



1Q21 Earnings Release



Earnings webcast in Portuguese with simultaneous translation into English

May 6th, 2021 (Thursday)

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

Webcast: [**Click here**](#)

Price: R\$22.66

Market cap: R\$1,599 million

Number of shares: 70,548,812

Base May 5th, 2021

Investor Relations

(11) 3478-4788

(11) 4450-4433

ri@sinqia.com.br

ri.sinqia.com.br

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São Paulo, May 5, 2021. Sinqia S.A. (B3: SQIA3) ("**Company**"), a provider of technology for the financial system, announces today its consolidated results for the first quarter of 2021 ("**1Q21**").

1Q21 Highlights

Innovation Strategy

Announcement of new investments through Darwin Startups and partnership with Distrito;

Consolidation Plan

Announcement of the acquisition of Simply and FEPWeb;

Software ARR

Record of R\$227.2 million in 1Q21 **(+54.7% vs. 1Q20)**;

Number of Customers

392 customers at the end of 1Q21 **(+41 vs. 1Q20)**;

Net Revenues

Record of R\$68.2 million in 1Q21 **(+40.3% vs. 1Q20)**;

Proforma of R\$81.4 million in 1Q21 **(+67.5 vs. 1Q21)** considering recent acquisitions;

Recurring Revenues

Record of R\$62.1 million in 1Q21 **(+50.9% vs. 1Q20)**, 91.0% of total;

Adjusted EBITDA

Record of R\$12.4 million in 1Q21 **(+4x vs. 1Q20)**, margin of 18.2%;

Disclaimer

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MESSAGE FROM MANAGEMENT

We have worked hard to build solid foundations for Singia's future. 2021 will be a period with important transformations in our sector and significant improvements in our Company. We could not have had a better start, and we are very excited to announce our excellent first quarter results!

Our open innovation strategy has continued to evolve. The investments in Batch #8 of Darwin Startups are already producing results: the CashWay investee (BaaS) has become an important partner and created several commercial opportunities for our Pix solution. The investments in Batch #9 have already been disclosed, with the inclusion of promising startups, fully in line with our open innovation strategy, such as CondoConta (digital account), Evlos (BaaS) and QGX (BaaS). Additionally, we entered into a partnership with Distrito, an innovation hub for startups, investors and companies, giving us access to its platform and the opportunity to construct initiatives jointly.

Our consolidation plan advanced substantially with two new acquisitions: Simply, specialized in the opening of digital accounts, and FEPWeb, a benchmark in the formalization of digital transactions. They were combined in a new business unit called Digital Singia. According to preliminary figures, these businesses recorded net revenues of R\$9.0 million in 1Q21, up 59% vs. 1Q20. It is worth noting that the figures will be consolidated in our results as of 2Q21.

The acquisitions made in recent months, including the two most recent ones, totaled investments of R\$259.5 million (including earnouts and call options), representing 71.5% of the proceeds from the share offering in 3Q19. We are following the use of preceeds schedule, and we are pleased with our progress: the plan is being implemented with strategic and financial discipline. There are many opportunities ahead.

Gross cash closed the quarter at R\$234.0 million (or R\$177.0 million considering the payment of the two new acquisitions). In order to enable the continuity of our plan, we intend to reinforce this balance. We are starting discussions about potential funding, probably through an increase in leverage.

Software ARR (annual recurring revenues) reached a record of R\$227.2 million, a total addition of R\$80.3 million, up 54.7% over 1Q20, not yet considering the two most recent acquisitions.

Net revenues reached a record of R\$68.2 million, growing 40.3% over 1Q20, of which 12.8% organic and 27.5% inorganic. Recurring revenues totaled R\$62.1 million, up 50.9%, accounting for 91.0% of the total, a new record.

Costs amounted to R\$43.0 million, up 30.8% over 1Q20, of which 5.8% organic and 25.0% inorganic. Costs grew less than revenues, highlighting efficiency gains. We are significantly increasing our RD&I

investments in order to accelerate product integration and updates and promote the launch of new ones. These investments, fully recorded in costs, totaled R\$1.1 million, an increase of 44.3% vs. 1Q20.

General and administrative expenses (ex-depreciation and amortization) amounted to R\$12.8 million, up 3.0% from 1Q20, growing less than revenues and inflation. This increase was mostly due to the consolidation of general and administrative expenses arising from acquisitions, in the amount of R\$2.0 million, and M&A expenses totaling R\$1.8 million, which are mostly non-recurring, reflecting an increase in the number of transactions in progress. On the other hand, the reversal of provisions for contingencies, which totaled R\$1.4 million, had a positive impact on the result.

Adjusted EBITDA hit an all-time high of R\$12.4 million, up 267.4% over 1Q20, while the EBITDA margin stood at a record 18.2%, up 11.2 p.p. These figures confirm our expectations for 2021 and show that we began the year on a very positive note, reinforced by the new unit, Digital Sinqia, which will start to be consolidated in our results in 2Q21, representing yet another step in the growth and profitability trajectory.

Finally, as the last five acquisitions took place within a short period of time, we can still see asymmetry of information on the company. Sinqia had an excellent performance this quarter, but, based on pro-forma information, it is already a much larger and much better company!

We are ready to deliver excellent results and maintain the fast pace of our consolidation plan. The windshield shows a much better view than the rearview mirror. We invite you to join us on this journey!

(R\$ Mn)	2020	Annualized reported 1Q21	Annualized proforma* 1Q21
Net Revenues	210.0	273.0	325.8

**Including non-consolidated managerial figures from recent acquisitions in 1Q21: ISP (Jan/21), Simply (Jan-Mar/21) and FEPWeb (Jan-Mar/21).*

RECENT EVENTS

Simply Acquisition. In March, we acquired Simply, a company that is specialized in solutions for process automation, in particular the opening of digital accounts and the acquisition of financial products. Its document capture, analysis and validation solutions based on artificial intelligence are used by more than 50 clients, including several digital banks and fintechs. In the last 12 months ended September 30th, 2020, the company had net revenues of R\$17 million and EBITDA of R\$6 million. The transaction was closed on April 23rd, 2021.

