sinqia

2Q21 Earnings Release

Results webcast in Portuguese with simultaneous translation into English

08.05.2021 (Thursday)

2 p.m. (Brasília) / 1 p.m. (New York) / 6 p.m. (London)

Webcast: **Register here**
(Access information will be sent after registration)

Price: R$30.51

Market Cap.: R$2,152 million

Number of shares: 70,548,812

Base 08.04.2021

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São Paulo, August 4, 2021. Sinqia S.A. (B3: SQIA3) ("**Company**"), a provider of technology for the financial system, announces its consolidated results for the second quarter of 2021 ("**2Q21**").

2Q21 Highlights

Innovation strategy

We announced the investment in Celcoin by Torq Ventures, our CVC program;

Consolidation Strategy

We announced the commitment of acquisition of Mercer Brasil's operating management division for closed pension administration.

Capital Structure

We announced a debenture issue of up to R$250.0 million;

Software ARR

All-time high of R$272.8 million in 2Q21 **(+81.4% vs. 2Q20)**;

Number of Customers

497 customers at the end of 2Q21 **(+153 vs. 2Q20)**;

Net Revenue

All-time high of R$87.8 million in 2Q21 **(+77.2% vs. 2Q20)**;

Recurring Revenue

All-time high of R$82.2 million in 2Q21 **(+88.9% vs. 2Q20)**, 93.6% of the total;

Adjusted EBITDA

All-time high of R$19.7 million in 2Q21 **(+168.1% vs. 2Q20)**, with a margin of 22.4%.

SUMMARY

RETROSPECTIVE

We are glad to report our 2Q21 results. We made a lot of progress in our strategic agenda this quarter, as briefly mentioned in the Message from Management and further discussed in Recent Events: the closing of Simply and FEPWeb acquisitions; the partnership with Sensedia; the investment in Celcoin; the commitment of acquisition of Mercer Brasil's operating management division for closed pension administration; the 2nd debenture issue, among others. Before talking about the results, we would like to review some past events.

More than 15 years ago, we saw an opportunity for consolidation in a highly fragmented market and started an acquisition strategy that led us to the top. While no one else saw this huge opportunity, we have already completed three investment cycles, outlined by investments from private equity funds, IPO, and a follow-on.

In September 2019, we raised R$363 million to finance our acquisition strategy. We intended to use these funds fast, but always respecting our strategic and financial discipline. We intended to conclude the plan in three years, in the meantime, we faced the COVID-19 pandemic and yet were able to deliver it in two years. Since then, we have already made six acquisitions, five direct and indirect investments, and allocated 90% of the funds raised.

In the last two years, Sinqia **grew**. We expanded the customer portfolio by 50%; the number of employees by 40%; the shareholder base by 62%; our shares ADTV by 112%; net revenues by 108%; gross profit by 203%; and EBITDA by 491%. Some of these figures will be even higher with the addition of Mercer Brazil's operating management division for closed pension administration, as mentioned above. We were able to accelerate our organic growth and profitability, and our EBITDA margin overcame the 20%. These are impressive figures that rank us among the fastest-growing technology companies in Brazil. Our shares have appreciated 97%, far above the Ibovespa.

In the last two years, Sinqia **matured**. We expanded our product portfolio for Banks (FX) and Funds (FIDC); we now supply most of the pension institutions in Brazil; we expanded the SaaS offering; we were certified as a great company to work for (GPTW); we joined new B3 indexes; and stepped up in IDC's global ranking.

In the last two years, Sinqia **made progress**. We made two special acquisitions that opened up a new avenue of opportunities: Simply and FEPWeb. They have combined to create Sinqia Digital, a business unit with amazing potential of organic growth, and profitability, contributing to our consolidated numbers exceeding the "Rule of 40".

In the last two years, Sinqia **innovated**. We launched our innovation lab and Torq Ventures, our corporate venture capital ("CVC") program; joined forces with new partners, Distrito, Darwin, Astella, Parallax, and Sensedia; became a partner in Celcoin, our first direct investment among many to come; we participated in the creation of Pix, and we are becoming a reference in open banking.

A lot has changed, but one thing remained: the feeling that we are just beginning!

We recently announced the second issue of simple debentures of up to R$250 million, the funds of which will be used to expand market share. We have always planned to leverage the Company before diluting shareholders. We are aware that despite our new fuel, we will not be able to go much further at our current speed and will soon need to refuel.

After 16 years on the road of consolidation and 20 acquisitions, our company is now admired and respected by the industry entrepreneurs (the opposite is also true), many of whom want to join us, and some of them are already shareholders. We strive to build a friendly platform that allows them to go further and faster with Sinqia's support.

The market has reached a moment when consolidation is a path of no return, and our acquisition pipeline has never been so hot. There are many opportunities in the various verticals already supplied by us – Banks, Funds, Pension, and Consortium - as well as in other verticals. There are obvious and others not so obvious opportunities. And we are prepared to maintain our leading role in the consolidation of the market.

For all these reasons, we intend to start our fourth investment cycle soon. The first three made us a leader in the industry, and the next should be even more ambitious and important: we dream to be present in all financial institutions operating in Brazil and to be their main technological partner. The journey is just beginning.

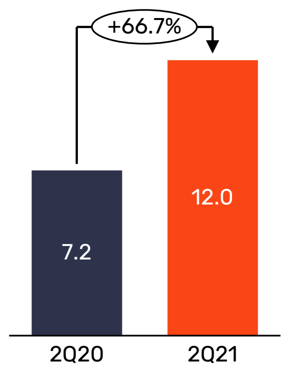
MESSAGE FROM MANAGEMENT

The Annual Recurring Revenue (ARR) from software hit an all-time high of R$272.8 million in 2Q21, R$122.4 million more than in 2Q20, with a growth of 81.4%. The inorganic increment was R$104.3 million, derived from the acquisitions of Tree, Fromtis, ISP, Simply, and FEPWeb, while organic growth came to R$18.1 million, mainly driven by higher sales volume and contracts readjustments. This means an increase of 12.1%, excluding the contribution of the new unit Sinqia Digital, which is growing at expressive rates.

Net revenue hit an all-time high of R$87.8 million, an addition of R$38.3 million, and a growth of 77.2% vs. 2Q20. Inorganic growth was R$29.5 million, resulting from the same acquisitions, while organic increment was R$8.7 million, with an evolution both in Software and Services lines. This represents an organic growth of 17.7% vs. 2Q20, excluding the contribution of the new unit Sinqia Digital.

Speaking of Digital, we would like to demonstrate better its performance: as shown in the chart below, the net revenue from the Digital segment, unaudited in previous periods, increased from R$7.2 million in 2Q20 to R$12.0 million in 2Q21, significant growth of 66.7%, because (i) its products meet the new requirements of the financial system; (ii) its business strategy is based on the land and expand concept; and (iii) its business model is based on transactional pricing. It is worth noting that such growth still does not reflect the cross-sell with other Company businesses, which is just starting.

