs. 2Q21)**, compared to 85.2% in the previous quarter.

Statement from the Executive Board. The Executive Board of Sinqia S.A., according to the provisions of items V and VI of Article 25 of CVM Instruction 480/09, hereby declares that it has reviewed, discussed and agreed on (i) the opinions expressed in the independent auditors' report and (ii) the Financial Statements for the period ended September 30, 2021.

EXHIBIT - FINANCIAL STATEMENTS

Exhibit I – Income Statement (Consolidated)

(RS '000)	3Q21	3Q20	3Q21x3Q20	2Q21	3Q21x2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21xLTM-3Q20
Gross Revenues	103,366	59,432	73.9%	98,568	4.9%	345,078	224,255	53.9%
Software	80,680	40,194	100.7%	78,020	3.4%	262,247	156,377	67.7%
Subscription	69,434	33,660	106.3%	71,859	-3.4%	231,239	130,216	77.6%
Implementation	11,246	6,534	72.1%	6,161	82.5%	31,008	26,161	18.5%
Services	22,687	19,238	17.9%	20,549	10.4%	82,831	67,878	22.0%
Outsourcing	22,114	18,642	18.6%	20,082	10.1%	80,705	62,135	29.9%
Projects	573	596	-3.9%	467	22.8%	2,126	5,743	-63.0%
Sales taxes	(11,310)	(6,669)	69.6%	(10,750)	5.2%	(37,917)	(25,226)	50.3%
Software	(8,850)	(4,545)	94.7%	(8,460)	4.6%	(28,785)	(17,688)	62.7%
Subscription	(7,742)	(3,762)	105.8%	(7,469)	3.7%	(24,157)	(14,659)	64.8%
Implementation	(1,108)	(783)	41.6%	(991)	11.9%	(4,629)	(3,029)	52.8%
Services	(2,460)	(2,124)	15.8%	(2,290)	7.4%	(9,132)	(7,538)	21.2%
Outsourcing	(2,385)	(1,643)	45.2%	(2,243)	6.3%	(8,892)	(6,453)	37.8%
Projects	(76)	(481)	-84.3%	(47)	60.9%	(241)	(1,085)	-77.8%
Net Revenues	92,056	52,763	74.5%	87,818	4.8%	307,161	199,029	54.3%
Software	71,830	35,649	101.5%	69,560	3.3%	233,463	138,689	68.3%
Subscription	61,692	29,898	106.3%	64,390	-4.2%	207,082	115,557	79.2%
Implementation	10,137	5,751	76.3%	5,170	96.1%	26,380	23,132	14.0%
Services	20,227	17,114	18.2%	18,259	10.8%	73,698	60,340	22.1%
Outsourcing	19,728	16,999	16.1%	17,839	10.6%	71,813	55,682	29.0%
Projects	497	115	332.5%	420	18.5%	1,885	4,658	-59.5%
Net Revenues	92,056	52,763	74.5%	87,818	4.8%	307,161	199,029	54.3%
Recurring	81,420	46,897	73.6%	82,229	-1.0%	278,896	171,239	62.9%
Variable	10,635	5,866	81.3%	5,589	90.3%	28,264	27,790	1.7%
% of Recurrence	88.4%	88.9%	-0.4 p.p.	93.6%	-5.2 p.p.	90.8%	86.0%	4.8 p.p.