FEPWeb Acquisition. In March, we acquired FEPWeb, a benchmark in solutions for formalizing digital transactions. Its solutions to control signatures & powers and digital signatures are used by over 55 customers, including several digital banks and 13 of the 20 largest global banks. In the last 12 months ended December 31st, 2020, the company had net revenues of R\$13 million and EBITDA of R\$8 million. The transaction was closed on April 8th, 2021.

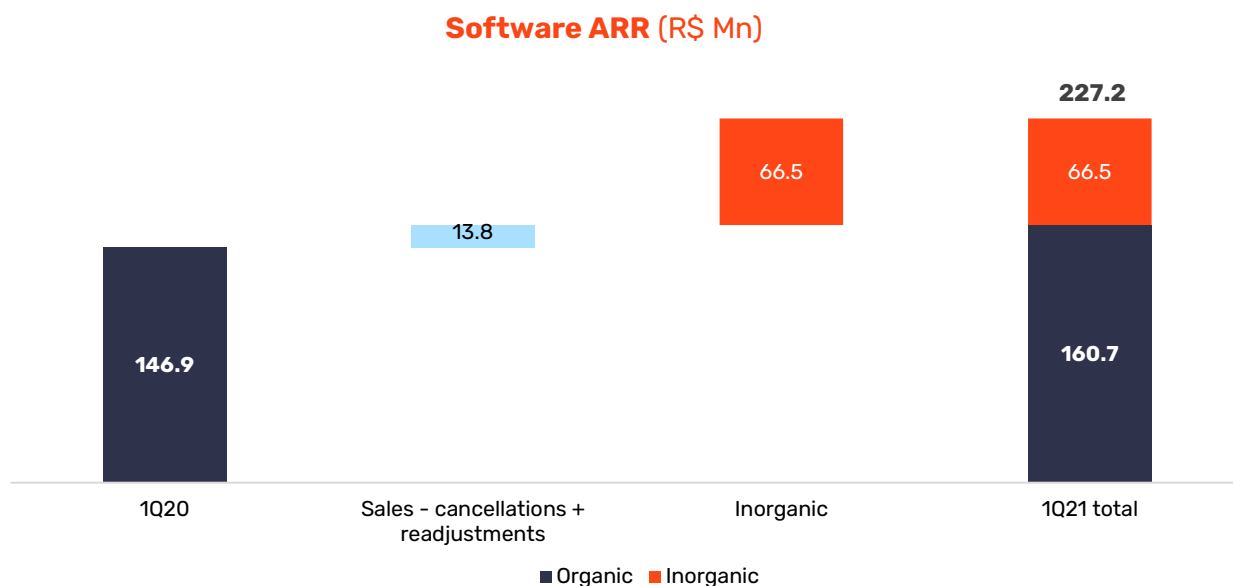
Creation of the Singia Digital unit. The founders of Simply and FEPWeb have become shareholders of the Company and part of the subsidiaries' management team, leading their respective business, which make up a new unit: Singia Digital. Through this unit, Singia will offer horizontal technology solutions, under the Saas model, to its entire customer base made up of over 500 customers in the Bank, Fund, Private Pension and Consortium verticals.

Share buyback program. In 1Q21, the Company purchased 1.7 million shares, totaling R\$37.3 million. In March we announced a new buyback program of up 5.2 million shares, in order to: (i) maximize shareholder value generation; (ii) follow the stock compensation plan; and (iii) be able to pay for potentials mergers and acquisitions in stock. Since the beginning of the current program it has been purchased 1.2 million shares.

OPERATIONAL PERFORMANCE

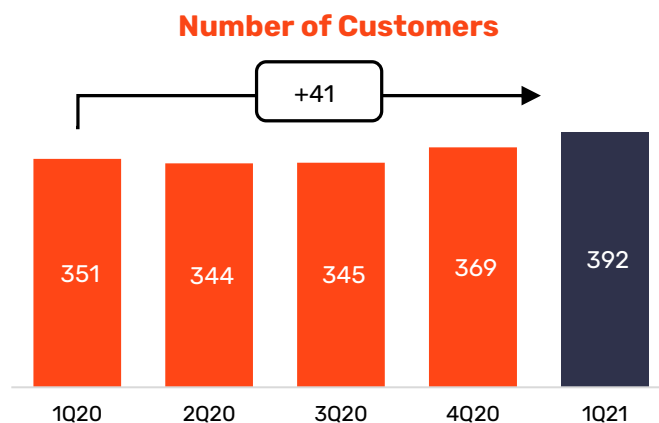
Software ARR¹.

Gross software ARR hit all-time high of R\$227.2 million **(+54.7% vs. 1Q20)**, versus R\$146.9 million in 1Q20. The increase was mainly due to an inorganic inflow of R\$65.5 million from the Tree, Fromtis and ISP acquisition and R\$13.8 million organic (+9.4% vs. 1Q20).



Number of Customers

The number of customers increased to 392 in 1Q21 **(+41 vs. 1Q20)**, driven by acquisitions and new sales. The largest customer was responsible for 4.1% of net revenues (vs. 5.0% in 1Q20), due to portfolio dilution with the entry of new customers and a reduction in revenues generated by this customer.



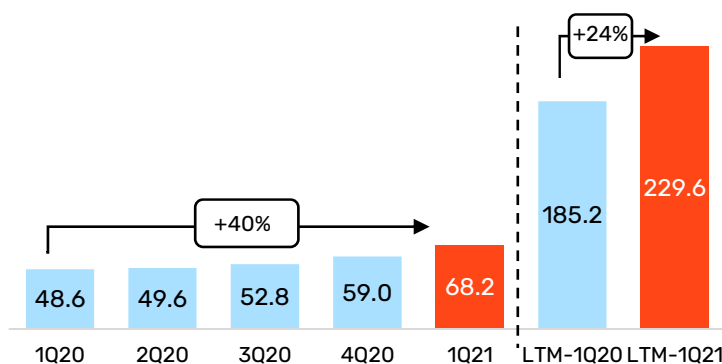
¹ Annualized signed contracts, implemented or not, which will generate recurring revenues after completion of the implementation. The concept of inorganic ARR considers only acquisitions made in the 12 months prior to disclosure, i.e. only Tree, Fromtis and ISP (acquired in 4Q20 and 1Q21) are considered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

FINANCIAL PERFORMANCE

Net Revenues

In the quarter, net revenues reached a record of R\$68.2 million **(+40.3% vs. 1Q20)**, versus R\$48.6 million in the same period of last year. Revenues grew thanks to an increase of R\$13.4 million in inorganic revenues and R\$2.9 million in organic revenues in Software, as well as R\$3.3 million in Services.

