

# sinqia

## 2022 Earnings Release



**Results webcast in Portuguese with simultaneous translation into English**

08.12.2022 (Friday)

10 a.m. (New York) / 11 a.m. (Brasília) /  
3 p.m. (London)

Webcast: **Register Here**

(Access information will be sent after registration)

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**Price:** R\$ 20.01

**Market Cap.:** R\$ 1,760 million

**Number of shares:** 87,941,972

Base 08.11.2022

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**São Paulo, August 11, 2022.** Sinqia S.A. (B3: SQIA3) ("**Company**"), a leading provider of technology for the financial system, announces its consolidated results for the second quarter of 2022 ("**2Q22**").

## Highlights

### **Software ARR**

Record of R\$482.1 million in 2Q22 **(+76.7% vs. 2Q21)**

### **Number of Customers**

Record of 732 customers at the end of 2Q22 **(+235 vs. 2Q21)**

### **Net Revenues**

Record of R\$151.8 million in 2Q22 **(+72.9% vs. 2Q21)**

The run rate of R\$607.3 million

### **Recurring Revenues**

Record of R\$126.7 million in 2Q22 **(+54.1% vs. 2Q21)**

The run rate of R\$506.8 million

### **Adjusted EBITDA**

Record of R\$39.1 million **(+98.3% vs. 2Q21)**

The run rate of R\$156.3 million

### **Adjusted EBITDA Margin**

25.7% **(+3.3 p.p. vs. 2Q21)**

### Legal 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. 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 ADMINISTRATION**

We ended another quarter with excellent results that confirm 2022 as a promising year. The 2022 figures fully comprise the acquisitions closed at the beginning of the year - NewCon, LOTE45 and Mercer Seguridade - and demonstrate that the “new Sinqia” is a company prepared to deliver a unique combination of growth and profitability.

Software ARR reached a new record of R\$482.1 million, up 76.7%, including organic growth of 24.4% over the same period of the previous year. This percentage is a consequence of our ability to fully pass on inflation and, simultaneously, sustain high sales volumes and low churn, given that we operate in a resilient market and have clear competitive advantages.

Total net revenue registered a record of R\$151.8 million (annualized amount of R\$607.3 million), total growth of 72.9%, with organic growth of 19.6% over the same period of the previous year. When also considering the organic growth of acquisitions, from the unaudited pro forma base of 2Q21, we would observe a current organic growth of 23.5%. This number is the best proxy for the “new Sinqia” organic growth.

We are taking advantage of the cross-selling opportunities created in the last two years. Our customers spend billions of reais a year on application software and even with a wide range of products our share of these expenses is still very small. That's why we reinforce our understanding of the potential for sustainable organic growth over a long period of time.

Gross profit, in turn, amounted a record of R\$63.5 million, total growth of 69.1% over the same period of the previous year. We are progressing in the integration of the last acquired companies and, especially, the unification of products in some business units. Therefore, we are also confident in the potential to gain profitability in the coming years.

General and administrative expenses were R\$28.5 million, an increase of 49.6% over the same previous period, lower than the growth in revenue, mainly due to the consolidation of expenses of the companies acquired in the last five quarters. The evolution of gross profit and general and administrative expenses shows that inflation has not pressured our margins.

As a result, adjusted EBITDA reached R\$39.1 million (annualized amount of R\$156.3 million), a growth of 98.3% over the same period of the previous year, with an adjusted EBITDA margin of 25.7%. We are seeking to reach the level of profitability of the main global peers, which have an EBITDA margin above 30.0%.

With these results, we confirm our ability to deliver growth and profitability in a continuous, balanced and sustainable way - our business model is not a sprint, it is a marathon.

And to finish talking about growth, we are promoting several adjustments in the organizational structure and reinforcements in the team. We recently elected new Board Members - Carolina Strobel and Gustavo Roxo -, we appoint new Vice-Presidents - João Bolonha and Thiago Rocha - and we hired several executives to reinforce the business units and corporate areas. Sinqia has grown a lot in the last two years and does not intend to stop. We are preparing the Company for an even more promising future.

## RECENT EVENTS

**Changes to the Management.** At the Board of Director's Meeting held on July 1st, the Board of Directors elected Mr. João Bolonha for the position of Vice President of People, Products, Technology and Sales, after he resigned from the position of Independent Director, being replaced by Ms. Ana Carolina Strobel. The changes aim to add new expertise to the Executive Board and the Board of Directors, preparing Sinqia for a new growth cycle.

**End of the 2<sup>nd</sup> Debenture Issuance.** On July 11, we announced the closing of the second issuance of debentures. Of the total R\$250 million issued, R\$150 million were settled in 3Q21 and the remaining R\$100 million in July 2022. These funds aim to increase the Company's share in the software and services market for the financial sector, by through potential acquisitions of participation in companies considered strategic.

**Launch of Acate Hub.** On June 30th Torq, our open innovation hub, opened a physical office in the Primavera Innovation Center of the Catarinense Technology Association (Acate), in Florianópolis. This movement is an important milestone that reinforces contact with the innovation ecosystem and brings our innovation hub closer to the other technological centers in Brazil, essential to create a lively innovation environment, bringing together different projects and opportunities.

**SinqiaUp launch.** On July 4th we launched our Corporate University, SinqiaUP. In view of the constant transformation of the professional environment, we are committed to training and developing professionals in-house, to encourage self-directed learning and leadership development through an ecosystem with solutions that will promote talent retention and strengthen the Company's culture in long term.

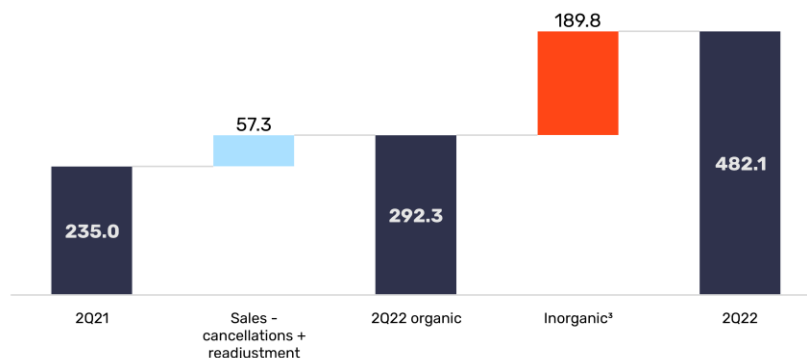
**OPERATIONAL PERFORMANCE**

**Software ARR<sup>1</sup>**

In 2022, Software ARR reached a record R\$482.1 million, up 76.7% over 2021, as a result of the organic addition of R\$57.3 million and the inorganic addition of R\$189.8 million referring to contract portfolios of the acquisitions of Simply, FEPWeb, QuiteJá, NewCon, LOTE45, and Mercer Seguridade, in the last five quarters.