Net revenue - Digital (R$ million)



Recurring revenue hit an all-time high of R$82.2 million, up 88.9% over 2Q20. The recurrence percentage reached 93.6%, the highest ever in the Company's history.

Gross profit reached an all-time high of R$37.5 million, up 123.9% vs. 2Q20, also with significant increases in Software and Services, and the special contribution of the new unit Sinqia Digital. The gross margin was 42.7%, the highest level in more than three years, growing 8.9p.p.. Due to talent shortage in the technology area, we faced challenges to increase the number of employees at the speed projected, mainly in R&D, which had a positive impact on gross profit and gross margin performance.

General and administrative expenses totaled R$19.0 million, up 73.3% over 2Q20, mainly due to the acquisitions. Given that the volume increased at a pace slower than the Company's growth, such expenses accounted for 21.7% of net revenue, a reduction of 0.5p.p..

Consequently, adjusted EBITDA reached an all-time high of R$19.7 million, up 168.1% vs. 2Q20, with an EBITDA margin of 22.4%, growth of 7.6p.p., finally surpassing the 20.0% projected in the short term. We will establish a new goal in the medium term, with optimization of our organic business, the capture of synergies from the latest acquisitions, and contributions from the next acquisitions, with potentially higher margins.

The total Depreciation and Amortization reached R$11.6 million, up 108.1% because of the increase from the acquisitions in the period, being half of the volume refers to the amortization of intangible assets; financial result came to a negative R$2.9 million; and income tax and social contribution totaled R$0.4 million. Consequently, net income hit an all-time high of R$4.8 million (8.3x higher), and net margin came to 5.5% (4.3 p.p. higher).

Gross cash totaled R$154.1 million in 2Q21 and, to reinforce the balance, we announced the Company's second debenture issue in July, of up to R$250 million, the funds of which will be used to increase market share. Part of these funds have already been allocated to the investments in Celcoin, and the commitment of acquisition of Mercer Brazil's operating management division for closed pension administration; the remained should be soon allocated to the new acquisitions. Net cash came to R$25.0 million at the end of the quarter.

To take advantage of all the opportunities offered by the market, we plan to capitalize the Company. And we remain focused on our consolidation plan.

RECENT EVENTS

Closing of Simply and FEPWeb acquisitions. In April, we announced the completion of the acquisition of Simply, a specialist in digital onboarding, and FEPWeb, a reference in electronic signature. These companies formed Sinqia Digital, the new unit that has the mission of helping the financial system in digital transformation by (i) providing better customer experience in the consumption of financial services; and (ii) reducing the institution's total cost in the supply of financial services.

Partnership with Sensedia. In May, we entered into a partnership with Sensedia to para facilitate the implementation of open banking in Brazil. In this partnership, which includes business and technical cooperation, (i) the Company will contribute with its platforms for Banks, Funds, Pension, and Consortium, used by nearly 500 financial institutions, and (ii) Sensedia will contribute with its renowned API management platform, used by more than 120 customers.

Investment in Celcoin. In July, we announced Torq Ventures' first direct minority investment: Celcoin. The company is a groundbreaker in the concept of open finance in Brazil, assisting more than 170 customers including digital banks, fintechs, loyalty programs, and retailers. The R$15 million investment was part of a R$55 million round led by Torq Ventures. The funds will be used to apply for licenses with the Central Bank of Brazil and to expand operations.

Commitment of acquisition of Mercer Brazil's operating management division for closed pension administration. In July, we signed a commitment for the acquisition of Mercer Brazil's operating management division for closed pension administration. The technology-intensive services include customer service, accounting and treasury processing, and risk control, among others. These services are used by more than de 50 entities, especially those related to multinational corporations. In the last 12 months ended on December 2020, the company recorded net revenues of R$32.0 million.

2nd Debenture Issue. In July, we announced the second issue of simple debentures of up to R$250 million. The funds will be used to expand the Company's market share in software and services provided to the financial sector, through potential acquisitions of equity interest in companies. The debentures will mature in five years and bear interest of 100% of the DI (Interbank Deposit) rate, plus a surcharge of 2.30% p.a.

Accounting Reclassification

In this quarter a few accounting lines were reclassified, aligned with the market practices, as indicated below. Given the immateriality of the changes, we will not resubmit the data already published, but for comparison purposes we present below a table with the adjustments mentioned.

- Reclassification of part of the Depreciation and Amortization line, that were fully accounted in operational expenses, for costs. This reclassification impacted both software and services costs. As a result of this adjustment, on the 2Q21 the D&A represented R$1.2 million in costs and R$10.4 million in operating expenses.

- Reclassification of the R&D and Innovation lines, that were accounted in Software costs, to general and administrative expenses. The sum of these two lines on the quarter was R$2.4 million.

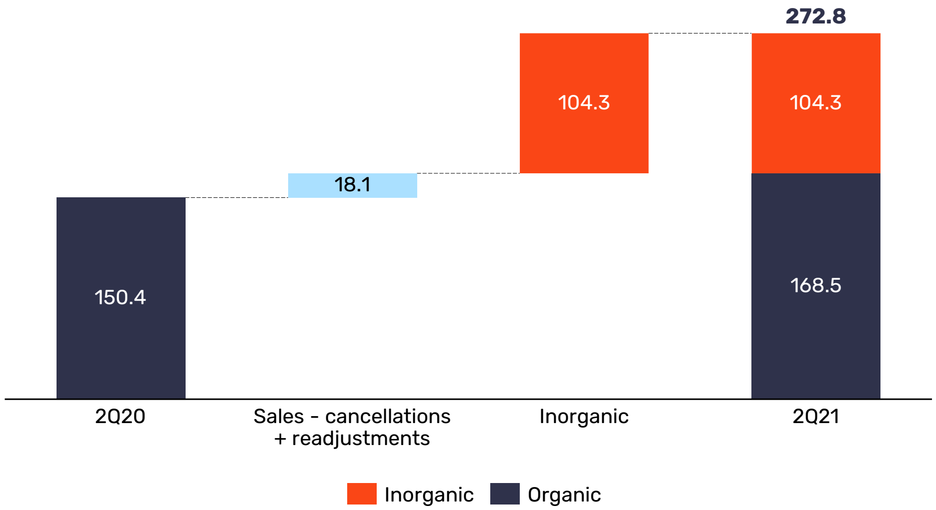
(R$ '000)	2Q21	2Q20 adjusted	2Q21 x 2Q20	1Q21 adjusted	2Q21 x 1Q21
Cost					
Depreciation and Amortization	1,195	1,526	-21.7%	1,071	11.6%
Expenses					
Depreciation and Amortization	10,430	4,061	156.8%	6,691	55.9%
RD&I	2,361	1,526	54.7%	1,071	120.5%

OPERATIONAL PERFORMANCE

Software ARR[1]

In the quarter, it reached an all-time high gross value of R$272.8 million **(+81.4% vs. 2Q20)**, compared to the R$150.4 million recorded in 2Q20, mainly due to the inorganic growth of R$104.3 million from the acquisitions of Tree, Fromtis, ISP, FEPWeb, and Simply, and organic growth of R$18.1 million (+12.1% vs. 2Q20).