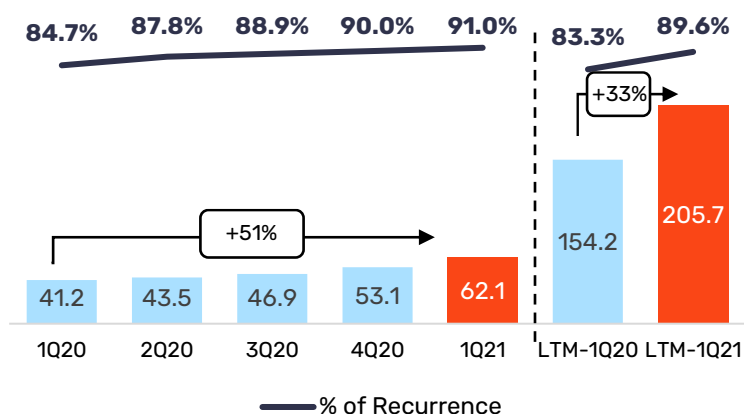
Net Revenues (R\$ Mn)



Recurring Revenues

In the quarter, recurring revenues reached a record of R\$62.1 million **(+50.9% vs. 1Q20)**, versus R\$41.2 million in the same period of last year. They accounted for 91.0% of total net revenues (vs. 84.7% in 1Q20), an all-time high, reflecting the constant pursuit of a business model focused on growth and resilience.

Recurring Revenue (R\$ Mn)

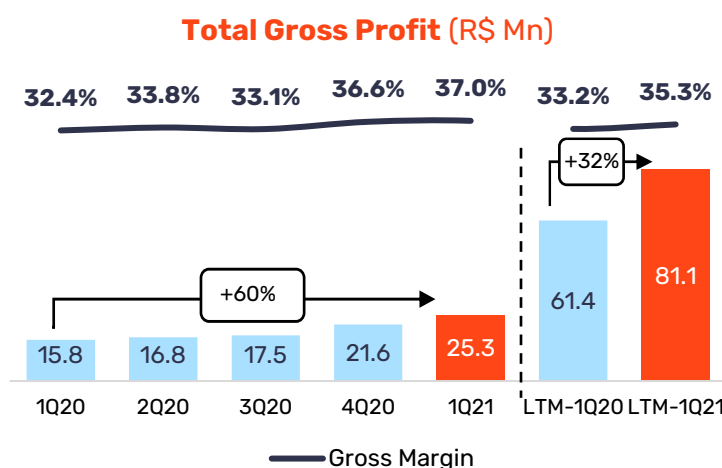


Costs

Costs amounted to R\$43.0 million in the quarter **(+30.8% vs. 1Q20)**, versus R\$32.9 million in 1Q20. The increase was mainly due to the addition of R\$7.3 million in inorganic costs, as a result of the acquisitions made in late 2020, and an increase of RD&I costs, which amounted to R\$1.1 million in the period. In general, costs rose due to an increase in headcount and scheduled salary increases.

Gross Profit and Gross Margin

Gross profit totaled R\$25.3 million **(+60.2% vs. 1Q20)**, versus R\$15.8 million in 1Q20. The gross margin stood at 37.0% **(+4.6p.p. vs. 1Q20)**, versus 32.4% in 1Q20. The improvement in indicators was due to efficiency gains in both Software and Services, as detailed below.

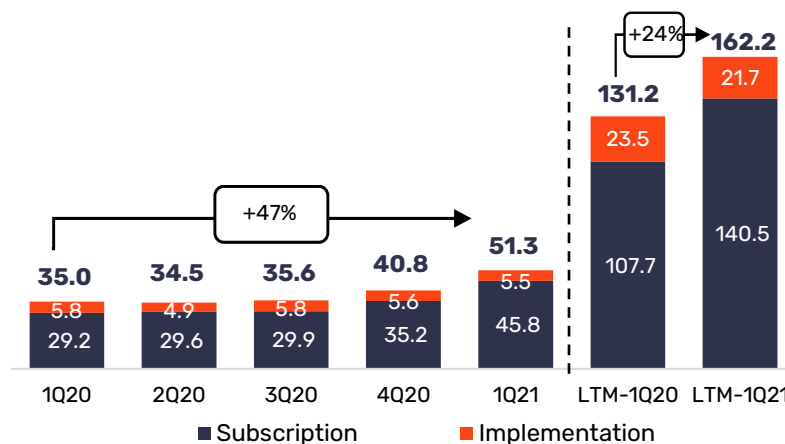


Software Unit

Net Revenues from Software

In the quarter, net revenues from software reached a record of R\$51.3 million **(+46.5% vs. 1Q20)**, versus R\$35.0 million in 1Q20. Subscription revenues hit an all-time high of R\$45.8 million **(+57.0% vs. 1Q20)**, versus R\$29.2 million. Implementation and customization revenues totaled R\$5.5 million **(-6.0% vs. 1Q20)**, versus R\$5.8 million in the last year. These opposite variations reflect an improvement in the commercial model: new customers start paying Subscription fees as of contract execution date (no longer as of the software installation) and are exempt from implementation fees. Therefore, the replacement costs perceived by customers are reduced, and sales are facilitated.

Net Revenues from Software (R\$ Mn)



Organic growth totaled R\$2.9 million, reflecting the conversion of the implementation backlog into revenues and adjustments (due to inflation and volume), especially in the Fund **(+20.3% vs. 1Q20)** and Bank verticals **(+16.5% vs. 1Q20)**, due to a more favorable scenario in these verticals, with new customers, including two major core banking contracts. Inorganic growth stood at R\$13.4 million, due to the acquisitions of Tree, Fromtis and ISP between 1Q20 and 1Q21.

