

sequoia

Earnings
Presentation | 4Q23

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Disclaimer



The statements in this document related to business prospects, forecasts on operating and financial results and those related to Sequoia's growth outlook are merely forecasts and, as such, are based solely on the Executive Board's estimates on the future of the business. These estimates substantially depend on market conditions, the Brazilian economy, the segment and international markets and, therefore, are subject to changes without prior notice. All variations presented here are calculated based on balances in thousands of reais, as well as rounding. This performance report includes accounting and non-accounting data such as operating, pro forma financial and projections based on the Company's management expectations. Non-accounting data were not subject to review by the Company's independent auditors.

01

Highlights 4Q • 2023

Highlights 4Q23

- Resumption of growth with the signing and closing of the M&A transaction with MOVE3, which will practically double the company's current size to an annual turnover of R\$1.6 billion (2023 pro-forma)
- Conclusion of the Restructuring of the Company's Indebtedness::
 - Oct/23: Migration of debenture holders from the 3rd issue (R\$242MM - 79% of the total) to new debentures convertible mandatorily into shares;
 - Dec/23: Signing of the Global Bank Debt Restructuring Agreement (conversion into shares of R\$ 320MM - 78% of the total)
- Annualized reduction in Fixed Costs and SG&A of R\$ 233MM
- Revenues stabilized compared to 3Q23

02

Financial Restructuring

Stages of the Financial Restructuring Process

01 Waiver and Repayment - 3rd Issue

Approved at the AGM held on 04/10/2023 by 90%+ of the Bondholders



02 Migration of Debenture Holders to a New Equity Convertible Instrument

78.7% of debenture holders signed up

R\$ 241.5 M converted to the 4th issue



03 Injection of New Resources

Subscription of R\$100 M in cash in series 2 of the 4th issue

New working capital line of R\$16 M



04 Bank Debt Restructuring

Global Bank Debt Restructuring Agreement signed on 12/28/2023

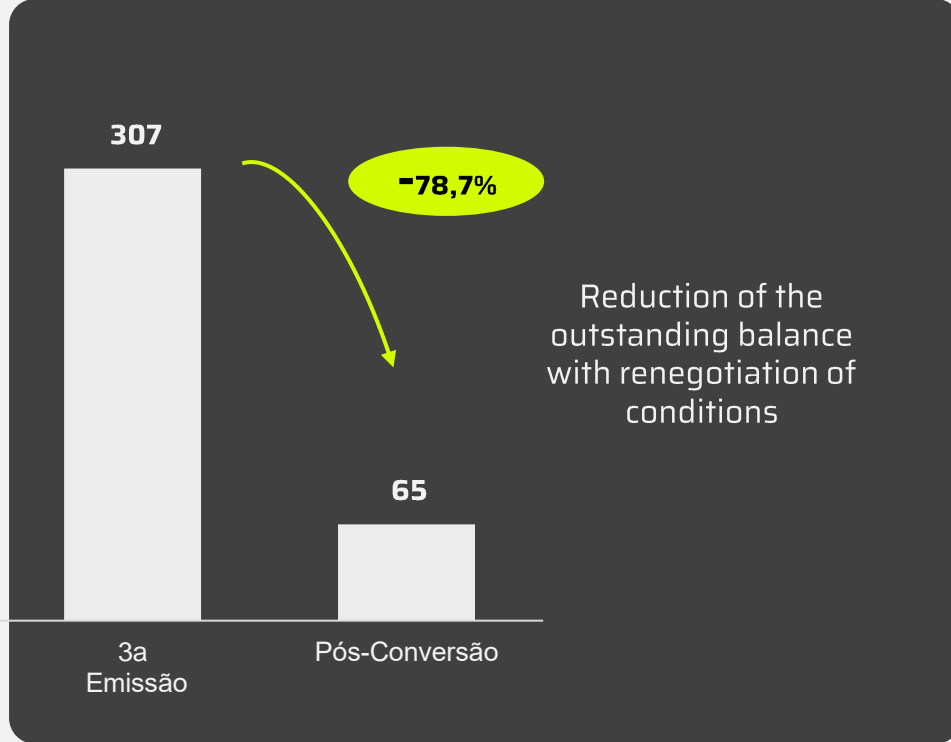
Conversion of approx. R\$ 320 M Extension of the balance (R\$ 90M)

