Operator:

Good afternoon. Here is Gaby from IR. Welcome to the earnings conference of Sinqia referring to the 1Q21. Together with us are Mr. Bernardo Gomes, CEO; Leo Monte, Marketing and Innovation Director; and Thiago Rocha, CFO and IRO.

We would like to inform that participants are in listen-only mode, but you can already send your questions via the platforms chart, and immediately we will begin with questions and answer session.

The slide selection will be controlled by yourselves. I would like to remind you that all material is available at the website ri.sinqia.com.br.

Now I would like to give the floor to Bernardo who will begin the presentation. Mr. Bernardo, you have the floor.

Bernardo Gomes

Thank you very much. Welcome to our earnings results presentation. I will begin with slide number two, where I would like to stress that we could not have had a better beginning of this year. We have wonderful results to present to you, records, several highlights of the operation. We will give you details here during the presentation.

I would like to begin with financial performance, where we demonstrate a record ARR of R$227.2 million, a growth of 55% relative to the prior period. And record net revenue, 68%, 40% more than 1Q20. And when we do the pro forma revenue, considering all the acquisitions we did at the end of last year and the other two that we did this year, we have a pro forma net revenue of R$81.4 million, which is a 67% growth relative to the 1Q20.

The recurring revenue was also a record, R$62 million, 51% over the 1Q20, and getting to 91.1% recurrence, a most amazing number, which makes us very satisfied.

The adjusted EBITDA was also a record, R$12.4 million, with a million margin of 18.2%, 4x more than the EBITDA we had in the 1Q20.

And here, to the right of the slide, I will tell you some of the highlights and things we are going to show you during the presentation. Two acquisitions that we made in the 1Q21. With these two acquisitions we have already been able to use 72% of the follow on proceeds from the offer we did in 2019. We are satisfied and in line with the plans of the acquisitions in these proceeds.

With these acquisitions, we inaugurated a new unit, Sinqia Digital, which aims to offer products that promote the digital approximation of our customers in all segments. It is a new way of Sinqia collaborating with the digital transformation of our clients.

We also implemented the first PSTI payments client this quarter. We also advanced with our open banking strategy, we will go into more details further on. We obtained the first results of investments done in startups through Darwin Batch #8, and will go into more details of these results to.

And we will also show that we have already gone to a new phase of investments. We have already invested in new startups through Batch #9, and will really increase our results in innovations and new business for Sinqia.

Also in this quarter, we announced a partnership with Distrito, which is one more source for us to be near all of the innovations and startups movement in our market.

Now I will give the floor to Leo, who is going to tell us a little bit about the innovation and some of the highlights I just mentioned. Leo, you have the floor.

Leo Monte:

Thank you, Bernardo. Good afternoon, everybody. We did have a quarter marked by wonderful advances with regard to innovation, but this is also in keeping with the advances and transformations of the market.

And Sinqia it is not going to be out of this movement. Not only will it be a company, but it intends to lead to this market, and it is part of all this transformation. In line with this, the 1Q was marked by these advances that we had. The research in development strategies, investments we have made here and innovation.

Going to slide number four, this becomes clear when we show that the results of these investments begin to appear. We had an extension in the 1Q of more than 44%, an increase of 44% in R&D.

Thiago Rocha:

Technology is always complicated. Now I am going to substitute Leo, and if he can join us again, I will give the floor back to him.

Just to go back to what we were talking to, the 1Q was a very important quarter for us with regards to R&D. We continued to intensify investments in research and development, aiming for the creation of new products, also the updating our new products.

And here we had some very interesting results. The results in R&D grew 44% compared to the prior period, and I would like to say that we have been doing several parallel initiatives with the objective of accelerating our SaaS strategy.

We have a very extensive product portfolio, many of them came from acquisitions, and we have dedicated ourselves in the last quarters to allow for them to all go to be state of the art in terms of technology, cloud, delivery, everything SaaS. And this is one of the main advances we had this quarter.

Also, we have a very interesting delivery, which is the new product, the new business model via services rending of technology. There are seven companies in Brazil that are authorized by the central bank, Sinqia is one of them. We had already been authorized in 2019, and in the 1Q21, we managed to implement the first client of SPB project in the PSTI mode. It is unique, it is on the cloud, and it is based in transactions.

Every time a client does a payment transaction, Sinqia receives some cents for this. And we are now entering in the 2Q21 with one more advance, which is to implement the implementation of the first Pix PSTI client. This is a new growth area with huge potential. We already have 11 new clients in implementation, and here we are trying to capture a stronger share of Sinqia's clients, having more Sinqia's clients with an offer of PSTI.