The 24.4% organic growth of the contract portfolio<sup>2</sup> observed over the comparable quarter last year was composed of the ARR added by sales net of cancellations of 11.2%, driven by the solid commercial performance in the Banks, Funds and Pension units and adjustments for inflation and volume of 13.2%, which ultimately confirms our ability to pass on prices amidst an inflationary scenario.

**Software ARR (R\$ million)**

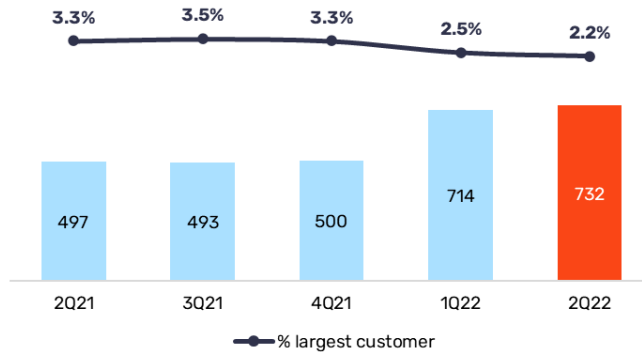


**Number of Customers**

The base totaled 732 customers in 2022, representing an addition of 235 customers versus 2021, mainly due to the entry of customers from the latest acquisitions. The largest customer accounted for 2.2% of net revenue in the quarter, down by 1.2 p.p. from 2021, reflecting the dilution of the customer portfolio with the consolidation of the results from the latest acquisitions.

<sup>1</sup> Annualized executed contracts, deployed or not, that will generate recurring revenues after the deployment is completed. <sup>2</sup> Resulting from the sum of sales, contract cancellations, and contractual and volume adjustments. <sup>3</sup> Inorganic ARR includes acquisitions made in the 4 quarters prior to the current disclosure, including those occurring in the reporting period. In 2022, the results of FEPWeb, Simply, QuiteJá, NewCon, LOTE45, and Mercer Seguridade were recorded as inorganic.

Number of Customers

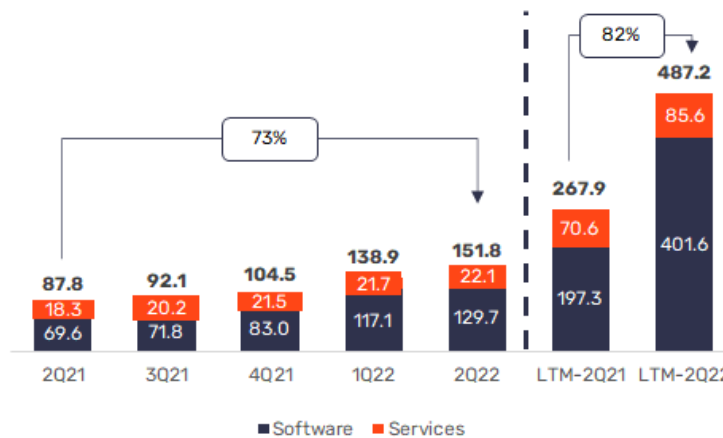


FINANCIAL PERFORMANCE

Net Revenue

Net revenue hit an all-time high of R\$151.8 million, a growth of 72.9% YoY, driven by the 86.4% increase in Software, which totaled R\$129.7 million, and by the 21.3% increase in Services, which totaled R\$22.1 million in the period.

Net Revenues (R\$ million)



Organic net revenue totaled R\$90.7 million, 19.6% higher year on year reflecting the 19.1% growth in Software units combined with the 21.3% growth in Services. The inorganic portion reached R\$61.1 million and corresponds to the consolidated results of the acquisitions carried out in the last five quarters, namely, Simply, FEPWeb, QuiteJá, NewCon, LOTE45 and Mercer Seguridade.

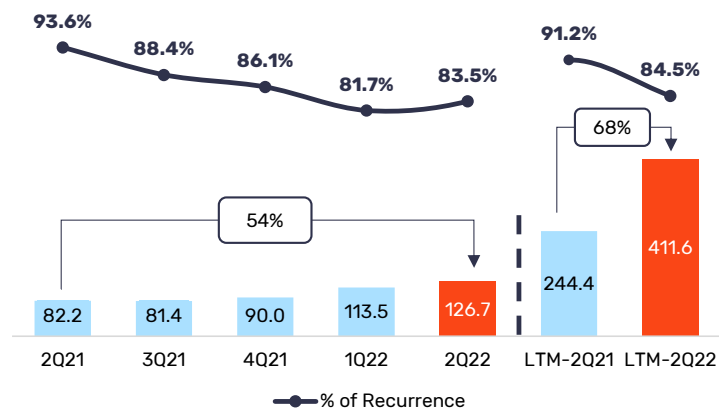


### Recurring Revenue

New all-time high recurring revenue of R\$126.7 million in 2Q22, 54.1% higher than in 2Q21. The additional R\$44.5 million in the period is a result of the positive performance of all the Software and Services units, especially Funds, Pension and Consortium, which together account for 79.7% of the growth observed, reflecting, above all, the consolidation of the results of LOTE45, Mercer and NewCon, respectively.

Recurrence stood at 83.5% of total revenue versus 93.6% in the same period of the previous year and was largely affected by the consolidation of the results from the latest acquisitions, especially NewCon's. The latter had a relevant backlog of new contracts to be implemented, which will contribute with new recurring revenue once they go into production.