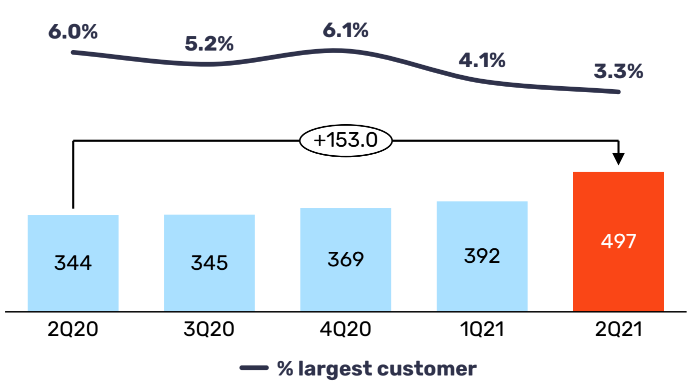
Software ARR (R$ million)



Number of Customers

The number of customers in the quarter increased to 497 **(+153 vs. 2Q20)**, due to the addition of new customers from the latest acquisitions and new sales. The largest customer accounted for 3.3% of net revenue (vs. 6.0% in 2Q20), down by 2.7p.p. as a result of portfolio dilution with the entry of new customers and lower revenues in this customer.

Number of Customers



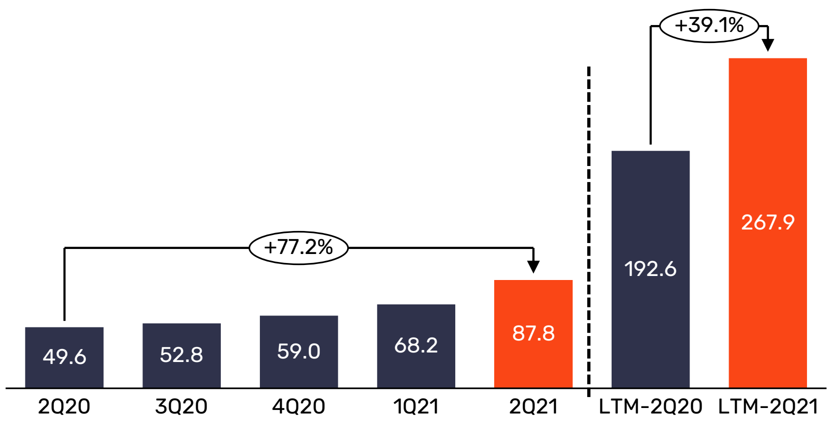
[1] Annualized signed contracts, implemented or not that will generate recurring revenues after the completion of the implementation. The concept of inorganic ARR considers only acquisitions made in the 12 months prior to the current disclosure, i.e. Tree, Fromtis, ISP, FEPWeb, and Simply (acquired in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

FINANCIAL PERFORMANCE

Net Revenues

All-time high net revenues of R$87.8 million in 2Q21 **(+77.2% vs. 2Q20)**, compared to R$49.6 million in 2Q20. Revenue growth was driven by an increase of R$29.5 million inorganic and R$8.7 million organic, being R$5.6 million in Software and R$3.2 million in Services.

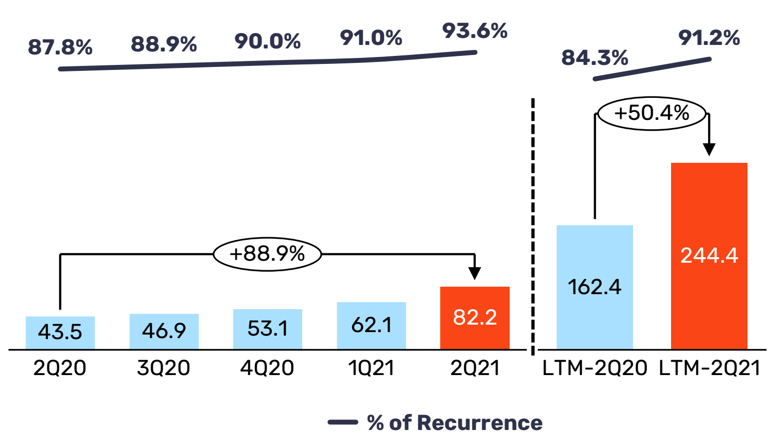
Net Revenue (R$ million)



Recurring Revenues

All-time high recurring revenues of R$82.2 million **(+88.9% vs. 2Q20),** compared to R$43.5 million in 2Q20, accounting for 93.6% of total net revenue (87.8% in 2Q20), Sinqia's highest level ever, due to the constant effort to achieve an increasingly resilient business model.

Recurring Revenues (R$ million)



Costs

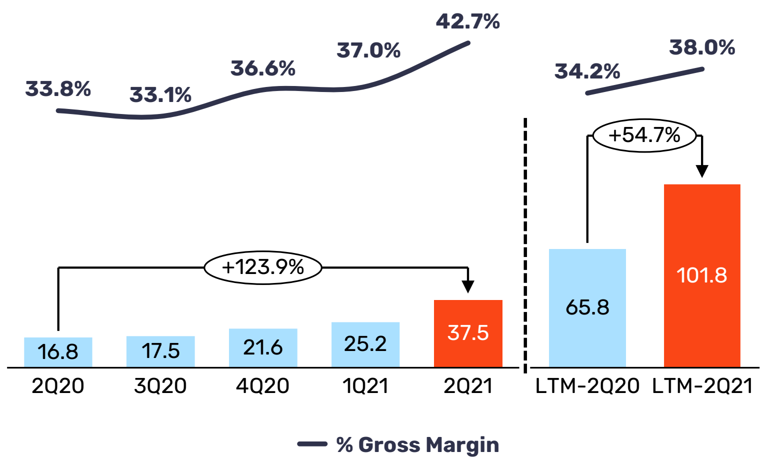
Costs totaled R$50.3 million in the quarter **(+53.3% vs. 2Q20)**, compared to R$32.8 million in 2Q20. The increase was mainly due to the inorganic parcel of R$13.4 million from the acquisitions made in the last 12 months.

As explained above, the portion of the Depreciation and Amortization line, that was accounted in operational expenses, was adjusted under costs and had an impact of R$1.2 million in the period.

Gross Profit and Gross Margin

Gross profit totaled R$37.5 million **(+123.9% vs. 2Q20)**, compared to R$16.8 million in 2Q20. The gross margin stood at 42.7% **(+8.9p.p. vs. 2Q20)**, compared to 33.8% in 2Q20. The improvements were due to efficiency gains in Software and Services, as detailed below.