Now going to slide number five, we also have been structuring our open banking offer, just like we did in the last two years, where we had a huge change period. In terms of payments, open banking is the product now for 2021, and we have a very interesting delivery. It is a new offer of the services product focused on the client that needs to adapt to this new open banking reality.

So this is an offer comprising three different products. The first one is a consulting directed to help our clients do this change, or adapt to this change that is occurring in the financial market. The second offer, based on the product, going through technological adaptability, regulatory adaptability so that the client can be prepared for the open banking. And also, lastly, products related to innovation, so the connection between Sinqia, our client, startups invested by Sinqia, aiming to build an open ecosystem that is extremely powerful and robust so that we can encourage innovation in the financial market, and Sinqia works as a protagonist here in 2021.

Now going to slide number six, we also had in this 1Q a maturity of our open innovation strategy. At this moment, we have more than 20 startups invested via the several initiatives that are being promoted by our innovations team.

I would like to remind you some of them, some startups that we have been working with, some services, IA, bank as a service, payments and credits receivables and others.

So we have indirectly done 20 investments. We have more than 90 startups in the pipeline of CVC and partnerships. And as Bernardo said, one of the main initiatives that we had during the 1Q was Batch #9.

Six companies were chosen, were selected. We had the participation in the batch. We like the results of this election, some of them startups are wonderful for Sinqia, they have a huge business for Sinqia, and we are very happy because in time we will be able to create a pipeline of companies that will compose the Sinqia companies and will become M&A targets in the future.

Is Leo back in line? Would he like to come back to the presentation?

Leo Monte:

Yes, I am back, Thiago. Thank you very much. I do believe that you talked about all the points. One thing I would like to reinforce is the issue of the SandBox. We are going to plug this in a space where we want to foment open innovation, and we want the companies to build new products. Sinqia will use this technological framework for new products, so this is our huge objective here, to have these assets and not only consume them, but deliver them to foment innovation in the financial segment.

Also, I would like to talk about Distrito, which was the partnership we entered into in this quarter, the relationship with this ecosystem, not only to create access to the whole intelligence layer, and also here we can lead to transformations and innovations in the financial market.

Thiago Rocha:

Thank you very much, Leo. If you can tell us a little bit about Distrito, I have not talked about that yet. I think it would be worth it.

Leo Monte:

Distrito is one of the main startup hubs in Brazil. Together with them, they have a market intelligence platform, so they are the main catalyzers of all information and everything that happens related to startups from several segments of the techs.

And we came closer to them so that we could not only have access to this market intelligence and the fintechs, but the mapping of the fintech scene, seeing what is happening in real time with fintech, launches, contributions, and so that together we can create some actions of transformation to foment the market with regards to innovations in our sector and in the financial market.

Thiago Rocha:

Thank you, Leo. Now going to M&A, this 1Q was a quarter full of movement for us, and very interesting. We announced new acquisitions, which, in my opinion, are some of the most interesting acquisitions that we have been done in 15 years of the market. And I would like to talk about each one of them, and then immediately I will tell you how they combine and how they impact our business from here on.

So beginning with slide number eight, we acquired Simply. It is specialized on digital onboarding. I will explain to you that for those that do not know. We have a new digital onboarding product which does the cycle of entrance of a new client, or sale of a new financial product.

For example, imagine Leo is going to open an account in a digital bank. He is going to enter the app, fill in a form with information, send it, send his selfie, geolocalization, in the image of his documents, and then afterwards this bank will capture all the information, consult some data base, and at the end of the process say he can open his account because he is OK and he is going to be a good client.

So the digital onboarding solution is simple. It can automate more than 90% of onboarding done in a financial institution. Some years ago, there were still financial institutions that supposedly were digital, but the back was manual. They were capturing all the information in the back office. And Simply automates this whole process, which improves the experience of the client.

There are banks that use Simply solutions and can open a digital a client account for the end client in just a few minutes, four minutes in this case. And as well as improving the experience of the client, this type of solution reduces the costs of the financial institution. So we are very happy with the impact this can have to our clients, in capturing our clients.

We also have more than 50 clients, and we amplify the relevance of SaaS world. Sinqia is a company almost 100% with a pricing model based on transactions, based on the cloud. So every time somebody opens a digital account, Sinqia receives some cents for this, and this results in scalability and growth.