**Recurring Revenues (R\$ million)**



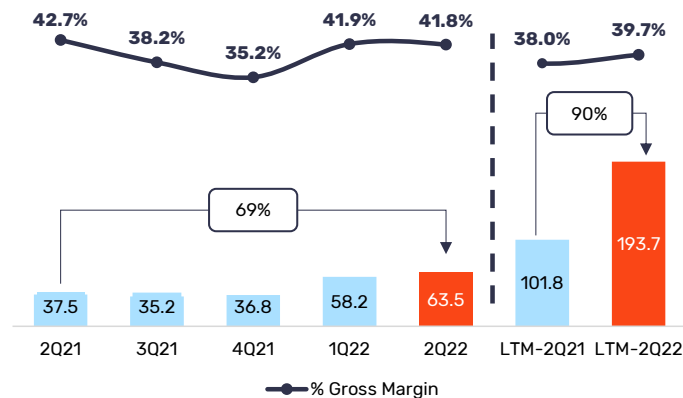
### Costs

Costs totaled R\$ 88.4 million, up 75.7% over 2Q21, mainly impacted by the consolidation of costs from acquisitions made in the last five quarters, mainly impacted by the consolidation of costs arising from acquisitions carried out in the last five quarters, which totaled R\$ 27.7 million. Excluding this effect, this line would have grown 28.2% year on year, mainly reflecting the increase in headcount in the period to support operational growth in all business units.

### Gross Profit and Gross Margin

In 2Q22, gross profit reached an all-time high of R\$63.5 million, 69.1% higher year on year, while gross margin ended the quarter at 41.8%, down 0.9 p.p., reflecting the increase in costs related to operational growth.

**Total Gross Profit (R\$ million)**



**Software Unit**

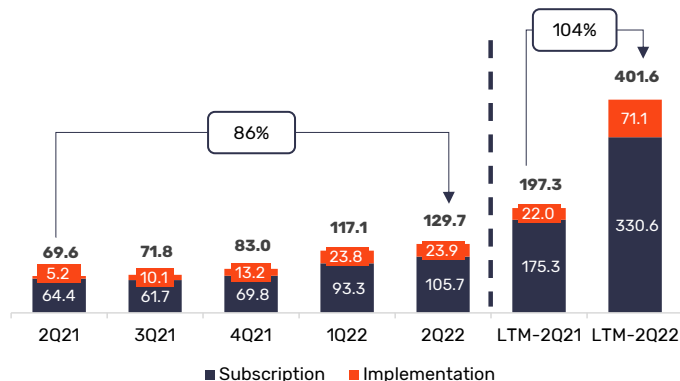
**Net Revenue from Software**

Net revenues from Software reached an all-time high of R\$129.7 million in 2022, up 86.4% year on year, chiefly due to the consolidation of the results from acquisitions made in the last five quarters, including the current quarter, which totaled R\$61.1 million in the quarter.

Net subscription revenue was R\$105.7 million, 64.2% higher than in 2021, while implementation and customization totaled R\$23.9 million, an expressive growth of 363.0% over 2021, due to the greater volume of customization projects in the Banks, Funds and Pension units and the implementation of NewCon, which had an excellent commercial performance in the previous quarters.

It is worth noting that the evolution of the commercial model to the subscription format, in which we exempt the customer from the implementation fee but charge a higher monthly fee from the moment the contract is signed, continues to reinforce subscription revenue and facilitate new sales, as switching costs perceived by customers are reduced.

**Net Revenue from Software (R\$ million)**



Organic revenue totaled R\$68.6 million, 19.1% higher than 2021, and considers the consolidation of the results of acquisitions made for more than five quarters on a comparative basis, with ISP being incorporated into the Pension base. It should be noted that despite the excellent commercial performance in the quarter, most of the backlog has not yet been implemented during the first half and, therefore, has not yet contributed to more expressive revenues in this line.

### Net Revenue from Software (R\$ thousand)

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22
<b>Net Revenues from Software</b>	<b>129,675</b>	<b>69,560</b>	<b>86.4%</b>	<b>117,120</b>	<b>10.7%</b>
<b>Organic</b>	<b>68,565</b>	<b>57,568</b>	<b>19.1%</b>	<b>66,817</b>	<b>2.6%</b>
Banks	28,831	25,347	13.7%	28,690	0.5%
Funds	12,922	8,877	45.6%	12,003	7.7%
Pension	24,620	21,414	15.0%	24,034	2.4%
Consortium	2,193	1,930	13.6%	2,090	4.9%
Digital	-	-	-	-	-
<b>Inorganic</b>	<b>61,109</b>	<b>11,992</b>	<b>409.6%</b>	<b>50,303</b>	<b>21.5%</b>
Banks	-	-	-	-	-
Funds	9,860	-	-	6,121	-
Pension	9,388	-	-	6,162	52.4%
Consortium	23,704	-	-	20,557	-
Digital	18,157	11,992	51.4%	17,464	4.0%

### Software Costs

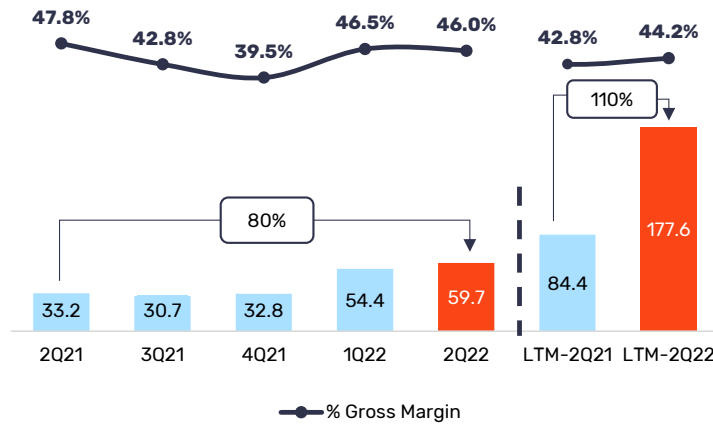
Software costs totaled R\$70.0 million in the quarter, 92.7% higher than those reported in 2021, mainly impacted by the inorganic portion of R\$27.7 million from acquisitions made in the last five quarters. Excluding this effect, this line would have grown 26.8%, as a result of the increase in headcount and the hiring of outsourced labor to support operational growth in practically all business units.

Depreciation and Amortization costs totaled R\$2.0 million in the quarter.

### Gross Profit and Gross Margin from Software

In the quarter, gross profit reached an all-time high of R\$59.7 million, up 79.6% over the comparable quarter last year, while gross margin reached 46.0%, down 1.8 p.p. from 2021, due to the increase in costs related to the expansion of the workforce to support operational growth in practically all business units.