Costs	(56,865)	(35,310)	61.0%	(50,286)	13.1%	(187,599)	(131,499)	42.7%
Software	(41,115)	(22,110)	86.0%	(36,313)	13.2%	(131,875)	(84,626)	55.8%
Services	(15,750)	(13,200)	19.3%	(13,974)	12.7%	(55,725)	(46,873)	18.9%
Outsourcing	(15,329)	(12,591)	21.7%	(13,688)	12.0%	(53,966)	(43,299)	24.6%
Projects	(422)	(609)	-30.8%	(286)	47.3%	(1,759)	(3,574)	-50.8%
Gross profit	35,191	17,453	101.6%	37,533	-6.2%	119,562	67,530	77.1%
Gross margin	38.2%	33.1%	5.1 p.p.	42.7%	-4.5 p.p.	38.9%	33.9%	5.0 p.p.
Software	30,714	13,539	126.9%	33,248	-7.6%	101,587	54,063	87.9%
Software gross mg.	42.8%	38.0%	4.8 p.p.	47.8%	-5.0 p.p.	43.5%	39.0%	4.5 p.p.
Services	4,475	3,914	14.3%	4,284	4.5%	17,973	13,467	33.5%
Services gross mg.	22.1%	22.9%	-0.7 p.p.	23.5%	-1.3 p.p.	24.4%	22.3%	2.1 p.p.
Outsourcing	4,400	4,408	-0.2%	4,150	6.0%	17,847	12,383	44.1%
Outsourcing gross mg.	22.3%	25.9%	-3.6 p.p.	23.3%	-1.0 p.p.	24.9%	22.2%	2.6 p.p.
Projects	76	(494)	n.a	134	-43.2%	126	1,084	-88.4%
Projects gross mg.	15.2%	-429.6%	n.a	31.8%	-16.6 p.p.	6.7%	23.3%	-0.7 p.p.
Expenses	(31,536)	(14,887)	111.8%	(29,451)	7.1%	(99,210)	(66,104)	50.1%
% of net revenues	34.3%	28.2%	6.0 p.p.	33.5%	0.7 p.p.	32.3%	33.2%	-0.9 p.p.
General/administrative	(19,998)	(8,631)	131.7%	(19,021)	5.1%	(62,836)	(42,905)	46.5%
% of net revenues	21.7%	16.4%	5.4 p.p.	21.7%	0.1 p.p.	20.5%	21.6%	-1.1 p.p.
Depreciation/amort.	(11,538)	(6,256)	84.4%	(10,430)	10.6%	(36,374)	(21,815)	66.7%
% of net revenues	12.5%	11.9%	0.7 p.p.	11.9%	0.7 p.p.	11.8%	11.0%	0.1 p.p.
EBIT	3,654	2,566	42.4%	8,081	-54.8%	20,350	1,426	1327.1%
Financial result	(284)	(455)	-37.6%	(2,943)	-90.3%	(5,779)	379	n.a
Financial income	6,928	1,803	284.2%	1,471	371.0%	11,579	12,563	-7.8%
Financial expenses	(7,212)	(2,258)	219.4%	(4,414)	63.4%	(17,358)	(12,184)	42.5%
EBT	3,370	2,111	59.6%	5,138	-34.4%	14,572	1,805	707.3%
Income tax and social contribution	349	(1,228)	n.a	462	-24.5%	(1,392)	288	n.a
Current	(7,108)	(1,786)	298.0%	(5,766)	23.3%	(16,316)	(5,010)	225.7%
Deferred	7,457	558	1236.4%	6,228	19.7%	14,924	5,298	181.7%
Results after IT and SC	3,719	883	321.2%	5,600	-33.6%	13,180	2,093	529.7%
Minority interest	(754)	(32)	2256.3%	(787)	0.0%	(1,541)	(26)	5826.2%
Net income	2,965	851	248.4%	4,813	-38.4%	11,639	2,067	463.1%
Net margin	3.2%	1.6%	1.6 p.p.	5.5%	-2.3 p.p.	3.8%	1.0%	2.6 p.p.