And here and below we can see a net revenue of R$17.9 million in 2020, a growth of 53% compared to the prior year. It has reported an EBITDA of R$6.6 million, and an EBITDA margin of 37%. So you can see that this is a very interesting company with regards to growth and profitability.

Now talking about transaction, here to the right, this was the acquisition of 10% of the capital with initial value of R$56 million. Two components, the first is a tranche in cash, R$34 million, and second, a tranche in stocks, R$22 million, meaning 39% from the initial value.

Simply's entrepreneurs are embarking on our project and today they are important shareholders of Sinqia, aligned with our growth project. And lastly, we had the earnout of up to R$12 million have subject to the achievement of revenue targets in 2021, 2022 and 2023.

Now moving to slide number nine, I would like to talk about FEPWeb, which was a very interesting acquisition, referencing digital signatures with two main solutions: the first one, it controls all of the signatures done by a financial institution. It sells a current account product, investment fund, some kind of credit, any kind of transaction done by a financial institution.

It is a solution that organizes firms and powers, and also allows for the digital signature. Every time a client from the financial institution needs to sign a contract, it can do through that FEBWeb.

We have 55 new clients here, digital banks, global banks. FEPWeb serves 13 of the largest banks in the world, which is very good. We also expanded the relevance of the SaaS model, so Sinqia it receives a few cents every time a client signs a contract with the end client, and we can see the numbers here: net revenue of R$12.8 million, growing 33.3% year on year. Adjusted EBITDA, R$8 million, EBITDA margin of almost 63%.

The acquisition was of 60% of FEPWeb, initial value of R$38.4 million, R$64 million, two components: tranche in cash, R$23 million, tranche in stocks, R$15.4 million, representing 40% of the initial value. Just like in the prior case, here, the entrepreneurs are already Sinqia's shareholders completely aligned with our growth plan.

With regards to the 40% remaining, we have a call option tied to the achievement of revenue and margins targets in 2024. So multiples are preestablished, lower than the first 60% acquired, but they vary in function of the level of revenue and margins that the Company delivers in the next years. So the second part of the transit transaction tends to be even more attractive than the first stage.

Now going to slide number 10, these two companies combined in a new business unit called Sinqia Digital. And what are the characteristics of the new business unit? These products with latent demand, these are new needs of our clients that were intensified by the migration of transactions from physical world to the digital world, specifically in the last 12 months with the pandemic.

These are horizontal products. Banks, funds, pension consortiums, and even other verticals that at the moment are not served by Sinqia. This means a huge growth potential. So we have used cases that have been proven in all verticals, including away from these verticals some interesting markets, for example, the payments of insurance claims.

And the third interesting characteristic is that this new unit already emerges with a whole group of very interesting clients. I will give you some numbers. I do not want to be exhaustive here: Agibank, BMG Digital, BS2, BTG Digital, C6, Digeo, Inter, ModaMais, Original, XP, almost all the main digital banks in our market, which is very, very interesting.

And lastly, the fourth characteristic is the SaaS model, with a delivery completely in the cloud, paper use pricing, which will certainly result in a scalable growth together with our new clients business.

As a consequence of these characteristics, we see this business printing a very differentiated dynamics in the 1Q. The first two companies combined presented a net revenue of R$9 million, 54% growth compared to the same period in 1Q20. Almost 50% considering these two companies.

And lastly, I would like to remind you that these numbers are still not appearing in results of the 1Q. You will see this impacting our results starting from the 2Q.

Going to a slide number 11, here I would like to conclude this session saying that we had a relevant product to evolve consolidation plan. To the left, you can see the use of the proceeds of the follow-on. We raised R$363 million in 2019, but we already committed 72% of this amount with the five acquisitions done in the last eight months.

With a slightly delay because of the pandemic, we aimed to reach our objective. We overcame our objective, and today we believe that the destination of 100% of the follow-on proceeds will happen before the three years that we expected in the beginning.

But this is not all. There is another thing that is very interesting. It overcame the objective without compromising the strategic and financial discipline, which is the brand of Sinqia.

Sinqia is very disciplined. As a consolidating company, we have five acquisitions adhering to our strategy, and we paid an adequate in all of them. Tree, which expanded our offer in the bank market; Fromtis, in the FDIC market; Itaú Soluções Previdenciárias, and now FEPWeb and Simply, forming Sinqia Digital.

Now going to financial results, slide number 13. Once again, we will show you the software, ARR, which reached the new record with a R$160.7 million. Compared to the 4Q, we had a total addition of R$51.9 million, 29.7%, due to the consolidation of ISP. And compared to the 1Q20, we had total additions of R$80.3 million, 54.7%, due to the consolidation of ISP, Fromtis and Tree, which were acquired in the last quarter.