**Gross Profit from Software (R\$ million)**

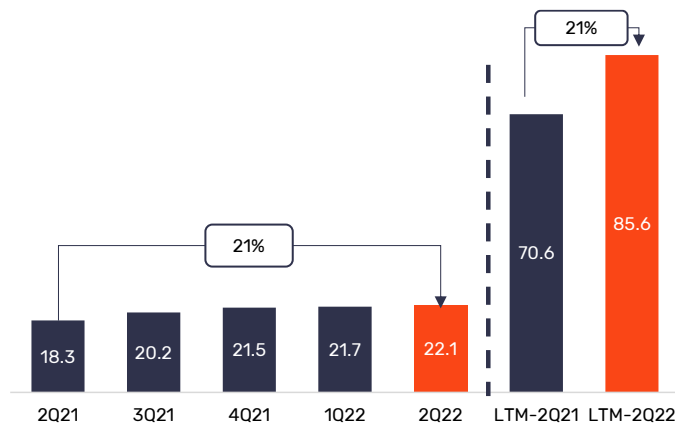


**Services Unit**

**Net Revenues from Services**

Net revenue from Services reached an all-time high of R\$22.1 million, up 21.3% over 2021. Outsourcing revenue, of a recurring nature, was R\$21.0 million, up 17.5% over 2021, as a result of the increase in the number of professionals allocated to clients and the higher demand for managed services, given the expansion of the portfolio with the entry of new customers. The Projects line, in turn, totaled R\$1.2 million, 181.0% higher than in 2021, largely reflecting consulting projects aimed at the structuring of products and operational efficiency.

**Net Revenues from Services (R\$ million)**



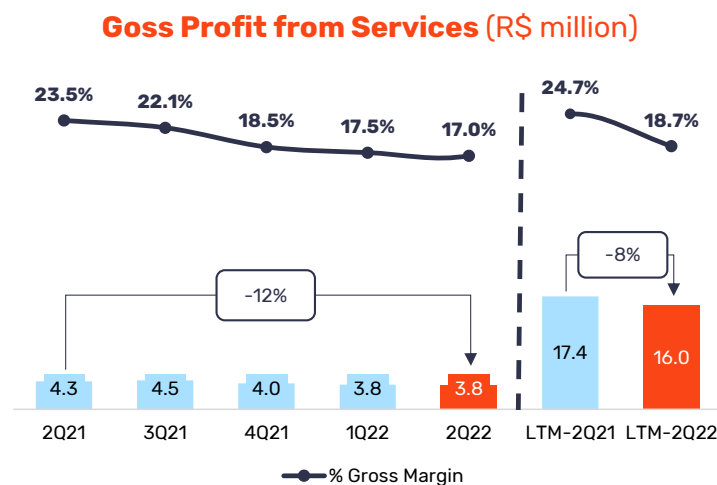
### Service Costs

In the quarter, service costs totaled R\$18.4 million, 31.6% higher than the costs reported in 2Q21, above the growth observed in revenue. This performance reflects the increase in the hiring of professionals to support new sales both in Outsourcing and in Projects.

Depreciation and Amortization costs totaled R\$0.9 million in the quarter.

### Gross Profit and Gross Margin from Services

Gross profit from Services totaled R\$3.8 million, down 12.4% from 2Q21, while gross margin reached 17.0%, 6.5 p.p. lower than in 2Q21. This performance was impacted by the increased competition observed in the segment - both in terms of hiring manpower, intensified by greater turnover in the unit, as well as and the negotiation of new projects, whose conversion period expanded in the quarter - which are putting pressure on margins.



### Operating Expenses

#### Selling, General, and Administrative Expenses

Selling, general, and administrative expenses totaled R\$28.5 million, a 49.6% increase over 2Q21, mainly due to the consolidation of expenses from acquisitions made in the last five quarters, totaling R\$12.7 million, spread over several lines. It is worth noting that despite the increase in the annual comparison, these expenses represented 18.7% of total revenue, with a reduction of 2.9 p.p. compared to the year-ago period, reflecting economies of scale provided by recent acquisitions.

Organic expenses were flat YoY. The increases observed in several lines, mainly in commercial expenses in view of the increment in the commercial team, were offset by reduced M&A expenses due to the lower volume of transactions in progress at the moment.

**SG&A Expenses (R\$ thousand)**

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2Q22	LTM-2Q21	LTM-2022 x LTM-2021
<b>G&amp;A Expenses</b>	<b>(28,458)</b>	<b>(19,021)</b>	<b>49.6%</b>	<b>(24,238)</b>	<b>17.4%</b>	<b>(90,999)</b>	<b>(55,323)</b>	<b>64.5%</b>
<i>of Revenue</i>	-18.7%	-21.7%	2.9 p.p.	-17.5%	-1.3 p.p.	-18.7%	-20.7%	2.0 p.p.
Commercial	(6,218)	(3,520)	76.7%	(5,817)	6.9%	20,056	12,167	64.8%
Marketing	(1,198)	(470)	154.9%	(918)	30.5%	3,364	1,910	76.1%
Administrative	(8,162)	(5,447)	49.9%	(7,014)	16.4%	25,595	16,778	52.6%
IT and Facilities	(4,652)	(3,597)	29.3%	(3,581)	29.9%	15,373	11,562	33.0%
M&A	(308)	(929)	-66.9%	(1,394)	-77.9%	3,661	4,156	-11.9%
RD&I	(2,881)	(2,361)	22.1%	(2,709)	6.4%	8,729	4,818	81.2%
Other expenses	(5,039)	(2,698)	86.8%	(2,805)	79.6%	11,783	2,537	364.4%

**Depreciation and Amortization**

Total depreciation and amortization line, which comprises both the portion that is recorded in costs as well as the portion affecting expenses, totaled R\$21.7 million in 2Q22, 86.6% higher year on year. Depreciation amounted to R\$3.8 million, up 61.1% from 2Q21, mainly due to the higher depreciated balances related to (i) facilities and improvements and (ii) computers and peripherals. Amortization, in turn, totaled R\$17.9 million in the quarter, up 93.0% over 2Q21, influenced by: (i) the amortization of intangible assets generated from Company acquisitions; and (ii) the increase in lease of servers and third-party software, resulting from the expansion of the workforce and the use of new functionalities.

It is worth noting that in 2Q22, intangible assets related to the acquisitions of NewCon, LOTE45 and Mercer Seguridade began to be amortized.