(R\$ '000)	3Q21	3Q20	3Q21x3Q20	2Q21	3Q21x2Q21	LTM-3Q21	LTM-3Q20	LTM-3Q21xLTM-3Q20
EBITDA	16,461	8,822	86.6%	19,707	-16.5%	59,190	23,215	155.0%
EBITDA margin	17.9%	16.7%	1.2 p.p.	22.4%	-4.6 p.p.	19.3%	11.7%	7.6 p.p.
(+) Extraordinary expenses	138	-	248.4%	-	n.a	138	2,457	n.a
(+) Extraordinary costs	-	8	n.a	-	n.a	22	283	-92.2%
Adjusted EBITDA	16,600	8,830	88.0%	19,707	-15.8%	59,350	25,955	128.7%
Adj. EBITDA Margin	18.0%	16.7%	1.3 p.p.	22.4%	-4.4 p.p.	19.3%	13.0%	6.3 p.p.

Total Depreciation and Amortization	12,807	6,256	104.7%	11,626	10.2%	38,839	21,815	78.0%
Cost								
Depreciation and Amortization	1,269	-	n.a	1,196	6.1%	2,465	-	n.a
Expenses								
Depreciation and Amortization	11,538	6,256	84.4%	10,430	10.6%	36,374	21,815	66.7%

Net income	2,965	851	248.4%	4,813	-38.4%	11,639	2,067	463.1%
(+) Extraordinary effects	138	8	1630.5%	-	-38.4%	160	2,740	-94.1%
(+) Intangible Amortization from acquisitions	6,007	2,378	152.6%	5,751	4.5%	17,378	10,980	58.3%
(+) Def. income tax/Social Contr. (goodwill on acquisitions)	2,017	1,393	44.8%	2,017	0.0%	6,923	4,456	55.4%
Adjusted Net Income	11,127	4,630	140.3%	12,581	-11.6%	36,101	20,243	78.3%

Exhibit II – Balance Sheet (Consolidated)

	30.09.2021	30.06.2021	Var.	30.09.2020	Var. YoY
ASSETS	1,246,677	715,959	74.1%	611,378	103.9%
Current	671,219	192,622	248.5%	369,279	81.8%
Cash and cash equivalents	619,632	154,149	302.0%	339,728	82.4%
Receivables	34,649	28,258	22.6%	22,111	56.7%
Advanced expenses	2,016	1,979	1.9%	837	140.9%
Taxes and contributions recoverable	10,918	5,142	112.3%	5,943	83.7%
Other receivables	4,004	3,094	29.4%	660	506.7%
Non-current	575,458	523,337	10.0%	242,099	137.7%
Securities	54,305	23,966	126.6%	5,319	921.0%
Taxes and contributions recoverable	1,161	6,061	-80.8%	314	269.7%
Deposits in court	190	211	-10.0%	25,040	-99.2%
Deferred income tax and social contrib.	42,793	35,337	21.1%	-	-
Other receivables	-	-	-	38,943	-100.0%
Property and equipment	45,435	45,357	0.2%	169,959	-73.3%
Intangible assets	431,574	412,405	4.6%	165,876	160.2%
LIABILITIES AND EQUITY	1,246,677	715,959	74.1%	611,378	103.9%
Current	102,357	88,981	15.0%	67,266	52.2%
Loans and financing	14,192	12,524	13.3%	13,541	4.8%
Leasing	12,973	9,271	39.9%	7,291	77.9%
Trade payables	3,875	4,006	-3.3%	2,307	68.0%
Advances from customers	3,751	3,445	8.9%	2,065	81.6%
Labor liabilities	37,139	31,051	19.6%	20,065	85.1%
Tax liabilities	5,536	4,901	13.0%	5,332	3.8%
Liabilities arising from invest. acquisition	24,891	23,784	4.7%	16,665	49.4%
	-	-	-	-	-
Non-current	343,191	182,126	88.4%	110,556	210.4%
Loans and financing	162,026	20,875	676.2%	29,213	454.6%
Leasing	52,638	31,406	67.6%	30,557	72.3%
Tax liabilities	-	244	-	2,579	-
Provisions for legal proceedings	56,972	57,610	-1.1%	12,131	369.6%
Liabilities arising from invest. acquisition	71,555	71,991	-0.6%	433,556	-83.5%
Equity	801,129	444,852	80.1%	413,261	93.9%
Share capital	813,303	413,261	96.8%	(1,689)	-48252.9%
Treasury shares	(23,168)	(1,288)	1698.4%	(23,915)	-3.1%
Shares issue expenses	(49,336)	(23,915)	106.3%	15,222	-424.1%
Capital reserve	17,125	17,309	-1.1%	30,677	-44.2%
Earnings reserve	40,931	37,966	7.8%	433,556	-90.6%
Total Equity of controlling shareholders	798,855	443,333	80.2%	-	-
Non-controlling interests	2,274	1,519	-	94	-
Gross debt	272,664	129,174	111.1%	492,975	-44.7%
Borrowings	176,218	33,399	427.6%	42,754	312.2%
Liabilities arising from invest. acquisition	96,446	95,775	0.7%	450,221	-78.6%
Net debt (cash) position	(346,968)	(24,975)	1289.2%	153,247	-326.4%
Net debt/Adj. EBITDA LTM	NA	NA		NA	