3-year grace period for interest and 5 years of principal Amortization from 2029 to 2031



Debenture restructuring

(R\$ million)

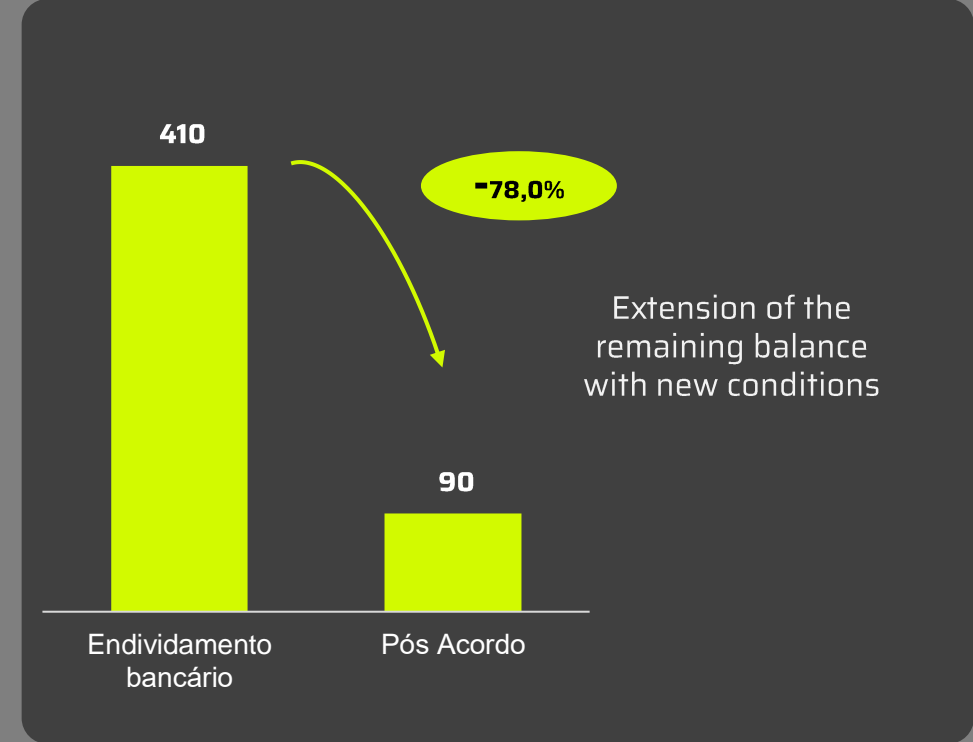


Conditions of the 3rd Issue - Dec/22

- Maturity Nov/29
- Interest at CDI, paid quarterly as from Nov/26
- Grace period for payment of amortization installments up to the maturity date - "bullet" payment;
- No obligation to set up guarantees

Bank restructuring

(R\$ million)



New Bank Debt terms (remaining)

- Release of guarantees
- Interest with a 3-year grace period
- 5-year grace period for repayment installments between 2029 and 2031