**Depreciation & Amortization (R\$ thousand)**

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2Q22	LTM-2Q21	LTM-2022 x LTM-2021
<b>Depreciation and Amortization</b>	<b>21,691</b>	<b>11,626</b>	<b>86.6%</b>	<b>14,216</b>	<b>52.6%</b>	<b>63,380</b>	<b>32,287</b>	<b>96.3%</b>
Depreciation	3,752	2,329	61.1%	2,498	50.2%	13,516	10,217	32.3%
Amortization	17,939	9,295	93.0%	11,718	53.1%	49,865	22,068	126.0%
Acquisitions amortization	11,448	5,751	99.1%	5,690	101.2%	25,980	13,749	89.0%
Other amortizations	6,491	3,544	83.2%	6,028	7.7%	23,885	8,319	187.1%

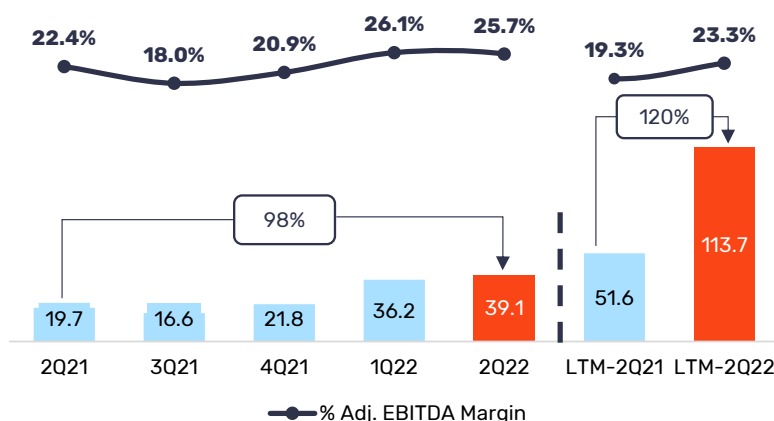
**EBITDA and Adjusted EBITDA**

Adjusted EBITDA reached an all-time high of R\$39.1 million in 2Q22, a 98.3% increase over 2Q21, with an EBITDA Margin expanding 3.3 p.p. and reaching 25.7% in the period. This performance is mainly explained by the consolidation of results from the acquisitions made in the last five quarters and by the increase in scale during the period.

The adjustments observed in 2Q22 in the amount of R\$1.2 million are related to the last acquisitions made by the Company and comprise: (i) R\$0.7 million of severance payments linked to the capture of synergies from the transactions and (ii) R\$0.5 million indemnifiable legal contingencies.

It is worth noting that both adjustments are not related to the day-to-day business and that is why they were adjusted.

**Adjusted EBITDA (R\$ million)**



**Reconciliation of EBITDA<sup>2</sup> and Adjusted EBITDA<sup>3</sup> (R\$ thousand)**

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2022	LTM-2021	LTM-2022 x LTM-2021
<b>EBITDA</b>	<b>37,849</b>	<b>19,707</b>	<b>92.1%</b>	<b>36,235</b>	<b>4.5%</b>	<b>111,139</b>	<b>51,614</b>	<b>115.3%</b>
(+) Extraordinary expenses - earnout	540	-	n.a	-	n.a	1,901	-	n.a
(+) Extraordinary costs - integration	696	-	n.a	-	n.a	696	30	2220.0%
<b>Adjusted EBITDA</b>	<b>39,085</b>	<b>19,707</b>	<b>98.3%</b>	<b>36,235</b>	<b>7.9%</b>	<b>113,736</b>	<b>51,644</b>	<b>120.2%</b>
<i>Adj. EBITDA Margin</i>	<i>25.7%</i>	<i>22.4%</i>	<i>3.3 p.p.</i>	<i>26.1%</i>	<i>-0.4 p.p.</i>	<i>23.3%</i>	<i>19.3%</i>	<i>4.1 p.p.</i>

\*According to CVM Instruction 527/12.

**Financial Result**

The financial result was a negative R\$8.2 million. Financial income reached R\$3.6 million, 145.9% higher than in 2021, explained by the increase in average cash and interest rate in the period. In turn, financial expenses totaled R\$11.9 million, a 168.6% growth YoY, mainly reflecting the increase in gross debt caused by the issue of debentures and the interest rate in the period.

**Financial Result (R\$ thousand)**

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2022	LTM-2021	LTM-2022 x LTM-2021
<b>Financial Result</b>	<b>(8,239)</b>	<b>(2,943)</b>	<b>179.9%</b>	<b>(5,329)</b>	<b>54.6%</b>	<b>(5,640)</b>	<b>(5,950)</b>	<b>-5.2%</b>
Financial revenues	3,618	1,471	145.9%	4,118	-12.1%	30,090	6,454	366.2%
Financial expenses	(11,856)	(4,414)	168.6%	(9,447)	25.5%	(35,730)	(12,404)	188.1%

<sup>2</sup> 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.

<sup>3</sup> Adjusted EBITDA corresponds to EBITDA, plus one-off effects with acquisitions and non-recurring events.

### Income Tax and Social Contribution

Income tax and social contribution totaled R\$4.3 million in 2022. Current tax totaled R\$5.1 million, as a result of improvement in the Company's results in the quarter and the consolidation of the results of companies acquired under the presumptive profit regime. Deferred tax totaled a positive R\$0.8 million with no cash impact, comprising temporary differences, mainly due to the loss carryforward of a subsidiary, which has tax amortization of the goodwill generated in acquisitions (R\$ 1.5 million in 2022).

#### Income Tax and Social Contribution (R\$ thousand)

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2Q22	LTM-2Q21	LTM-2022 x LTM-2021
<b>Income Tax and Social Contribution</b>	<b>(4,277)</b>	<b>462</b>	<b>n.a</b>	<b>(5,153)</b>	<b>-17%</b>	<b>(10,791)</b>	<b>(2,969)</b>	<b>263%</b>
Current	(5,095)	(5,766)	-12%	(6,824)	-25%	(25,381)	(10,994)	131%
Deferred	817	6,228	-87%	1,671	-51%	14,590	8,025	82%

### Net Income

Net income attributed to Sinqia's shareholders totaled R\$1.7 million in 2022, down by 64.7%, reflecting: (i) an improvement of R\$18.1 million in EBITDA; (ii) a R\$10.1 million deterioration in the Depreciation and Amortization line; (iii) a R\$5.3 million decline in the financial result; (iv) a R\$4.7 million deterioration in income tax and social contribution; and (v) a R\$1.2 million increase in minority interest related to the portion of results from FEPWeb, QuiteJá, and LOTE45 held by the other partners.