Net Revenues from Software (R\$ thd)

(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
Net Revenues from Software	51,259	34,979	46.5%	40,813	25.6%	162,224	131,234	23.6%
Banks	21,656	18,597	16.5%	22,182	-2.4%	81,805	73,052	12.0%
Funds	5,387	4,479	20.3%	5,226	3.1%	19,646	16,961	15.8%
Pension	9,094	9,239	-1.6%	8,862	2.6%	35,605	31,074	14.6%
Consortium	1,741	2,664	-34.7%	2,078	-16.2%	9,320	10,147	-8.2%
Inorganic	13,382	-	n.a	2,465	442.8%	15,847	-	n.a

Software Costs

Software costs totaled R\$30.5 million **(+38.9% vs. 1Q20)**, versus R\$22.0 million in 1Q20. Costs grew less than revenues, highlighting efficiency gains, despite additional costs in Banks to support new sales.

Software Costs (R\$ thd)

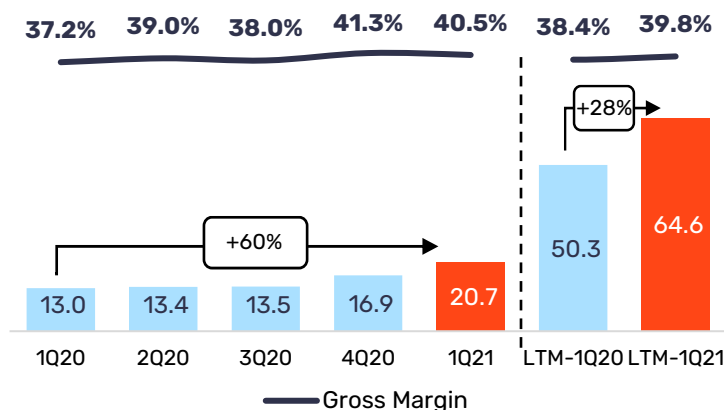
(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
Software Costs	30,510	21,970	38.9%	23,938	27.5%	97,618	80,885	20.7%
Operational	29,439	21,228	38.7%	22,459	31.1%	92,238	74,547	23.7%
RD&I	1,071	742	44.3%	1,479	-27.6%	5,379	6,338	-15.1%

Organic growth stood at R\$1.3 million and reflected the significant additional investments in RD&I to accelerate product integration and updates and develop new ones. These investments, fully recorded in costs, totaled R\$1.1 million **(+44.3% vs. 1Q20)**. The R\$7.3 million inorganic growth was due to the acquisitions of Tree, Fromtis and ISP between 1Q20 and 1Q21.

Gross Profit and Gross Margin from Software

Gross profit totaled R\$20.7 million **(+59.5% vs. 1Q20)**, versus R\$13.0 million in 1Q20, while the gross margin stood at 40.5% **(+3.3p.p. vs. 1Q20)**, versus 37.2% in 1Q20. This margin improvement was due to efficiency gains in the operation, despite the significant upturn in RD&I investments, which were diluted by an increase in revenues.

Gross profit from Software (R\$ Mn)

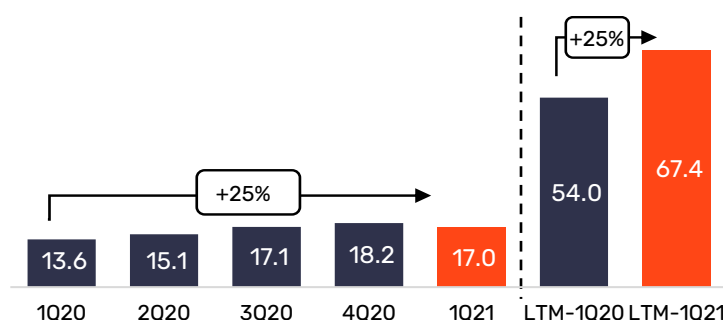


Services Unit

Net Revenues from Services

Net revenues from services hit an all-time high of R\$17.0 million **(+24.5% vs. 1Q20)**, versus R\$13.6 million in 1Q20. Outsourcing revenues, which are recurring, amounted to R\$16.3 million, accounting for 96% of the Services unit total. The substantial growth of the unit reflects an increase of managed services sales and the development of customized solutions (including a proprietary PIX solution for an institution), with a consequent increase in the average ticket, and the acquisition of new customers, fueled by strong demand for digital transformation services in the financial sector, especially banks and insurance companies.

Net Revenues from Services (R\$ Mn)



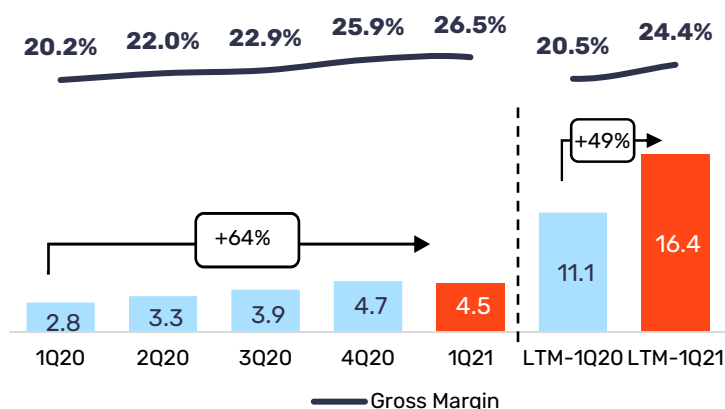
Service Costs

Service costs totaled R\$12.5 million in the quarter **(+14.6% vs. 1Q20)**, versus R\$10.9 million in 1Q20. The increase in costs was lower than revenue growth and reflected the expansion of the outsourced team and the salary increase following the collective bargaining agreement, booked as of January for employees from São Paulo.

Gross Profit and Gross Margin from Services

Gross profit totaled R\$4.5 million in 1Q21 **(+63.6% vs. 1Q20)**, versus R\$2.8 million in 1Q20, and the gross margin stood at 26.5% **(+6.3p.p. vs. 1Q20)**, versus 20.2% in 1Q20. This reflected the increased share of services with a higher value-added, and consequently with higher margins.