Total Gross Profit (R$ million)

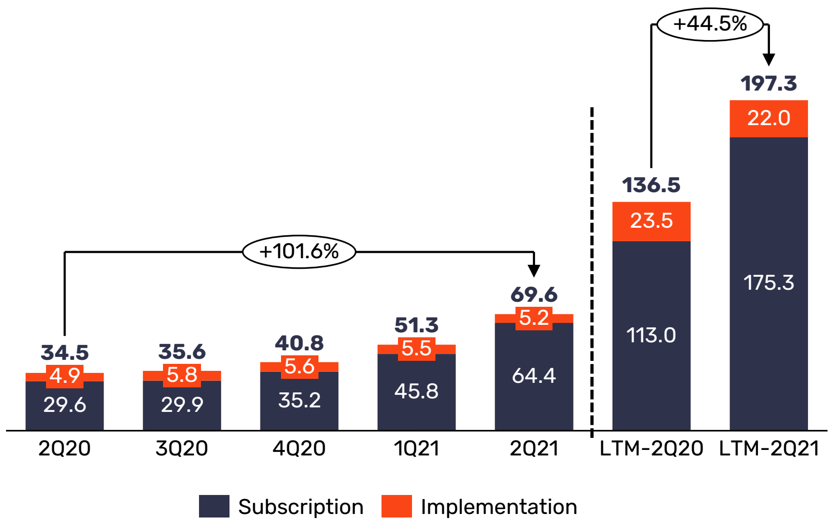


Software Unit

Net Revenues from Software

All-time high net revenues from Software of R$69.6 million **(+101.6% vs. 2Q20),** compared to R$34.5 million in 2Q20. Subscription revenues hit an all-time high of R$64.4 million **(+117.6% vs. 2Q20),** compared to R$29.6 million in 2Q20. Implementation and Customization revenues totaled R$5.2 million **(+5.3% vs. 2Q20),** compared to R$4.9 million in 2Q20. It is worth noting that the performance of the Subscription revenues reflects 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.

Net Revenues from Software (R$ million)



Organic growth totaled R$5.5 million, an increase of 16.1% vs. 2Q20, reflecting the conversion of the implementation backlog into revenues and readjustments (by inflation and business volume), especially in Funds **(+46.5% vs. 2Q20)** and Banks **(+22.7% vs. 2Q20)**, due to a more favorable scenario in these verticals, which continue to record the entry of new participants. The R$29.5 million inorganic growth was due to the acquisitions of Tree, Fromtis, ISP, FEPWeb, and Simply, nonexistent in 2Q20.

Net Revenues from Software (R$ thousand)

(R$ '000)	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21	LTM-2Q21	LTM-2Q20	LTM-2Q21 x LTM-2Q20
Net Revenues from Software	**69,560**	**34,502**	**101.6%**	**51,260**	**35.7%**	**197,282**	**136,505**	**44.5%**
Banks	23,023	18,759	22.7%	21,656	6.3%	86,069	76,418	12.6%
Funds	6,018	4,107	46.5%	5,387	11.7%	21,557	17,259	24.9%
Pension	9,080	8,691	4.5%	9,094	-0.1%	35,995	32,178	11.9%
Consortium	1,930	2,945	-34.5%	1,741	10.9%	8,305	10,650	-22.0%
Inorganic	29,509	-	n.a	13,382	120.5%	45,357	-	n.a
Digital	11,992	-	n.a	-	n.a	11,992	-	n.a
Others	17,517	-	n.a	13,382	30.9%	33,365	-	n.a

Software Costs

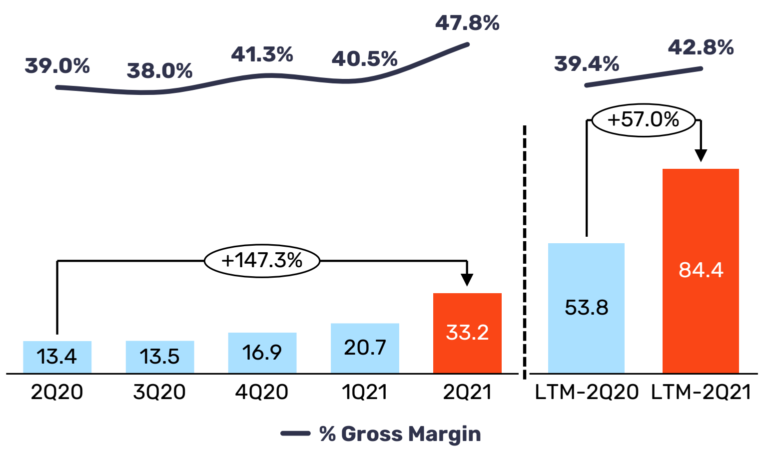
Software costs totaled R$36.3 million **(+72.4% vs. 2Q20),** compared to R$21.1 million in 2Q20. Costs grew less than revenues, highlighting efficiency gains. In the quarter, we adjusted the RD&I lines to expenses, which means that the organic growth of R$1.8 million refers only to operational costs. The inorganic growth of R$13.4 million was from the acquisition of Tree, Fromtis, ISP, Simply and FEPWeb, nonexistent in the second quarter of the previous year.

The impact of the reclassification of a portion of the Depreciation and Amortization line, mentioned above, was R$0.5 million in the period.

Gross Profit and Gross Margin from Software

Gross profit from Software hit an all-time high of R$33.2 million in 2Q21 **(+147.3% vs. 2Q20),** compared to R$13.4 million in 2Q20, with a Gross Margin of 47.8% **(+8.8 p.p. vs. 2Q20),** compared to 39.0% in the same period of the previous year. The best performance of the margin reflects operational improvements, such as the consolidation of Simply and FEPWeb results in the quarter.

Gross Profit from Software (R$ million)

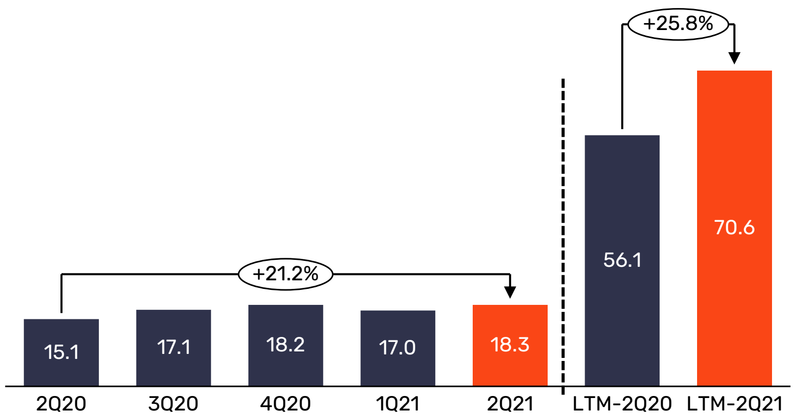


Services Unit

Net Revenues from Services

All-time high net revenues from Services of R$18.3 million in 2Q21 **(+21.2% vs. 2Q20)**, compared to R$15.1 million in 2Q20. Recurring Outsourcing revenues totaled R$17.8 million, accounting for 98% of the total. The unit grew due to the entry of new customers, the increase of managed services in relation to the resources allocated at customers, and the development of customized solutions, resulting from the strong demand for digital transformation in the financial industry.