#### Adjusted Net Income (R\$ thousand)

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2Q22	LTM-2Q21	LTM-2022 x LTM-2021
<b>Net income (attributable to shareholders)</b>	<b>1,699</b>	<b>4,813</b>	<b>-64.7%</b>	<b>9,665</b>	<b>-82.4%</b>	<b>25,948</b>	<b>9,620</b>	<b>169.7%</b>
(+) Extraordinary effects	1,236	-	n.a	-	n.a	2,597	30	8558.1%
(+) Intangible Amortization from acquisitions	7,556	3,796	99.1%	3,755	101.2%	17,147	9,074	89.0%
<b>Adjusted net income</b>	<b>10,491</b>	<b>8,608</b>	<b>21.9%</b>	<b>13,421</b>	<b>-21.8%</b>	<b>45,692</b>	<b>18,724</b>	<b>144.0%</b>
(+) Def. income tax/Social Contr. (goodwill on acquisitions)	1,020	1,331	-23.4%	825	23.6%	4,604	4,157	10.7%

Note: amounts net of tax calculated at a rate of 34% on the deductible portion.

Excluding the items highlighted in the table above - related to extraordinary adjustments and the amortization of intangibles generated from the acquisitions - net income would have reached R\$ 10.5 million. Additionally, it is possible to verify in the table the breakdown of the tax benefit resulting from the amortization of the goodwill generated from the merger of the acquired companies into the Company.



## FINANCIAL POSITION

### Gross Cash

We ended the period with a total cash position of R\$77.3 million (-R\$27.5 million vs. 1Q22). This variation was mainly caused by cash disbursements, related to payment obligations of installments related to acquisitions and to the payment of interest on equity realized in the quarter. In addition, in July we settled the remaining R\$100 million of the debentures we issued last year, and this amount is not reflected in the final cash position for 2Q22.

Adding to the gross cash (i) the R\$ 100 million from the debentures, (ii) the amount of R\$ 41.8 million assigned in guarantee of the acquisition of ISP and issuance of debentures and (iii) the balance of R\$ 55, 0 million related to treasury shares, the Company has an adjusted gross cash of R\$ 274.1 million.

### Gross Debt

Gross Debt totaled R\$ 347.7 million at the end of the period (-R\$ 12.9 million vs 1Q22), compared to R\$ 360.6 million in the previous quarter. This change was mainly due to the reduction in loan and financing balances and obligations for investment acquisition.

As mentioned above, in July, the Company's 2nd issue of debentures of up to R\$ 250 million was concluded, with the settlement of the remaining balance of R\$ 100 million, not yet reflected in the gross debt for the period. Adjusting this amount, adjusted gross debt amounts to R\$ 447.7 million.

### Net Debt

We ended the period with a net debt of R\$ 270.4 million, compared to R\$ 255.8 million in the last quarter. Adjusted net debt, which considers the adjustments mentioned above, both in gross cash and in gross debt, is R\$173.6 million, representing a debt of 1.1x annualized adjusted EBITDA in 2Q22.

## CAPITAL MARKET

### Stock Performance

The Company's shares (NM: SQIA3) closed 2Q22 at R\$15.84 **(-20.2% vs. 1Q22)**, compared to the R\$19.86 reported in the previous quarter.

### Market Cap

At the end of 2Q22, the Company reached a market cap of R\$1.40 billion **(-20.0% vs. 1Q22)**, compared to R\$1.75 billion recorded in 1Q21.

### Average Daily Trading Volume (ADTV)

Our shares' liquidity declined in 1Q22. The average daily traded volume was R\$17.6 million **(-18.9% vs. 4Q21)** compared to the R\$21.7 million reported last quarter.

### Shareholder Base

The shareholder base closed the quarter with 89,000 shareholders **(-4.5% QoQ)**, compared to 93,000 in 1Q21.

### Free Float

We closed the quarter with 82.6% of floating shares **(+0.6 p.p. QoQ)**, compared to 82.0% in 1Q21.