Gross profit from Services (R\$ Mn)



Operating Expenses

Selling, General and Administrative Expenses

SG&A expenses totaled R\$12.8 million in 1Q21 **(+3.0% vs. 1Q20)**, versus R\$12.5 million in 1Q20. This increase was mainly due to the consolidation of acquisition expenses in the amount of R\$2.0 million, distributed over several lines. In organic terms, there was an increase in M&A expenses, which totaled R\$1.8 million and are mostly non-recurring, reflecting an increase in the volume of transactions in progress. This increase was partially offset by a reduction in Selling expenses, with a reduction in travel and accommodation, and IT and Facilities expenses, thanks to the optimization of connectivity and telephony contracts and reduction of office expenses.

SG&A Expenses (R\$ thd)

(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
SG&A Expenses	12,828	12,451	3.0%	10,990	16.7%	41,902	43,732	-4.2%
% of Revenue	18.8%	25.6%	-6.8 p.p.	18.6%	0.2 p.p.	18.2%	23.6%	-5.4 p.p.
Commercial	3,132	3,627	-13.6%	3,097	1.1%	11,019	11,565	-4.7%
Marketing	575	491	17.1%	466	23.4%	1,796	1,932	-7.0%
Administrative	4,083	3,317	23.1%	3,917	4.2%	14,540	16,791	-13.4%
IT and Facilities	2,791	3,734	-25.3%	2,867	-2.7%	10,165	11,353	-10.5%
M&A	1,795	590	204.2%	522	243.9%	4,647	1,399	232.1%
Other expenses	452	692	-34.7%	121	273.6%	(265)	692	n.a

Depreciation and Amortization

Depreciation and amortization totaled R\$7.8 million **(+68.9% vs. 1Q20)**, versus R\$4.6 million in the same period of the previous year. The depreciation of fixed assets amounted to R\$1.9 million **(+58.8 vs. 1Q20)** versus R\$1.2 million in the same period of the previous year, reflecting a growth in computers and peripherals and right of use – lease lines. The amortization of intangible assets, in turn, reached R\$5.9 million **(+72.4% vs. 1Q20)** versus R\$3.4 million in 1Q20, driven by higher additions due to company acquisitions (Tree, Fromtis and ISP) and software's right of use.

Depreciation and Amortization (R\$ thd)

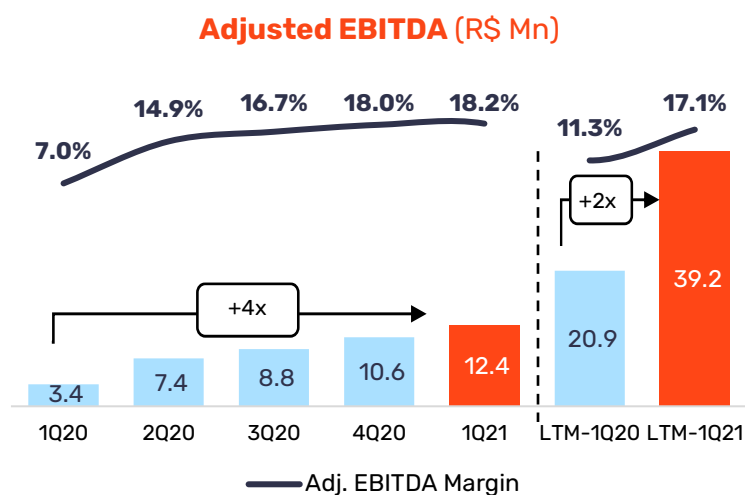
(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
Depreciation and Amortization	7,762	4,596	68.9%	6,643	16.8%	26,248	17,133	53.2%
Depreciation	1,903	1,198	58.8%	3,175	-40.1%	9,629	5,291	82.0%
Amortization	5,859	3,398	72.4%	3,468	68.9%	16,619	11,842	40.3%
Acquisitions amortization	3,259	2,866	13.7%	2,361	38.0%	10,064	10,725	-6.2%
Other amortizations	2,600	532	388.7%	1,107	134.9%	6,555	1,117	486.8%

At the end of the period, the goodwill balance stood at R\$182.4 million **(+R\$47.5 million vs. 4Q20)**, due to the addition of ISP acquisition.

EBITDA and Adjusted EBITDA

EBITDA hit an all-time high of R\$12.4 million **(+4x vs. 1Q20)**, versus R\$3.4 million in 1Q20, with an EBITDA margin of 18.2% in 1Q21, another record **(+11.3 p.p. vs. 1Q20)**, versus 7.0% in 1Q20. This performance reflects scale gains, mainly by capturing synergies from last acquisitions, and diligent SG&A expenses control.

It is worth noting that historically the first quarter presents an unfavorable seasonality due to a reduction in variable revenues and an increase in personnel expenses, particularly in the turn of the year. Given that, we understand that this all-time high margin level confirms the profitability gain trend.



EBITDA and Adj. EBITDA Reconciliation (R\$ thd)

(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
Net Income	779	443	75.8%	3,082	-74.7%	5,292	(1,796)	n.a
(+) Income tax/social contribution	1,548	(784)	n.a	655	136.3%	4,176	(2,257)	n.a
(+) Financial result	2,333	(933)	n.a	219	965.3%	3,422	3,217	6.4%
(+) Depreciation/amortization	7,762	4,596	68.9%	6,643	16.8%	26,248	17,133	53.2%
EBITDA	12,422	3,322	273.9%	10,599	17.2%	39,138	16,298	140.1%
(+) Extraordinary expenses - earnout	-	-	n.a	-	n.a	-	1,384	n.a
(+) Extraordinary expenses - integration	-	32	n.a	-	n.a	42	1,319	-96.8%
(+) Extraordinary costs - integration	-	27	n.a	22	n.a	30	1,895	-98.4%
Adjusted EBITDA	12,422	3,381	267.4%	10,621	17.0%	39,210	20,896	87.6%
<i>Adj. EBITDA Margin</i>	<i>18.2%</i>	<i>7.0%</i>	<i>11.2 p.p.</i>	<i>18.0%</i>	<i>0.2 p.p.</i>	<i>17.1%</i>	<i>11.3%</i>	<i>5.8 p.p.</i>

Financial Result

In 1Q21, the financial result was negative R\$2.3 million (vs. positive R\$0.9 million in 1Q20). The financial expenses totaled R\$3.6 million (vs. R\$2.7 million in 1Q20), reflecting mainly the new obligations related to the installments of the acquisitions (Tree, Fromtis and ISP). The financial revenues amounted to R\$1.3 million (vs. R\$3.7 million in 1Q20), as a result of cash disbursement related to the acquisitions cash payment.