Net Revenues from Services (R$ million)



Service Costs

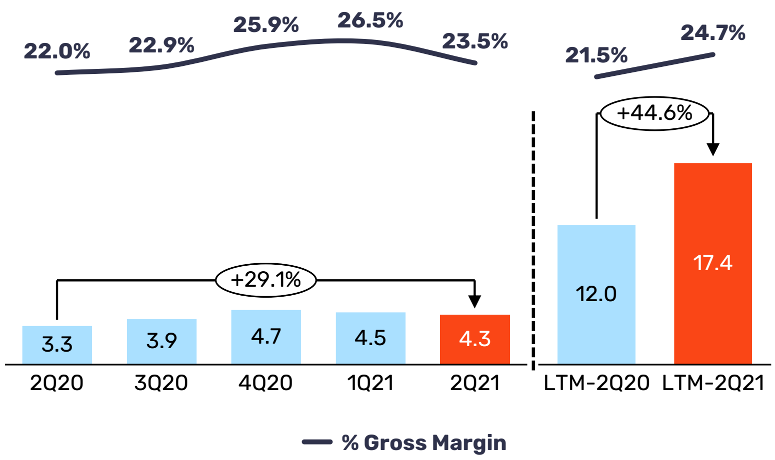
Service costs totaled R$14.0 million **(+19.0% vs. 2Q20),** compared to R$11.7 million in 2Q20, mainly reflecting the hiring of third parties to support the teams. Despite the negative impact of the reclassification of the D&A line, mentioned above, the increase in costs was lower than the revenues, which reflects the efficiency of the managed services model.

Gross Profit and Gross Margin from Services

Gross profit from Services was R$4.3 million in 2Q21 **(+29.1% vs. 2Q20),** compared to R$3.3 million in 2Q20, with a Gross Margin of 23.5% **(+1.4p.p. vs. 2Q20),** compared to 22.0% in 2Q20. This performance reflects the increase in sales in the period and the major importance of managed services, which have higher added value.

It is worth mentioning that this quarter's gross margin was impacted by the D&A line reclassification. Excluding this effect, the margin would have reached 27.2%.

Goss Profit from Services (R$ million)



Operating Expenses

Selling, General and Administrative Expenses

SG&A expenses totaled R$19.0 million in the quarter **(+73.3% vs. 2Q20)**, compared to R$11.0 million in 2Q20, mostly explained by the consolidation of expenses from the acquisitions made in the last 12 months of R$3.4 million, broken down across several lines that also increased below the revenue growth.

As for organic expenses, the major change was in the Administrative line, in the personnel line, due to higher provisions of bonuses, given the better than expected performance of the Company until now, and due to the bad debt provision accounted in the period.

In addition, given the RD&I lines reclassification from costs to expenses in this quarter, there was an impact of R$2.4 million. In the table below, we reflected this adjustment also for the previous quarters for the purpose of better comparability.

SG&A Expenses (R$ thousand)

(R$ '000)	2Q21	2Q20 adjusted	2Q21 x 2Q20	1Q21 adjusted	2Q21 x 1Q21	LTM-2Q21 adjusted	LTM-2Q20	LTM-2Q21 x LTM-2Q20
SG&A Expenses	**19,021**	**10,979**	**73.3%**	**13,899**	**36.9%**	**55,324**	**46,407**	**19.2%**
% of Revenue	*21.7%*	*22.2%*	*-0.5 p.p.*	*20.4%*	*1.3 p.p.*	*20.7%*	*24.1%*	*-3.4 p.p.*
Commercial	3,520	2,372	48.4%	3,132	12.4%	12,167	11,559	5.3%
Marketing	470	356	32.1%	575	-18.2%	1,910	2,027	-5.8%
Administrative	5,447	3,209	69.7%	4,083	33.4%	16,778	15,870	5.7%
IT and Facilities	3,597	2,200	63.5%	2,791	28.9%	11,562	11,450	1.0%
M&A	929	1,420	-34.6%	1,795	-48.3%	4,156	2,645	57.1%
RD&I	2,361	1,526	54.7%	1,071	120.5%	6,214	-	n.a
Other expenses	2,698	(104)	n.a	452	496.9%	2,537	588	331.5%

Depreciation and Amortization

Depreciation and amortization totaled R$10.4 million in 2Q21 **(+156.8% vs. 2Q20)**, compared to R$4.1 million in 2Q20. Depreciation of fixed assets totaled R$1.8 million **(+28.9% vs. 2Q20),** compared to R$1.7 million in 2Q20, due to the increase in the computers and peripherals, and property lease lines, while the amortization came to R$8.6 million **(+226.3% vs. 2Q20),** compared to R$2.6 million in 2Q20, due to the addition of intangible assets from the acquisitions made (Tree, Fromtis, ISP, FEPWeb, and Simply), and third-party software right of use.

In the table below we reflected the impact of the D&A adjustment, as mentioned previously, also with the purpose of better comparability.

Depreciation and Amortization (R$ thousand)

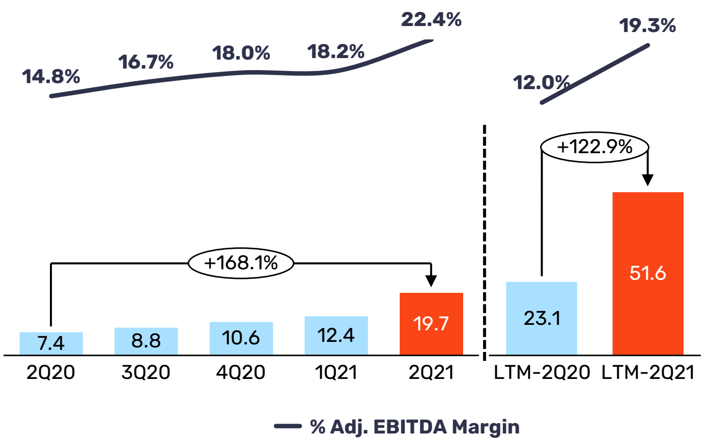
(R$ '000)	2Q21	2Q20 adjusted	2Q21 x 2Q20	1Q21 adjusted	2Q21 x 1Q21	LTM-2Q21 adjusted	LTM-2Q20	LTM-2Q21 x LTM-2Q20
Depreciation and Amortization	**10,430**	**4,061**	**156.8%**	**6,691**	**55.9%**	**27,237**	**16,968**	**60.5%**
Depreciation	1,841	1,428	28.9%	1,497	23.0%	6,540	3,108	110.5%
Amortization	8,589	2,633	226.3%	5,194	65.4%	20,697	13,860	49.3%
Acquisitions amortization	5,751	2,066	178.4%	3,259	76.5%	13,749	10,819	27.1%
Other amortizations	2,838	567	400.9%	1,935	46.7%	6,948	3,041	128.4%

At the end of the period, the goodwill balance totaled R$250.0 million **(+R$67.6 million vs. 1Q21)**, due to the additions resulting from the acquisitions of Simply and FEPWeb.