And still comparing with the 1Q, we had an organic addition of R$13.8 million, 9.4% growth, and this demonstrates a slight acceleration, because in the beginning of 2020, we had an expressive churn, which did not repeat itself in the following quarters. As a consequence, once again, we are close to organic growth of two digits in software, and we hope that it is facilitated with the huge potential that we have with these last acquisition.

Now going to slide 14, the net revenue registered another record, R$68.8 million, a growth of 40% with very good performance in the two business units: software, where we had the record of R$51.3 million, a growth of 47%, and also, there was a very good advance with subscription revenue and a slight drop in implementation revenues.

These variations in the country affects our commercial model. New clients began paying subscription at the signature of contract, not during installation of software. They are exempt from implementation rates. So we are trying to reduce these costs perceived by our client. And with this software growth, we have funds and banks. This is a very favorable moment because of the entrance of new institutions and new players in this market.

With services, we had a record of R$17 million, a 24% with advance in differentiated service and development of customized solutions. We still observe a lot of demand with digital transformation services in the financial sector, specifically banks and insurance companies.

To the right, recurring revenues, a record of R$61 million, a growth of 51%, representing 91%, an increase of 6.4 p.p. As Bernardo said, this is the greatest percentage of revenue in the Company. So this is the seventh consecutive quarter of extension of the recurrence of growth in the recurrency, confirming that this has generated the expected results in terms of sales, and also improvement of mix.

Going to slide number 15 now, to the left, the gross profit attained R$25.3 million, 60% growth, gross margin of 37%, an increase of 4.6 p.p. Positive evolution in both business: software gross profit, a record, R$20.7 million, a growth of 60%; gross margin, 40.5%, increase of 3.3 p.p.

This results improved even with the investments in R&D. We are compromised with this advance to accelerate the updating of our products, and also develop new products.

However, the good news is that we have reached a relevant impact in the margin, because these investments in R&D are being diluted with other revenues and are being compensated with efficiency gains.

To the right, services. We had a record of R$4.5 million, 64% growth, gross margin of 26.5%, increase of 6.5 p.p. This also improved with the mix, and here we not only supply a team, but we also manage the team for our client, facilitating his life, and this service has a higher added value, consequently a greater margin.

Going to slide 16, expenses continued under control. To the left, we have total expenses, R$12.8 million, only 3% increase. And also, we consolidated the expenses of three acquisitions, Tree, Fromtis and ISP. Even so, we delivered an increase of expenses much inferior to revenue, and also to inflation. So we were able to integrate acquisitions more efficiently and faster.

In commercial and marketing expenses, R$3.7 million, minus 10%. This was because of the expenses with trips and accommodations because of the pandemic. But our team adapted very well, with increase in sales with the home office model.

To the right, general and administrative expenses totaled R$9.1 million, an increase of 10%. And here, it was a relevant increase of M&A expenses, which are nonrecurring, attaining the greatest amount of transactions. And on the other hand, we had a reversal of provisions for contingencies that ended up leading to this result, and a reduction of expenses with I.T. and facilities, and reclassification of expenses following the IFRS 16.

And on slide 17, we can see the greatest EBITDA and the greatest margin in our history, R$12.4 million, a growth of more than 3x, a margin of 18.2%, 11.2 percentage p.p. growth. And this is the best margin reported by Sinqia in its history.

I would like to stress here that in the 1Q, every year there is a seasonality that is unfavorable. It is a quarter where we have variable revenue costs with people that happened for several reasons, and because of this, we interpret this record margin in the 1Q as a confirmation that we are doing right, and we believe that 2021 will be a very good year for Sinqia.

Slide number 18. Our balance remains solid, but the main message here is that we have opportunities here, and possibly we will reinforce this balance to be able to carry out all these opportunities. Gross cash, R$233 million, minus R$87 million because we paid in cash the acquisition of ISP; and also, part of these shares was used when we closed the Simply and FEBWeb acquisitions.

The gross debt was R$127.3 million, an increase of R$43.9 million because we add that to the gross debt, the tranches in stock of ISP, and we attained a net cash of R$127 million.

With the adjusted balance here net cash is close to R$49.7 million. So we still have room to do some acquisitions. But as I said, we have so many opportunities with M&A in the pipeline, and the conversations are so positive that perhaps very soon we will need to reinforce this balance to take advantage of the opportunities.