Financial Result (R\$ thd)

(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
Resultado Financeiro	(2,333)	933	n.a	(219)	965.3%	(3,422)	(3,217)	6.4%
Financial revenues	1,379	3,653	-62.3%	1,801	-23.4%	7,454	9,701	-23.2%
Financial expenses	(3,712)	(2,720)	36.5%	(2,020)	83.8%	(10,876)	(12,918)	-15.8%

Net Income and Adjusted Cash Earnings

Net income totaled R\$0.8 million in 1Q21 **(+75.8% vs. 1Q20)**, versus R\$0.4 million in the same quarter last year. Adjusted cash profit stood at R\$3.0 million **(+101.1% vs. 1Q20)**, versus R\$1.5 million in 1Q20, mainly due to an increase in expenses lines that affects the net income but without cash impact: amortization and depreciation and deferred income tax and social contribution.

Reconciliation of the Adjusted Cash Earnings (R\$ thd)

(R\$ '000)	1Q21	1Q20	1Q21 x 1Q20	4Q20	1Q21 x 4Q20	LTM-1Q21	LTM-1Q20	LTM-1Q21 x LTM-1Q20
Net income	779	443	75.8%	3,082	-74.7%	5,292	(1,796)	n.a
(+) Extraordinary effects	-	59	n.a	22	n.a	72	4,598	-98.4%
Adjusted net income	779	502	55.1%	3,104	-74.9%	5,364	2,803	91.4%
(+) Acquisitions amortization	3,259	2,866	13.7%	2,361	38.0%	10,064	10,725	-6.2%
(+) Def. income tax/Social Contr.	(1,074)	(1,894)	-43.3%	(165)	550.9%	(1,783)	(6,325)	-71.8%
Adjusted Cash Earnings	2,964	1,474	101.1%	5,300	-44.1%	13,645	7,203	89.4%
<i>Adj. CE Margin</i>	<i>4.3%</i>	<i>3.0%</i>	<i>1.3 p.p.</i>	<i>9.0%</i>	<i>2.1 p.p.</i>	<i>5.9%</i>	<i>3.9%</i>	<i>2.1 p.p.</i>

FINANCIAL POSITION

Gross Cash

At the end of the quarter the cash position was R\$234.0 million **(-R\$87.0 million vs. 4Q20)**, versus R\$321.1 million in 4Q20. This performance was mainly a result of cash disbursement related to cash payment for ISP acquisition, which amounted to R\$33.6 million, and share repurchase of R\$37.3 million. To enable the continuity of our plan, we intend to reinforce our cash position. In this sense we initiated discussions on a potential fund-raising, probably through leverage increasing.

Gross Debt

Gross debt stood at R\$127.3 million at the end of 1Q21 **(+R\$43.9 million vs. 4Q20)**, versus R\$83.4 million in 4Q20. This increase was due to higher liabilities arising from investment acquisitions, which totaled R\$90.8 million **(+R\$50.6 vs. 4Q20)**, due to new obligations related to the installment of the ISP acquisition in the amount of R\$48.4 million and a decline in our outstanding loan balance, which closed the period at R\$36.5 million **(-R\$3.1 million vs. 4Q20)**.

Net Cash

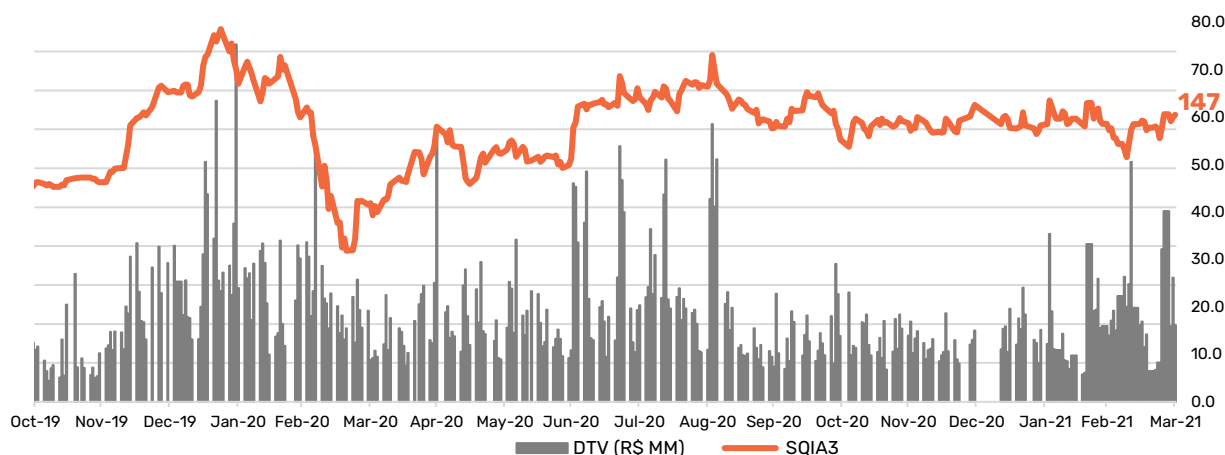
We closed 1Q21 with net cash of R\$106.7 million (**-R\$130.9 million vs. 4Q20**), versus R\$237.7 million in 4Q20.

CAPITAL MARKET

Stock Performance

The Company's shares (NM: SQIA3) closed the quarter at R\$22.70 (**-3.4% vs. 4Q20**), versus R\$23.50 in 4Q20. The Company's shares appreciated 47.4% since the follow on (Sept/19).

Stock Performance - Base 100 (R\$ Nm)



Market Capitalization

At the end of the first quarter of 2021, the Company reached R\$1.6 billion in market capitalization (**-3.4% vs. 4Q20**), versus R\$1.7 billion in 4Q20.

Average Daily Trading Volume (ADTV)

In the three months that make up 1Q21, Sinqia's average daily trading volume was R\$18.0 million (**+34.5% vs. 4Q20**), versus R\$13.4 million in 4Q20.

Shareholder Base

The shareholder base closed the quarter with 112,800 shareholders **(+1.2% vs. 4Q20)**, versus R\$111,500 in 4Q20.