EBITDA and Adjusted EBITDA

Adjusted EBITDA hit a new all-time high of R$19.7 million **(+168.1% vs. 2Q20),** compared to R$7.4 million in 2Q20, with an all-time high EBITDA margin of 22.4% **(+7.6 p.p. vs. 2Q20),** compared to 14.8% in 2Q20. This performance is explained by the consolidation of the results from Simply and FEPWeb in the quarter, and the gains of scale, mainly due to the capture of synergies from the latest acquisitions, given the diligent control of expenses.

Adjusted EBITDA (R$ million)



Reconciliation of EBITDA[2] and Adjusted EBITDA (R$ thousand)

(R$ '000)	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21	LTM-2Q21	LTM-2Q20	LTM-2Q21 x LTM-2Q20
EBITDA	**19,707**	**7,308**	**169.7%**	**12,422**	**58.6%**	**51,550**	**20,261**	**154.4%**
(+) Extraordinary expenses - earnout	-	-	n.a	-	n.a	-	1,384	n.a
(+) Extraordinary expenses - integration	-	42	n.a	-	n.a	-	1,073	n.a
(+) Extraordinary costs - integration	-	-	n.a	-	n.a	30	423	-92.9%
Adjusted EBITDA	**19,707**	**7,350**	**168.1%**	**12,422**	**58.6%**	**51,580**	**23,141**	**122.9%**
Adj. EBITDA Margin	***22.4%***	***14.8%***	***7.6 p.p.***	***18.2%***	***4.2 p.p.***	***19.3%***	***12.0%***	***7.2 p.p.***

[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;

Financial Result

The Company recorded a negative financial result of R$2.9 million in 2Q21 (compared to a negative R$0.4 million in 2Q20). Financial expenses totaled R$4.4 million (compared to R$2.9 million in 2Q20), mainly due to an increase of liabilities related to the installment's payment of the latest acquisitions. Financial revenues totaled R$1.5 million (compared to R$2.5 million in 2Q20), resulting from cash disbursements related to the cash portion of the acquisitions.

Financial Result (R$ thousand)

(R$ '000)	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21	LTM-2Q21	LTM-2Q20	LTM-2Q21 x LTM-2Q20
Financial Result	**(2,943)**	**(415)**	**609.2%**	**(2,333)**	**26.1%**	**(5,950)**	**(618)**	**862.8%**
Financial revenues	1,471	2,471	-40.5%	1,379	6.7%	6,454	11,676	-44.7%
Financial expenses	(4,414)	(2,886)	52.9%	(3,712)	18.9%	(12,404)	(12,294)	0.9%

Net Income

Net income totaled R$4.8 million in 2Q21 **(+8.3x vs. 2Q20),** compared to R$0.6 million in 2Q20, reflecting the combination of Company higher revenue level with a diligent expense control.

Excluding the effects highlighted bellow, net income would have reached R$12.6 million, 3.1x higher than the same period of the previous year.

Adjusted Net Income (R$ thousand)

(R$ '000)	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21	LTM-2Q21	LTM-2Q20	LTM-2Q21 x LTM-2Q20
Net income	**4,813**	**580**	**729.9%**	**779**	**518.0%**	**9,525**	**2,363**	**303.2%**
(+) Extraordinary effects	-	42	n.a	-	n.a	30	2,880	-99.0%
(+) Intangible Amortization from acquisitions	5,751	2,066	178.4%	3,259	76.5%	13,749	10,819	27.1%
(+) Def. income tax/Social Contr. (goodwill on acquisitions)	2,017	1,436	40.5%	1,496	34.8%	6,299	3,063	105.6%
Adjusted Net Income	**12,581**	**4,124**	**205.1%**	**5,534**	**127.4%**	**29,603**	**19,125**	**54.8%**

FINANCIAL POSITION

Gross Cash

Gross cash totaled R$154.1 million in 2Q21 **(-R$79.9 million vs. 1Q21),** compared to R$234.0 million in 1Q21, mainly due to cash disbursements related to the cash portion of the acquisitions of Simply and FEPWeb, of R$33.6 million, and the share buyback, of R$57.0 million, delivered to the founders of these companies, who became shareholders of Sinqia. To enable the continuity of our strategic consolidation plan, we announced in July a cash reinforcement through the Company's 2nd debenture issue, of up to R$250 million.

Gross Debt

Gross debt totaled R$129.2 million in 2Q21 **(+R$1.9 million vs. 1Q21),** compared to R$127.3 million in 1Q21, due to higher obligations arising from investment acquisitions, of R$95.8 million **(+R$5.0 million vs. 1Q21),** because of the new obligations related to the installment payments from the acquisition of Simply and FEPWeb, totaling R$25.7 million, and lower debt balance of our loans, of R$33.4 million in 2Q21 **(-R$3.1 million vs. 1Q21)**.

Net Cash

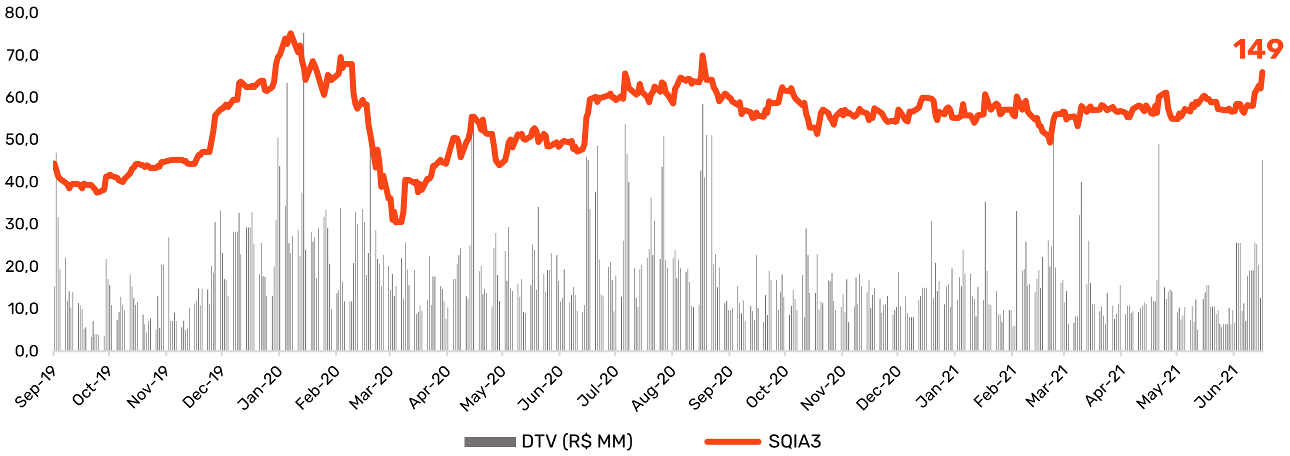
We closed 2Q21 with net cash of R$25.0 million **(-R$81.7 million vs. 1Q21)**, compared to R$106.7 million in 1Q21.

CAPITAL MARKET

Stock Performance

The Company's shares (NM: SQIA3) closed 2Q21 at R$24.60 **(+8.5% vs. 1Q21),** compared to R$22.68 in 1Q21. The Company's shares appreciated 59.0% from the follow-on (Sep/19) to June 30, 2021.