There is no concrete decision here, but certainly we will choose a path here to maximize value for our shareholders.

Now, I would like to give the floor back to Bernardo to conclude the presentation.

Bernardo Gomes:

Thank you, Thiago. Now we will go to the last slide of the presentation, number 19. Here, I would like to reinforce that we have just seen the excellent results we had in the 1Q. But I would also like to reinforce that we already are today much greater and much better than we see.

After five acquisitions in eight months, we saw the results of the past, and today we are already much better. An example here with net revenues, in 2020 we reported R$210 million in net revenues, and in this 1Q, if we annualize the net revenue of the three months, we have R$273 million. But if we do the pro forma, considering all of the acquisitions done in these last eight months, we get to a net revenue of R$325.8 million, almost R$326 million. In three months, from the end of the year, all the way to the closing of the 1Q, pro forma, we have already grown 55%.

So, wonderful results. Excellent. The reality is much better than what we see because this is a much larger, much better Company.

Here, we have the highlights. To the right, we added a series of new products in our portfolio. We increased the diversification of our offer to clients. We reached more than 500 customers in the market. We reduced the concentration, which was already small, but it was even more reduced with this greater offer of products and services.

We increased the relevance of the SaaS model in our business. Our SaaS model was increased, from last year to now, fivefold. This allowed us to attain this huge recurring revenue, more than 90%. And the EBITDA margin, which is over 20%.

Everything I am showing, much better and much greater, is just considering what we have already won. This is just the results of the 1Q consolidated and pro forma. We still have a lot to do. For sure, this year we will have more acquisitions, new investments through startups, through the CVC strategy. So what we see in the future is much, much better than what we showed as a result in the 1Q and the pro forma numbers that we are recording.

So I would like to leave you with this final message. Please continue with us. In this journey, we are going to do better and more now.

I will give the floor back to Gaby for us questions and answer session.

Rogério (via webcast):

I would like to congratulate you, firstly, Bernardo and Luciano, and the whole Sinqia team for the excellent results, I would like to ask if there is the perspective of a new follow-on in the short term to expand the M&A strategies.

Thiago Rocha:

Thank you, Rogério, for your question. It is a pleasure to talk to you. With regards to the perspective of a new one, in the very short term, no, there is not this perspective. As I said, our priority at this moment would be to raise debt to do more acquisitions. And then, when everything we are delivering is reflected in the price of the stock, then we can feel more motivated in doing a new follow-on.

This is not a priority at this moment, but we have not forgotten the idea. Since our Company is a company of acquisitions and there is a lot of M&A opportunities before us, it is possible for us to talk about follow-on further in the future.

Gabriela Chiarini, SFA (via webcast):

Good afternoon. Excellent results. Can you tell us a little bit about innovations such as Plug and the invested startups?

Leo Monte:

I am going to start with the invested startups. Increasingly, we have an eye. We are looking at everything that is happening. We have a great origination process, such as measured by Thiago, via Distrito, Darwin, funds of which we are part of, any relationships we have. We are very close to this environment, this innovation system.

And we already have very interesting mapped options, and in the next months, we want to do the next investments, which will offer Sinqia very large technological advances, and also with regards to products. And we are also going with the idea to capture assets and synergies with startups, and also deliver this to our clients through our distribution capacity.

We have more than 500 clients, some Simply and FEPWeb clients, plus a series of other clients, too. So the idea is to be a huge, innovative technology platform distributor, and also add new services in our portfolio.

With regards to Plug, we had some advances. We are still in a go-to-market moment with regards to the platform. As I mentioned in the last call, it is a moment where we are setting up strategic alliances, and also to have funds and all the players here.

We have not been able to report the results, but as soon as we have results, we will tell you about this.

Gabriela Chiarini:

How is going to be the R&D the evolution during the year with regards to commercial investments?

Thiago Rocha:

Thank you very much, Gabriella. With regards to R&D, our intention for 2021 is to double the investments. We have been going through a series of investments in R&D. In the 1Q, we saw an advance of 44%, but there is huge space to set up teams, to hire people. And here we hope to invest even more in R&D during the year.

We have several fronts opened in banks, funds, pension and consortiums. The perspective is a very relevant moment here. During the year, probably, it is a letter that we are going to have to go up from quarter to quarter and get to a much higher level than what we saw in the 1Q.

With regards to sales expenses, at this moment, we do not see any relevant change. I think that we have some sales expenses that are fixed with our commercial team, and others more variable, which are related to commissions.