Outstanding shares (free float)

We closed the quarter with 80.9% of our shares in free float **(-2.3p.p. vs. 4Q20)**, versus 83.2% in 4Q20.

Statement from Management. The Executive Board of Sinqia S.A., pursuant to items V and VI of Article 25 of CVM Instruction 480/09, hereby declares that it has reviewed, discussed and agreed with (i) the opinions expressed in the independent auditors' report and (ii) the Financial Statements for the quarter ended on March 31, 2021.

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

(RS '000)	1Q21	1Q20	4Q20 x 4Q19	4Q20	4Q20 x 3Q20	LTM-1Q20	LTM-1Q21	2020 x 2019
Gross Revenues	76,789	54,748	40.3%	66,355	15.7%	208,267	258,400	-19.4%
Software	57,691	39,408	46.4%	45,857	25.8%	147,527	182,594	-19.2%
Subscription	51,424	32,839	56.6%	38,523	33.5%	120,997	156,920	-22.9%
Implementation	6,267	6,569	-4.6%	7,335	-14.6%	26,530	25,674	3.3%
Services	19,097	15,340	24.5%	20,498	-6.8%	60,740	75,805	-19.9%
Outsourcing	18,358	13,468	36.3%	20,151	-8.9%	52,308	72,845	-28.2%
Projects	739	1,872	-60.5%	347	113.1%	8,432	2,960	184.8%
Sales taxes	(8,549)	(6,126)	39.5%	(7,308)	17.0%	(23,033)	(28,789)	-20.0%
Software	(6,431)	(4,429)	45.2%	(5,044)	27.5%	(16,294)	(20,370)	-20.0%
Subscription	(5,618)	(3,662)	53.4%	(3,328)	68.8%	(13,305)	(16,426)	-19.0%
Implementation	(813)	(767)	6.0%	(1,716)	-52.6%	(2,989)	(3,943)	-24.2%
Services	(2,118)	(1,697)	24.8%	(2,264)	-6.4%	(6,739)	(8,419)	-20.0%
Outsourcing	(2,039)	(1,483)	37.5%	(2,225)	-8.4%	(5,769)	(7,661)	-24.7%
Projects	(80)	(214)	-62.8%	(39)	103.8%	(970)	(759)	27.9%
Net Revenues	68,240	48,622	40.3%	59,047	15.6%	185,235	229,611	-19.3%
Software	51,260	34,979	46.5%	40,813	25.6%	131,234	162,225	-19.1%
Subscription	45,806	29,177	57.0%	35,195	30.2%	107,693	140,494	-23.3%
Implementation	5,454	5,802	-6.0%	5,619	-2.9%	23,541	21,731	8.3%
Services	16,979	13,643	24.5%	18,234	-6.9%	54,001	67,386	-19.9%
Outsourcing	16,319	11,985	36.2%	17,926	-9.0%	46,539	65,184	-28.6%
Projects	660	1,658	-60.2%	308	114.3%	7,462	2,201	239.0%
Net Revenues	68,240	48,622	40.3%	59,047	15.6%	185,235	229,611	-19.3%
Recurring	62,126	41,162	50.9%	53,121	17.0%	154,232	205,678	-25.0%
Variable	6,114	7,460	-18.0%	5,926	3.2%	31,003	23,932	29.5%
% of Recurrence	91.0%	84.7%	6.4 p.p.	90.0%	1.1 p.p.	83.3%	89.6%	-6.3 p.p.
Costs	(42,990)	(32,862)	30.8%	(37,458)	14.8%	(123,811)	(148,558)	-16.7%
Software	(30,510)	(21,970)	38.9%	(23,938)	27.5%	(80,885)	(97,618)	-17.1%
Services	(12,480)	(10,892)	14.6%	(13,520)	-7.7%	(42,926)	(50,940)	-15.7%
Outsourcing	(11,814)	(9,858)	19.8%	(13,136)	-10.1%	(37,406)	(48,497)	-22.9%
Projects	(667)	(1,034)	-35.5%	(384)	73.4%	(5,520)	(2,443)	125.9%
Gross profit	25,250	15,760	60.2%	21,589	17.0%	61,424	81,053	-24.2%
Gross margin	37.0%	32.4%	4.6 p.p.	36.6%	0.4 p.p.	33.2%	35.3%	-2.1 p.p.
Software	20,749	13,009	59.5%	16,876	23.0%	50,349	64,606	-22.1%
Software gross mg.	40.5%	37.2%	3.3 p.p.	41.3%	-0.9 p.p.	38.4%	39.8%	-1.5 p.p.
Services	4,500	2,751	63.6%	4,713	-4.5%	11,075	16,447	-32.7%
Services gross mg.	26.5%	20.2%	6.3 p.p.	25.9%	0.7 p.p.	20.5%	24.4%	-3.9 p.p.
Outsourcing	4,507	2,127	111.9%	4,790	-5.9%	9,133	16,688	-45.3%
Outsourcing gross mg.	27.6%	17.7%	9.9 p.p.	26.7%	0.9 p.p.	19.6%	25.6%	-6.0 p.p.
Projects	(7)	624	n.a	(77)	-91.0%	1,942	(242)	n.a
Projects gross mg.	-1.0%	37.6%	n.a	-24.9%	23.9 p.p.	26.0%	-11.0%	n.a
Expenses	(20,590)	(17,047)	20.8%	(17,633)	16.8%	(62,249)	(68,150)	-8.7%
% of net revenues	30.2%	35.1%	-4.9 p.p.	29.9%	0.3 p.p.	33.6%	29.7%	3.9 p.p.
General/administrative	(12,828)	(12,451)	3.0%	(10,990)	16.7%	(43,732)	(41,902)	4.4%
% of net revenues	18.8%	25.6%	-6.8 p.p.	18.6%	0.2 p.p.	23.6%	18.2%	5.4 p.p.
Depreciation/amort.	(7,762)	(4,596)	68.9%	(6,643)	16.8%	(17,133)	(26,248)	-34.7%
% of net revenues	11.4%	9.5%	1.9 p.p.	11.3%	0.1 p.p.	9.2%	11.4%	-0.2 p.p.
EBIT	4,661	(1,287)	n.a	3,956	17.8%	(826)	12,904	n.a
Financial result	(2,333)	933	n.a	(219)	965.3%	(3,217)	(3,422)	-6.0%
Financial income	1,379	3,653	-62.3%	1,801	-23.4%	9,701	7,454	30.1%
Financial expenses	(3,712)	(2,720)	36.5%	(2,020)	83.8%	(12,918)	(10,876)	18.8%
EBT	2,328	(354)	n.a	3,737	-37.7%	(4,043)	9,482	n.a
Income tax/social contribution	(1,548)	784	n.a	(655)	136.3%	2,257	(4,176)	n.a
Current	(2,622)	(1,110)	136.2%	(820)	219.8%	(4,068)	(5,959)	-31.7%
Deferred	1,074	1,894	-43.3%	165	550.9%	6,325	1,783	254.7%
Results after IT and SC	780	430	81.4%	3,082	-74.7%	(1,786)	5,306	n.a
Minority interest	-	13	n.a	-	n.a	(10)	(13)	-23.1%
Net income	780	443	76.0%	3,082	-74.7%	(1,796)	5,293	n.a
Net margin	1.1%	0.9%	0.2 p.p.	5.2%	-4.1 p.p.	-1.0%	2.3%	n.a