Pro-forma Net Debt 4Q23

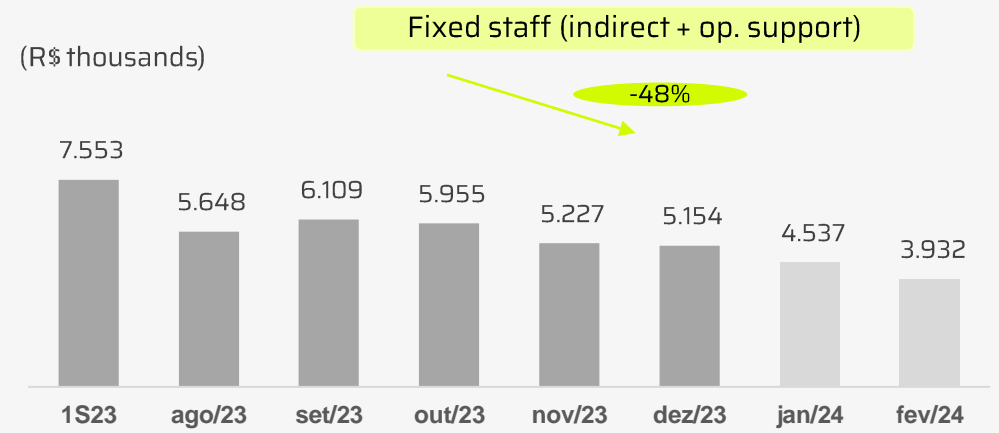
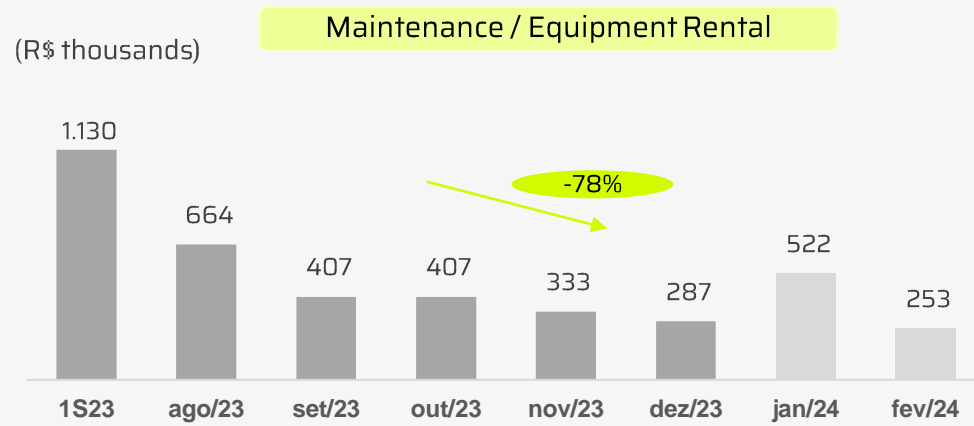
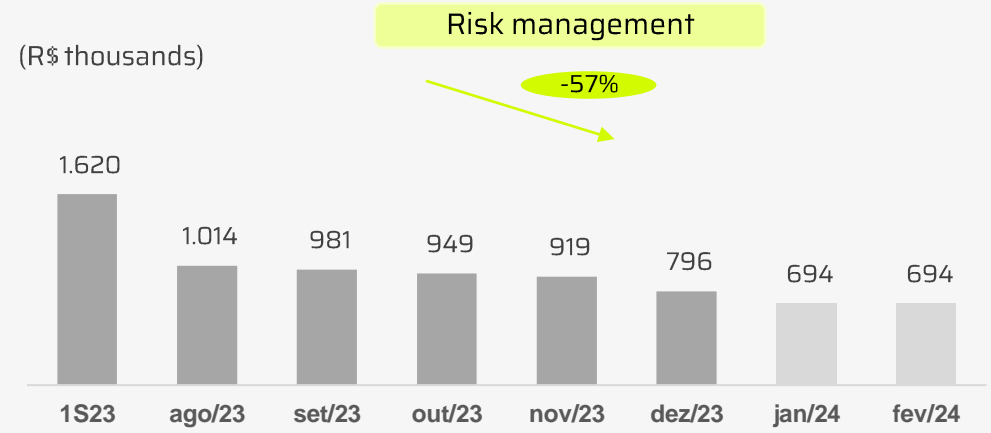
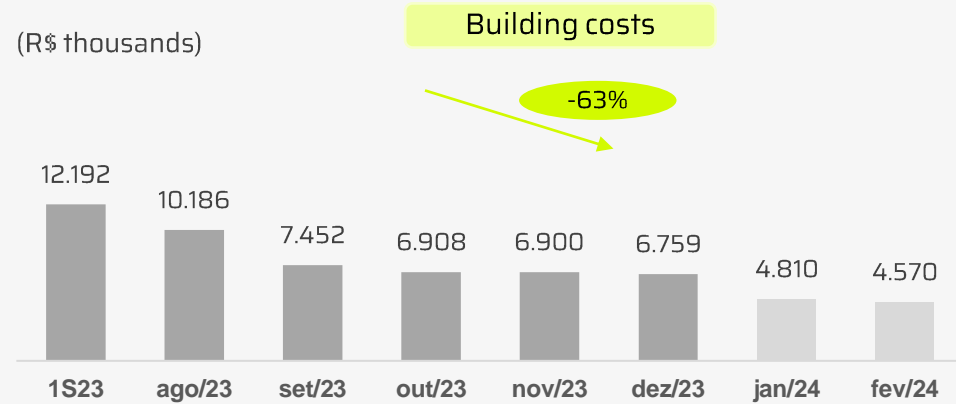
R\$ million	4Q23	Bank conversion	4Q23 Pro forma
(A) Indebtedness	507,6		187,6
Loans, Financing, Debentures and Derivatives	485,7	(320)	165,8
Accounts payable for the acquisition of subsidiaries	21,8		21,8
(B) Cash and Cash Equivalents	(30,0)		(30,0)
(C = A+B) Net Debt	477,5		157,5
(D) Net Equity	117,6	320	437,6
Financial Leverage Ratio (C/D)	4,1 x		0,4x