Usually, I joke that commission is the only kind of expense that the CFO likes, because the more we are paying commissions the better, it means that the Company is doing well and selling. But this is something that depends on the sales volume in the future.

What I can say is that, in the beginning of this year, we have a very good commercial activities, with a very interesting temperature, and we hope that this commercial performance, which was very good in the last quarters, will continue in the same level.

Carlos Sequeira, BTG Pactual (via webcast):

The growth of the organic, revenue and software, lowered in the 1Q related to 2020, with a drop in consortium. What led to this deacceleration?

Thiago Rocha:

Thank you for your question. Good afternoon. We have been coming from a period of oscillation with regards to organic numbers. When we look at the last 12 months, the performance from the sales point of view is very good. From the point of view of a contractual readjustment, also very good, and also favored because of the inflation. But from the churn point of view, there were some oscillations in the last quarters in very concentrated cases.

One case happened in the beginning of 2020. But since it has already left the base of the last 12 months, we do not see this in this comparison. Another case that happened was in the end of the year, which was a consortium case, an important client that left our base, and this resulted in an organic growth being closer to 9%.

So our objective is to is to continue having in software an organic growth around 15%. We understand that the commercial performance is enough to be able to attain this level. We need to normalize the churn, which we hope will happen so that organic growth can go back to this 15% level where it should be.

Pedro Pimenta (via webcast):

Is there a provision of a conclusion of investment so that we can begin to see greater profits?

Thiago Rocha:

Pedro, thank you for your question. I do not exactly know what investments you are referring to. With regards to R&D investments, unfortunately, in a technology company, this kind of investment is never over. But we are intensifying investments in R&D because of all the acquisitions done in the last years.

So we hope that this high level of investment will continue in 2021, probably 2022 and 2023 also, but at one moment or another, we will have done all the conversion of our software to the SaaS model.

And from there, the investment will be more in maintenance then evolution, in the sense of removing the platform from point A and to point B in terms of technology. So I believe that we will have another three years of investment in R&D accelerated here.

With regards to profit, we begin to see in this 1Q an increase of the profit. We believe that we see this happen. The companies that we are with are very profitable, very high margins, very high cash generation. So our expectation is now to be able to see an evolution of the profit, even with a more elevated level of investments in R&D.

Gabriela Chiarini, SFA (via webcast):

Thank you very much, everybody. If I can ask one more question, can you tell us a little bit more about the open banking, open platform? Congratulations for the results.

Leo Monte:

Thank you for your question, Gabriela. We understand that the open bank artifact will be a huge transformation and change in the financial market. This has been happening in other countries and it is not going to be different in Brazil, with specificities with regards to our region.

But what we understand here is that, increasingly, companies will need to link to other companies. This is the basic premise of the concept of open: open banking, open finance.

So when we look at Brazil, we see a very huge intention by the Central Bank to go towards other verticals, all the other systems that include financial system, insurance, investment banks. So when we look at Sinqia, the only company in Brazil that has this consolidated is Sinqia.

So when we look at this, we understand the issue of the incentive that the Central Bank has done, has given priority to. But we understand that it is time not only to look at this in time, but also deliver a platform that can do these connections.

We understand that we are building our ecosystems through investments. We are standardizing advancing our software to this SaaS model, which accelerates the issues of the APIs, which allows us for this new moment.

And with all of this, we launched our sandbox, which begins to be available for clients and the market, and the intention is for Sinqia to be not only the technology supply and providing in the market, but the main fomenter of innovations that will be done through open bank towards open SaaS.

Thiago (via webcast):

I would like to know if there is a projection for the payment of dividends.

Thiago Rocha:

Thiago, thank you for your question. Recently, in the General Assembly in the end of April, we already approved the payment of dividends. The schedule has already been available in notice to the investment in our site. So with regard to dividends, referring to 2020, we already have this position, it has already been disclosed.

With regard to future exercises, future periods, this will depend on the evolution of the profit. The policy is to do a minimum distribution, 25% of our adjusted EBITDA, because the Company prefers to retain cash to use it for opportunities.

Gaby:

Thank you. With no more questions, I would like to give the floor back to Bernardo for his last considerations. Bernardo, you have the floor.

Bernardo Gomes:

Thank you, Gaby. Thank you, everybody. I would like once again to thank you for your participation in our earnings release webcast. Thank you very much, everybody. Good afternoon.

Gaby:

Thank you. The earnings results webcast for the 1Q21 of Sinqia is closed. Good afternoon, everybody.