**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 June 30, 2022.

**EXHIBIT - FINANCIAL STATEMENTS**
**Exhibit I – Income Statement (Consolidated)**

(RS '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2022	LTM-2021	LTM-2022 x LTM- 2021
<b>Gross Revenues</b>	<b>167,690</b>	<b>98,568</b>	<b>70.1%</b>	<b>153,689</b>	<b>9.1%</b>	<b>541,814</b>	<b>301,144</b>	<b>79.9%</b>
Software	142,785	78,020	83.0%	129,253	10.5%	445,631	221,762	101.0%
Subscription	116,694	71,859	62.4%	103,286	13.0%	367,477	195,465	88.0%
Implementation	26,091	6,161	323.5%	25,967	0.5%	78,154	26,297	197.2%
Services	24,905	20,549	21.2%	24,437	1.9%	96,183	79,382	21.2%
Outsourcing	23,594	20,082	17.5%	22,650	4.2%	91,111	77,233	18.0%
Projects	1,311	467	180.8%	1,787	-26.6%	5,072	2,149	136.0%
<b>Sales taxes</b>	<b>(15,868)</b>	<b>(10,750)</b>	<b>47.6%</b>	<b>(14,833)</b>	<b>7.0%</b>	<b>(54,599)</b>	<b>(33,276)</b>	<b>64.1%</b>
Software	(13,111)	(8,460)	55.0%	(12,133)	8.1%	(44,008)	(24,480)	79.8%
Subscription	(10,957)	(7,469)	46.7%	(9,954)	10.1%	(36,912)	(20,176)	83.0%
Implementation	(2,154)	(991)	117.3%	(2,179)	-1.1%	(7,095)	(4,304)	64.9%
Services	(2,757)	(2,290)	20.4%	(2,700)	2.1%	(10,591)	(8,796)	20.4%
Outsourcing	(2,626)	(2,243)	17.1%	(2,524)	4.0%	(10,083)	(8,150)	23.7%
Projects	(132)	(47)	179.2%	(176)	-25.2%	(509)	(647)	-21.4%
<b>Net Revenues</b>	<b>151,822</b>	<b>87,819</b>	<b>72.9%</b>	<b>138,856</b>	<b>9.3%</b>	<b>487,216</b>	<b>267,868</b>	<b>81.9%</b>
Software	129,675	69,560	86.4%	117,120	10.7%	401,624	197,282	103.6%
Subscription	105,737	64,390	64.2%	93,331	13.3%	330,565	175,289	88.6%
Implementation	23,937	5,169	363.1%	23,788	0.6%	71,059	21,993	223.1%
Services	22,148	18,259	21.3%	21,736	1.9%	85,592	70,586	21.3%
Outsourcing	20,968	17,839	17.5%	20,125	4.2%	81,029	69,084	17.3%
Projects	1,179	420	181.0%	1,611	-26.8%	4,563	1,502	203.8%
<b>Net Revenues</b>	<b>151,822</b>	<b>87,819</b>	<b>72.9%</b>	<b>138,856</b>	<b>9.3%</b>	<b>487,216</b>	<b>267,868</b>	<b>81.9%</b>
Recurring	126,706	82,229	54.1%	113,457	11.7%	411,594	244,373	68.4%
Variable	25,116	5,589	349.4%	25,400	-1.1%	75,622	23,495	221.9%
% of Recurrence	<b>83.5%</b>	<b>93.6%</b>	<b>-10.2 p.p.</b>	<b>81.7%</b>	<b>1.7 p.p.</b>	<b>84.5%</b>	<b>91.2%</b>	<b>-6.7 p.p.</b>
<b>Costs</b>	<b>(88,370)</b>	<b>(50,286)</b>	<b>75.7%</b>	<b>(80,633)</b>	<b>9.6%</b>	<b>(293,558)</b>	<b>(166,045)</b>	<b>76.8%</b>
Software	(69,976)	(36,313)	92.7%	(62,701)	11.6%	(223,984)	(112,872)	98.4%
Services	(18,393)	(13,974)	31.6%	(17,931)	2.6%	(69,573)	(53,174)	30.8%
Outsourcing	(16,981)	(13,688)	24.1%	(16,806)	1.0%	(66,112)	(51,228)	29.1%
Projects	(1,413)	(286)	393.8%	(1,125)	25.6%	(3,461)	(1,946)	77.8%
<b>Gross profit</b>	<b>63,452</b>	<b>37,532</b>	<b>69.1%</b>	<b>58,224</b>	<b>9.0%</b>	<b>193,658</b>	<b>101,823</b>	<b>90.2%</b>
Gross margin	41.8%	42.7%	-0.9 p.p.	41.9%	-0.1 p.p.	39.7%	38.0%	1.7 p.p.
Software	59,698	33,247	79.6%	54,418	9.7%	177,640	84,411	110.4%
Software gross mg.	46.0%	47.8%	-1.8 p.p.	46.5%	-0.4 p.p.	44.2%	42.8%	1.4 p.p.
Services	3,754	4,284	-12.4%	3,805	-1.3%	16,019	17,411	-8.0%
Services gross mg.	17.0%	23.5%	-6.5 p.p.	17.5%	-0.6 p.p.	18.7%	24.7%	-6.0 p.p.
Outsourcing	3,988	4,150	-3.9%	3,319	20.2%	14,916	17,855	-16.5%
Outsourcing gross mg.	19.0%	23.3%	-4.2 p.p.	16.5%	2.5 p.p.	18.4%	25.8%	-7.4 p.p.
Projects	(234)	134	n.a	486	n.a	1,102	(444)	n.a
Projects gross mg.	-19.8%	31.8%	n.a	30.2%	-50.0 p.p.	24.2%	-29.6%	n.a
<b>Expenses</b>	<b>(47,294)</b>	<b>(29,451)</b>	<b>60.6%</b>	<b>(36,205)</b>	<b>30.6%</b>	<b>(145,901)</b>	<b>(82,561)</b>	<b>76.7%</b>
% of net revenues	31.2%	33.5%	-2.4 p.p.	26.1%	5.1 p.p.	29.9%	30.8%	-0.9 p.p.
General/administrative	(28,458)	(19,021)	49.6%	(24,238)	17.4%	(90,999)	(55,323)	64.5%
% of net revenues	18.7%	21.7%	-2.9 p.p.	17.5%	1.3 p.p.	18.7%	20.7%	-2.0 p.p.
Depreciation/amort.	(18,836)	(10,430)	80.6%	(11,967)	57.4%	(54,901)	(27,238)	101.6%
% of net revenues	12.4%	11.9%	0.5 p.p.	8.6%	3.8 p.p.	11.3%	10.2%	0.1 p.p.
<b>EBIT</b>	<b>16,158</b>	<b>8,081</b>	<b>100.0%</b>	<b>22,019</b>	<b>-26.6%</b>	<b>47,759</b>	<b>19,262</b>	<b>147.9%</b>
<b>Financial result</b>	<b>(8,239)</b>	<b>(2,943)</b>	<b>179.9%</b>	<b>(5,329)</b>	<b>54.6%</b>	<b>(5,640)</b>	<b>(5,950)</b>	<b>-5.2%</b>
Financial income	3,618	1,471	145.9%	4,118	-12.1%	30,090	6,454	366.2%
Financial expenses	(11,856)	(4,414)	168.6%	(9,447)	25.5%	(35,730)	(12,404)	188.1%
<b>EBT</b>	<b>7,919</b>	<b>5,138</b>	<b>54.1%</b>	<b>16,690</b>	<b>-52.6%</b>	<b>42,118</b>	<b>13,312</b>	<b>216.4%</b>
<b>Income tax/social contribution</b>	<b>(4,277)</b>	<b>462</b>	<b>n.a</b>	<b>(5,153)</b>	<b>-17.0%</b>	<b>(10,790)</b>	<b>(2,969)</b>	<b>263.4%</b>
Current	(5,095)	(5,766)	-11.6%	(6,824)	-25.3%	(25,381)	(10,994)	130.9%
Deferred	818	6,228	-86.9%	1,671	-51.1%	14,591	8,025	81.8%
<b>Results after IT and SC</b>	<b>3,642</b>	<b>5,597</b>	<b>-34.9%</b>	<b>11,537</b>	<b>-68.4%</b>	<b>31,328</b>	<b>10,405</b>	<b>201.1%</b>
	2.4%	6.4%	-4.0 p.p.	8.3%	-5.9 p.p.	6.4%	3.9%	2.5 p.p.
Minority interest	1,699	4,813	-64.7%	9,665	-82.4%	25,948	9,588	170.6%
Net margin	1.1%	5.5%	-4.4 p.p.	7.0%	-5.8 p.p.	5.3%	3.6%	1.7 p.p.
Net margin	1,943	785	147.6%	1,872	3.8%	5,381	817	558.7%