EBITDA	12,423	3,322	274.0%	10,599	17.2%	16,298	39,139	-58.4%
EBITDA margin	18.2%	6.8%	11.4 p.p.	18.0%	0.3 p.p.	8.8%	17.0%	-8.2 p.p.
(+) Extraordinary expenses	-	32	n.a	-	n.a	2,703	42	6335.7%
(+) Extraordinary costs	-	27	n.a	22	n.a	1,895	30	6216.7%
Adjusted EBITDA	12,423	3,381	267.4%	10,621	17.0%	20,896	39,211	-46.7%
Adj. EBITDA Margin	18.2%	7.0%	11.3 p.p.	18.0%	0.2 p.p.	11.3%	17.1%	-5.8 p.p.

Net income	780	443	76.0%	3,082	-74.7%	(1,796)	5,293	n.a
(+) Extraordinary effects	-	59	n.a	22	n.a	4,598	72	6286.1%
Adjusted net income	780	502	55.3%	3,104	-74.9%	2,803	5,365	-47.8%
(+) Acquisitions amortization	3,259	2,866	13.7%	2,361	38.0%	10,725	10,064	6.6%
(+) Deferred income tax/Social cont.	(1,074)	(1,894)	-43.3%	(165)	550.9%	(6,325)	(1,783)	254.7%
Adjusted Cash Earnings	2,965	1,474	101.1%	5,300	-44.1%	7,203	13,646	-47.2%
Adj. CE Margin	4.3%	3.0%	1.3 p.p.	9.0%	-4.6 p.p.	3.9%	5.9%	-2.1 p.p.

Exhibit II – Balance Sheet (Consolidated)

(R\$ '000)	01.31.2021	12.31.2020	Var.	03.31.2020	Var. YoY
ASSETS	658,970	637,653	3.3%	608,760	8.2%
Current	264,326	344,158	-23.2%	379,092	-30.3%
Cash and cash equivalents	234,026	321,063	-27.1%	340,917	-31.4%
Trade receivables	22,473	17,427	29.0%	29,748	-24.5%
Advanced expenses	553	673	-17.8%	850	-34.9%
Taxes and contributions recoverable	6,185	4,354	42.1%	5,594	10.6%
Other receivables	1,089	641	69.9%	1,983	-45.1%
Non-current	394,644	293,495	34.5%	229,668	71.8%
Securities	3,012	5,319	-43.4%	4,244	-29.0%
Taxes and contributions recoverable	19,328	1,884	925.9%	1,692	1042.3%
Deposits in court	289	239	20.9%	376	-23.1%
Deferred income tax and social contrib.	29,108	25,205	15.5%	24,496	18.8%
Other receivables	-	-	-	159	-
Property and equipment	47,357	38,138	24.2%	36,860	28.5%
Intangible assets	295,550	222,710	32.7%	161,841	82.6%
LIABILITIES AND EQUITY	658,970	637,653	3.3%	608,760	8.2%
Current	88,173	70,972	24.2%	55,639	58.5%
Loans and financing	12,500	12,506	0.0%	18,286	-31.6%
Leasing	8,824	7,807	13.0%	2,815	213.5%
Trade payables	5,564	2,437	128.3%	4,509	23.4%
Advances from customers	5,022	8,255	-39.2%	3,083	62.9%
Labor liabilities	27,529	20,735	32.8%	16,069	71.3%
Tax liabilities	1,385	2,298	-39.7%	3,115	-55.5%
Liabilities arising from invest. acquisition	24,528	15,549	57.7%	7,762	216.0%
	2,821	1,385	103.7%	-	-
Non-current	170,413	131,153	29.9%	129,753	31.3%
Loans and financing	24,022	27,139	-11.5%	40,480	-40.7%
Leasing	33,617	30,993	8.5%	20,048	67.7%
Tax liabilities	1,883	2,407	-21.8%	2,891	-34.9%
Provisions for legal proceedings	44,639	42,402	5.3%	37,990	17.5%
Liabilities arising from invest. acquisition	66,252	28,212	134.8%	28,344	133.7%
Equity	400,384	435,528	-8.1%	423,368	-5.4%
Share capital	413,261	413,261	0.0%	413,261	0.0%
Treasury shares	(37,626)	(1,689)	2127.7%	(8,355)	350.3%
Shares issue expenses	(23,915)	(23,915)	0.0%	(23,789)	0.5%
Capital reserve	15,511	15,497	0.1%	12,892	20.3%
Earnings reserve	33,153	32,374	2.4%	29,246	13.4%
Total Equity of controlling shareholders	400,384	435,528	-8.1%	423,255	-5.4%
Non-controlling interests	-	-	-	113	-
Gross debt	127,302	83,406	52.6%	94,872	34.2%
Borrowings	36,522	39,645	-7.9%	58,766	-37.9%
Liabilities arising from invest. acquisition	90,780	43,761	107.4%	36,106	151.4%
Net debt (cash) position	(106,724)	(237,657)	-55.1%	(246,045)	-56.6%
Net debt/Adj. EBITDA LTM	NA	NA		NA	