Strengthening the balance sheet to promote the resumption of the Company's growth

58% reduction in fixed operating costs

Main reductions made: (i) closure of 85 rental contracts (DCs and bases); (ii) reduction of rented equipment; (iii) replacement of risk management and scope review; (iv) reduction of people in operational support and fixed indirect support.

**Annualized reduction
R\$ 156M** ✓

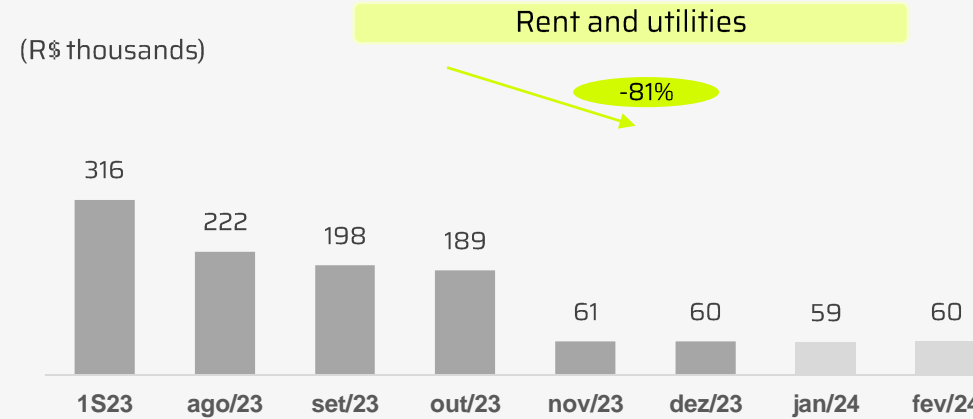
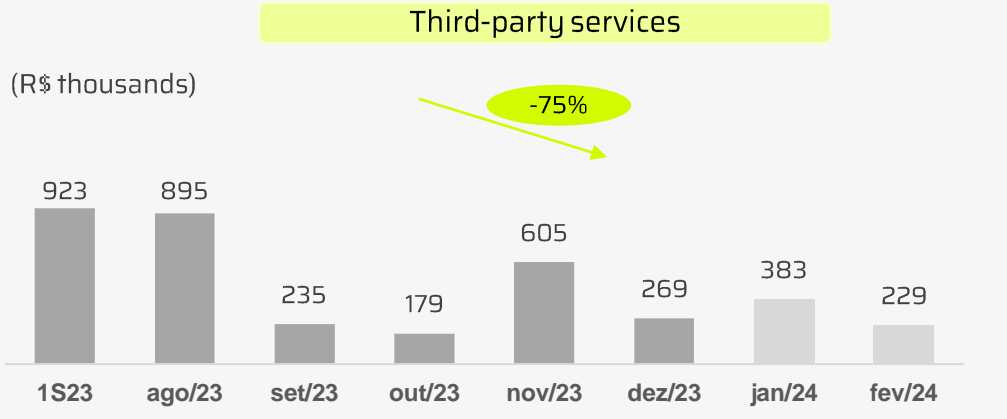
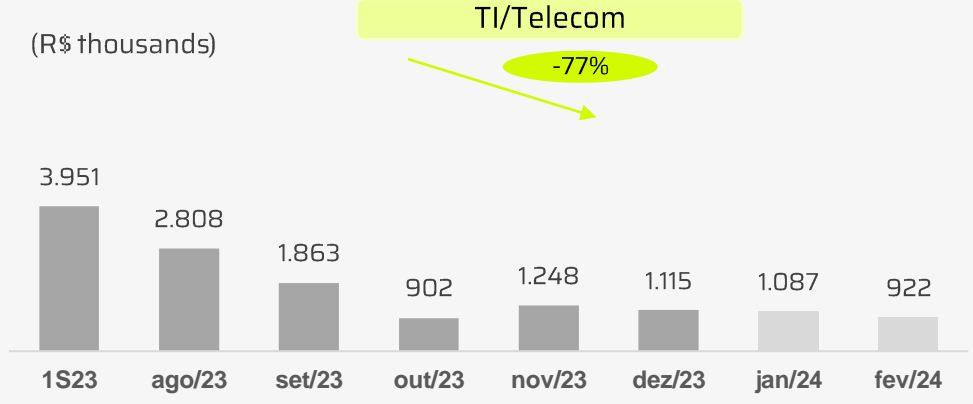
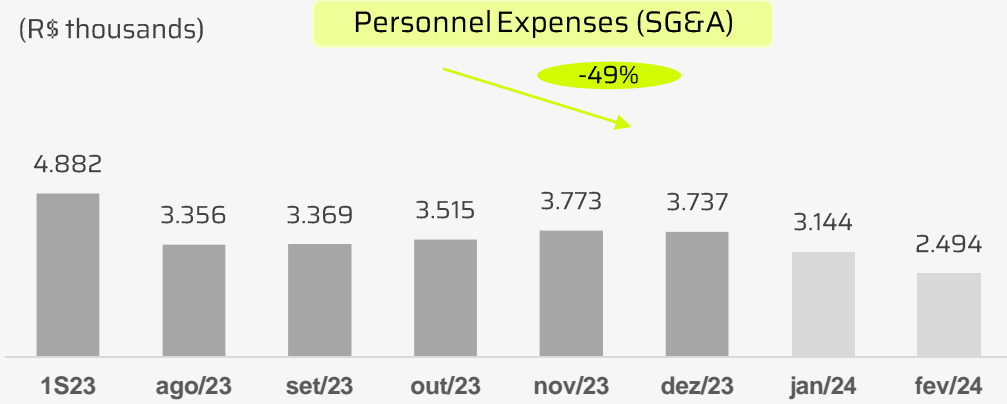