Stock Performance - Base 100 (R$ million)



Market Capitalization

At the end of 2Q21, the Company reached R$1.7 billion in market capitalization **(+8.5% vs. 1Q21)**, compared to R$1.6 billion in 1Q21.

Average Daily Trading Volume (ADTV)

Sinqia's average daily trading volume was R$12.4 million in 2Q21 **(-26.6% vs. 1Q21)**, compared to R$16.9 million in 1Q21.

Shareholder Base

The shareholder base closed the quarter with 103.100 shareholders **(-8.5% vs. 1Q21)**, compared to R$112.800 in 1Q21.

Outstanding shares (free float)

We closed the quarter with 83.4% of our shares in free float **(+2.5 p.p. vs. 1Q21)**, compared to 80.9% in 1Q21.

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

EXHIBIT – FINANCIAL STATEMENTS

Exhibit I – Income Statement (Consolidated)

(R$ '000)	2Q21	2Q20	2Q21 x 2Q20	1Q21	2Q21 x 1Q21	LTM-2Q21	LTM-2Q20	LTM-2Q21 x LTM-2Q20
Gross Revenues	**98,568**	**55,824**	**76.6%**	**76,789**	**28.4%**	**301,144**	**216,852**	**38.9%**
Software	78,020	38,852	100.8%	57,691	35.2%	221,762	153,699	44.3%
Subscription	71,859	33,314	115.7%	51,424	39.7%	195,465	127,231	53.6%
Implementation	6,161	5,538	11.2%	6,267	-1.7%	26,297	26,468	-0.6%
Services	20,549	16,972	21.1%	19,097	7.6%	79,382	63,153	25.7%
Outsourcing	20,082	15,694	28.0%	18,358	9.4%	77,233	55,541	39.1%
Projects	467	1,278	-63.5%	739	-36.9%	2,149	7,612	-71.8%
Sales taxes	**(10,751)**	**(6,263)**	**71.7%**	**(8,549)**	**25.8%**	**(33,277)**	**(24,223)**	**37.4%**
Software	(8,466)	(4,350)	94.6%	(6,431)	31.6%	(24,486)	(17,195)	42.4%
Subscription	(7,466)	(3,719)	100.8%	(5,618)	32.9%	(20,174)	(14,188)	42.2%
Implementation	(1,000)	(631)	58.5%	(813)	23.0%	(4,312)	(3,007)	43.4%
Services	(2,285)	(1,913)	19.4%	(2,118)	7.9%	(8,791)	(7,028)	25.1%
Outsourcing	(2,238)	(1,754)	27.6%	(2,039)	9.8%	(8,144)	(6,148)	32.5%
Projects	(47)	(159)	-70.4%	(80)	-40.8%	(647)	(880)	-26.5%
Net Revenues	**87,818**	**49,561**	**77.2%**	**68,239**	**28.7%**	**267,867**	**192,630**	**39.1%**
Software	69,553	34,502	101.6%	51,260	35.7%	197,276	136,505	44.5%
Subscription	64,393	29,595	117.6%	45,806	40.6%	175,292	113,044	55.1%
Implementation	5,161	4,907	5.2%	5,454	-5.4%	21,984	23,461	-6.3%
Services	18,264	15,059	21.3%	16,979	7.6%	70,591	56,125	25.8%
Outsourcing	17,845	13,940	28.0%	16,319	9.3%	69,089	49,393	39.9%
Projects	420	1,119	-62.5%	660	-36.4%	1,502	6,732	-77.7%
Net Revenues	**87,818**	**49,561**	**77.2%**	**68,239**	**28.7%**	**267,867**	**192,630**	**39.1%**
Recurring	82,229	43,535	88.9%	62,126	32.4%	244,373	162,437	50.4%
Variable	5,589	6,026	-7.3%	6,114	-8.6%	23,495	30,193	-22.2%
% of Recurrence	***93.6%***	***87.8%***	***5.8 p.p.***	***91.0%***	***2.6 p.p.***	***91.2%***	***84.3%***	***6.9 p.p.***
Costs	**(50,286)**	**(32,800)**	**53.3%**	**(42,990)**	**17.0%**	**(166,045)**	**(126,829)**	**30.9%**
Software	(36,313)	(21,060)	72.4%	(30,510)	19.0%	(112,870)	(82,743)	36.4%
Services	(13,974)	(11,740)	19.0%	(12,480)	12.0%	(53,174)	(44,086)	20.6%
Outsourcing	(13,688)	(10,957)	24.9%	(11,814)	15.9%	(51,228)	(39,554)	29.5%
Projects	(286)	(783)	-63.5%	(667)	-57.1%	(1,946)	(4,532)	-57.1%
Gross profit	**37,531**	**16,761**	**123.9%**	**25,249**	**48.6%**	**101,823**	**65,801**	**54.7%**
Gross margin	*42.7%*	*33.8%*	*8.9 p.p.*	*37.0%*	*5.7 p.p.*	*38.0%*	*34.2%*	*3.9 p.p.*
Software	33,248	13,442	147.3%	20,750	60.2%	84,412	53,762	57.0%
Software gross mg.	*47.8%*	*39.0%*	*8.8 p.p.*	*40.5%*	*7.3 p.p.*	*42.8%*	*39.4%*	*3.4 p.p.*
Services	4,284	3,319	29.1%	4,500	-4.8%	17,412	12,039	44.6%
Services gross mg.	*23.5%*	*22.0%*	*1.4 p.p.*	*26.5%*	*-3.0 p.p.*	*24.7%*	*21.5%*	*3.2 p.p.*
Outsourcing	4,151	2,983	39.1%	4,507	-7.9%	17,856	9,839	81.5%
Outsourcing gross mg.	*23.3%*	*21.4%*	*1.9 p.p.*	*27.6%*	*-4.4 p.p.*	*25.8%*	*19.9%*	*5.9 p.p.*
Projects	134	336	-60.3%	(7)	n.a	(444)	2,200	n.a
Projects gross mg.	*31.8%*	*30.0%*	*0.1 p.p.*	*-1.0%*	*32.9 p.p.*	*-29.6%*	*32.7%*	*n.a*
Expenses	**(29,451)**	**(15,040)**	**95.8%**	**(20,590)**	**43.0%**	**(82,561)**	**(64,759)**	**27.5%**
% of net revenues	*33.5%*	*30.3%*	*3.2 p.p.*	*30.2%*	*3.4 p.p.*	*30.8%*	*33.6%*	*-2.8 p.p.*
General/administrative	(19,021)	(10,979)	73.3%	(13,899)	36.9%	(55,324)	(46,407)	19.2%
% of net revenues	*21.7%*	*22.2%*	*-0.5 p.p.*	*20.4%*	*1.3 p.p.*	*20.7%*	*24.1%*	*-3.4 p.p.*
Depreciation/amort.	(10,430)	(4,061)	156.8%	(6,691)	55.9%	(27,237)	(16,968)	60.5%
% of net revenues	*11.9%*	*8.2%*	*3.7 p.p.*	*9.8%*	*2.1 p.p.*	*10.2%*	*8.8%*	*0.2 p.p.*
EBIT	**8,081**	**1,721**	**369.6%**	**4,660**	**73.4%**	**19,263**	**1,042**	**1749.6%**
Financial result	**(2,943)**	**(415)**	**609.2%**	**(2,333)**	**26.1%**	**(5,950)**	**(618)**	**862.8%**
Financial income	1,471	2,471	-40.5%	1,379	6.7%	6,454	11,676	-44.7%
Financial expenses	(4,414)	(2,886)	52.9%	(3,712)	18.9%	(12,404)	(12,294)	0.9%
EBT	**5,138**	**1,306**	**293.4%**	**2,327**	**120.8%**	**13,313**	**424**	**3043.6%**
Income tax/social contribution	**462**	**(745)**	**n.a**	**(1,548)**	**n.a**	**(2,969)**	**1,924**	**n.a**
Current	(5,766)	(731)	688.8%	(2,622)	119.9%	(10,994)	(4,241)	159.2%
Deferred	6,228	(14)	n.a	1,074	479.9%	8,025	6,165	30.2%
Results after IT and SC	**5,600**	**561**	**898.3%**	**779**	**619.1%**	**10,344**	**2,348**	**340.7%**
Minority interest	(787)	19	n.a	-	0.0%	(819)	15	n.a
Net income	**4,813**	**580**	**729.9%**	**779**	**518.0%**	**9,525**	**2,363**	**303.2%**
Net margin	*5.5%*	*1.2%*	*4.3 p.p.*	*1.1%*	*4.3 p.p.*	*3.6%*	*1.2%*	*1.9 p.p.*