(R\$ '000)	2022	2021	2022 x 2021	1Q22	2022 x 1Q22	LTM-2022	LTM-2021	LTM-2022 x LTM-2021
<b>EBITDA</b>	<b>37,849</b>	<b>19,707</b>	<b>92.1%</b>	<b>36,235</b>	<b>4.5%</b>	<b>111,139</b>	<b>51,550</b>	<b>115.6%</b>
EBITDA margin	24.9%	22.4%	2.5 p.p.	26.1%	-1.2 p.p.	22.8%	19.2%	3.6 p.p.
(+) Extraordinary expenses	540	-	n.a	-	n.a	1,901	-	n.a
(+) Extraordinary costs	696	-	n.a	-	n.a	696	30	2220.0%
<b>Adjusted EBITDA</b>	<b>39,085</b>	<b>19,707</b>	<b>98.3%</b>	<b>36,235</b>	<b>7.9%</b>	<b>113,736</b>	<b>51,580</b>	<b>120.5%</b>
Adj. EBITDA Margin	25.7%	22.4%	3.3 p.p.	26.1%	-0.4 p.p.	23.3%	19.3%	4.1 p.p.

<b>Net income (attributable to shareholders)</b>	<b>1,699</b>	<b>4,813</b>	<b>-64.7%</b>	<b>9,665</b>	<b>-82.4%</b>	<b>25,948</b>	<b>9,524</b>	<b>172.4%</b>
(+) Extraordinary effects	1,236	-	n.a	-	n.a	2,597	30	8558.1%
(+) Intangible Amortization from acquisitions	7,556	3,796	99.1%	3,755	101.2%	17,147	9,074	89.0%
<b>Adjusted Net Income</b>	<b>10,491</b>	<b>8,608</b>	<b>21.9%</b>	<b>13,421</b>	<b>-21.8%</b>	<b>45,692</b>	<b>18,628</b>	<b>145.3%</b>
(+) Def. income tax/Social Contr. (goodwill on acquisitions)	1,020	1,331	-23.4%	825	23.6%	4,604	4,157	10.7%

Note: values net of taxes calculated at a rate of 34% applied to the deductible portion.

Exhibit II – Balance Sheet (Consolidated)

(R\$ '000)	03.31.2022	03.31.2022	Var.	06.30.2021	Var. YoY
<b>ASSETS</b>	<b>1,419,666</b>	<b>1,447,336</b>	<b>-2%</b>	<b>715,959</b>	<b>98%</b>
<b>Current</b>	<b>134,839</b>	<b>167,574</b>	<b>-20%</b>	<b>192,622</b>	<b>-30%</b>
Cash and cash equivalents	21,935	29,745	-26%	154,149	-86%
Financial Investments	55,369	75,082	-26%	28,258	96%
Receivables	43,414	43,035	1%	1,979	2094%
Advanced expenses	2,234	3,547	-37%	5,142	-57%
Taxes and contributions recoverable	6,939	11,935	-42%	3,094	124%
Other receivables	4,948	4,230	17%	523,337	-99%
<b>Non-current</b>	<b>1,284,827</b>	<b>1,279,762</b>	<b>0%</b>	<b>523,337</b>	<b>146%</b>
Securities	84,914	79,199	7%	23,966	254%
Taxes and contributions recoverable	8,346	3,051	174%	6,061	38%
Deposits in court	172	174	-1%	211	-18%
Deferred income tax and social contrib.	74,884	72,333	4%	35,337	112%
Property and equipment	50,417	52,778	-4%	45,357	11%
Intangible assets	1,066,094	1,072,227	-1%	412,405	159%
<b>LIABILITIES AND EQUITY</b>	<b>1,419,666</b>	<b>1,447,336</b>	<b>-2%</b>	<b>715,959</b>	<b>98%</b>
<b>Current</b>	<b>210,815</b>	<b>190,371</b>	<b>11%</b>	<b>88,981</b>	<b>137%</b>
Loans and financing	46,162	36,746	26%	12,524	269%
Leasing	19,733	16,804	17%	9,271	113%
Trade payables	4,818	9,675	-50%	4,006	20%
Advances from customers	12,982	10,372	25%	3,445	277%
Labor liabilities	48,527	53,781	-10%	31,051	56%
Tax liabilities	7,658	10,200	-25%	4,901	56%
Liabilities arising from invest. acquisition	70,489	46,620	51%	23,784	196%
	1	5,638	-100%	-	-
	445	535	-17%	-	-
<b>Non-current</b>	<b>422,561</b>	<b>474,785</b>	<b>-11%</b>	<b>182,126</b>	<b>132%</b>
Loans and financing	121,720	134,170	-9%	20,875	483%
Leasing	60,386	59,419	2%	31,406	92%
	2,243	7,968	-72%	-	-
Tax liabilities	-	-	-	244	-100%
Provisions for legal proceedings	128,862	130,138	-1%	57,610	124%
Liabilities arising from invest. acquisition	109,350	143,090	-24%	71,991	52%
<b>Equity</b>	<b>786,290</b>	<b>782,180</b>	<b>1%</b>	<b>444,852</b>	<b>77%</b>
Share capital	813,303	813,303	0%	413,261	97%
Treasury shares	(54,986)	(55,457)	-1%	(1,288)	4168%
Shares issue expenses	(48,890)	(48,890)	0%	(23,915)	104%
Capital reserve	12,326	12,329	0%	17,309	-29%
Earnings reserve	46,915	56,580	-17%	37,966	24%
Retained Earnings	11,364	-	-	-	-
<b>Total Equity of controlling shareholders</b>	<b>780,032</b>	<b>777,865</b>	<b>0%</b>	<b>443,333</b>	<b>76%</b>
Non-controlling interests	6,258	4,315	45%	1,519	312%