*Dados gerenciais não auditados

63% reduction in SG&A expenses

Main reductions made: (i) reduction in staff; (ii) review of IT, systems, links, people, suppliers; (iii) reduction in travel and third-party suppliers (330 contracts closed); (iv) closure of CSC in Americana-SP and other offices

**Annualized reduction
R\$ 76,4M** ✓



*Dados gerenciais não auditados

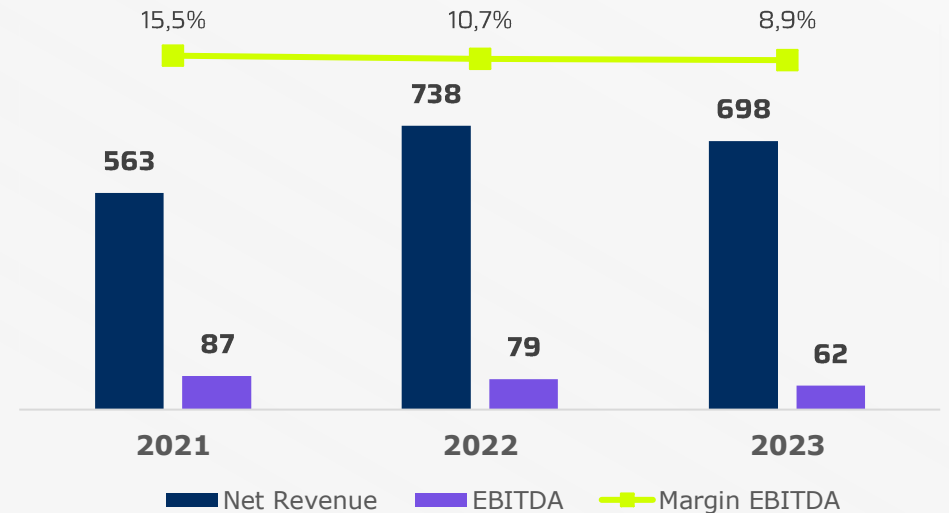
03

M&A Sequoia + MOVE3

MOVE3 | Group of 5 B2B and B2C companies focused on offering a wide range of logistics services, especially B2C last-mile services for banks and other financial institutions