EBITDA	**19,707**	**7,308**	**169.7%**	**12,422**	**58.6%**	**51,550**	**20,261**	**154.4%**
EBITDA margin	*22.4%*	*14.7%*	*7.7 p.p.*	*18.2%*	*4.2 p.p.*	*19.2%*	*10.5%*	*8.7 p.p.*
(+) Extraordinary expenses	-	42	n.a	-	n.a	-	2,457	n.a
(+) Extraordinary costs	-	-	n.a	-	n.a	30	423	-92.9%
Adjusted EBITDA	**19,707**	**7,350**	**168.1%**	**12,422**	**58.6%**	**51,580**	**23,141**	**122.9%**
Adj. EBITDA Margin	*22.4%*	*14.8%*	*7.6 p.p.*	*18.2%*	*4.2 p.p.*	*19.3%*	*12.0%*	*7.2 p.p.*

Net income	**4,813**	**580**	**729.9%**	**779**	**518.0%**	**9,525**	**2,363**	**303.2%**
(+) Extraordinary effects	-	42	n.a	-	n.a	30	2,880	-99.0%
(+) Intangible Amortization from acquisitions	5,751	2,066	178.4%	3,259	76.5%	13,749	10,819	27.1%
(+) Def. income tax/Social Contr. (goodwill on acquisitions)	2,017	1,436	40.5%	1,496	34.8%	6,299	3,063	105.6%
Adjusted Net Income	**12,581**	**4,124**	**205.1%**	**5,534**	**127.4%**	**29,603**	**19,125**	**54.8%**

Exhibit II – Balance Sheet (Consolidated)

(R$ '000)	06.30.2021	03.31.2021	Var.	06.30.2020	Var. YoY
ASSETS	**715,959**	**658,970**	**8.6%**	**605,953**	**18.2%**
Current	**192,622**	**264,326**	**-27.1%**	**366,837**	**-47.5%**
Cash and cash equivalents	154,149	234,026	-34.1%	336,293	-54.2%
Receivables	28,258	22,473	25.7%	23,259	21.5%
Advanced expenses	1,979	553	257.9%	794	149.2%
Taxes and contributions recoverable	5,142	6,185	-16.9%	5,603	-8.2%
Other receivables	3,094	1,089	184.1%	888	248.4%
Non-current	**523,337**	**394,644**	**32.6%**	**239,116**	**118.9%**
Securities	23,966	19,328	24.0%	4,244	464.7%
Taxes and contributions recoverable	6,061	3,012	101.2%	3,330	82.0%
Deposits in court	211	289	-27.0%	321	-34.3%
Deferred income tax and social contrib.	35,337	29,108	21.4%	24,483	44.3%
Other receivables	-	-	-	159	-100.0%
Property and equipment	45,357	47,357	-4.2%	40,703	11.4%
Intangible assets	412,405	295,550	39.5%	165,876	148.6%
LIABILITIES AND EQUITY	**715,959**	**658,970**	**8.6%**	**605,953**	**18.2%**
Current	**88,981**	**88,173**	**0.9%**	**61,539**	**44.6%**
Loans and financing	12,524	12,500	0.2%	13,542	-7.5%
Leasing	9,271	8,824	5.1%	5,387	72.1%
Trade payables	4,006	5,564	-28.0%	3,055	31.1%
Advances from customers	3,445	5,022	-31.4%	2,140	61.0%
Labor liabilities	31,051	27,529	12.8%	16,718	85.7%
Tax liabilities	4,901	1,385	253.8%	3,374	45.2%
Liabilities arising from invest. acquisition	23,784	24,528	-3.0%	17,323	37.3%
	-	2,821	-100.0%	-	-
Non-current	**182,126**	**170,413**	**6.9%**	**111,748**	**63.0%**
Loans and financing	20,875	24,022	-13.1%	32,344	-35.5%
Leasing	31,406	33,617	-6.6%	26,416	18.9%
Tax liabilities	244	1,883	-87.1%	2,717	-91.0%
Provisions for legal proceedings	57,610	44,639	29.1%	37,336	54.3%
Liabilities arising from invest. acquisition	71,991	66,252	8.7%	12,935	456.6%
Equity	**444,852**	**400,384**	**11.1%**	**432,666**	**2.8%**
Share capital	413,261	413,261	0.0%	413,261	0.0%
Treasury shares	(1,288)	(37,626)	-96.6%	(1,689)	-23.7%
Shares issue expenses	(23,915)	(23,915)	0.0%	(23,931)	-0.1%
Capital reserve	17,309	15,511	11.6%	15,105	14.6%
Earnings reserve	37,966	33,153	14.5%	29,826	27.3%
Total Equity of controlling shareholders	**443,333**	**400,384**	**10.7%**	**432,572**	**2.5%**
Non-controlling interests	1,519	-	-	94	-

Gross debt	**129,174**	**127,302**	**1.5%**	**76,144**	**69.6%**
Borrowings	33,399	36,522	-8.6%	45,886	-27.2%
Liabilities arising from invest. acquisition	95,775	90,780	5.5%	30,258	216.5%
Net debt (cash) position	**(24,975)**	**(106,724)**	**-76.6%**	**(260,149)**	**-90.4%**
Net debt/Adj. EBITDA LTM	NA	NA		NA	