- » The company was founded in 1993 as a logistics operator in the banking segment. Since 2011 successful brown and green field expansions led Grupo Move3 to increase its ecosystem
- » The company's main revenue component is the Last-mile delivery, which is the final step of the e-commerce logistics transportation chain (urgent deliveries and same-day deliveries). The B2C operation represents 62% of the FY2022 Grupo Move3's revenue
- » Grupo Move3 delivers more than 10 million packages per month, after growing its annual deliveries 2.3 times from 2020 to 2022
- » More than 6,000 delivery employees in 538 different franchises are present in 5,030 Brazilian cities, which 1,039 of those are recurring

Financial Highlights | R\$ mm



Description



Storage and logistics services

Segment

- » Payment Machines
- » Pharmaceutical Products
- » E-commerce

Selected Clients



Express delivery of objects lighter than 500 grams

- » Banking Objects
- » Tickets
- » Documents



Shared economy platform for deliveries

- » Small Package Delivery



Sequoia + MOVE3

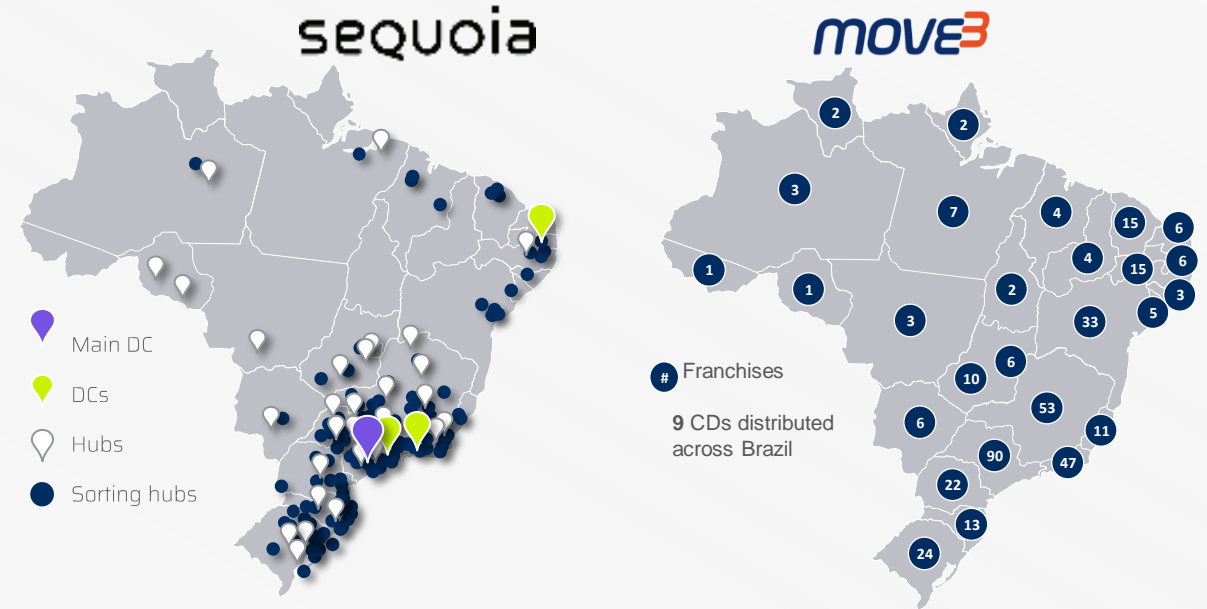
TRANSACTION TERMS

» Merger of MOVE3 by Sequoia, through payment in cash and shares

MOVE3 shareholders will hold ~40% of the shares in the combined company

COMPLEMENTARY OPERATIONS

» Geographical complementarity with logistics networks and distribution centers in similar locations



» Relevant commercial presence with a large and diversified combined client base

Combined client base includes 20 of Brazil's major e-commerce players



SINERGIAS

» Potential cost and expense synergies expected to increase the combined company's efficiency

» Direct cost reductions in duplicated structure

Potential synergies estimated at between R\$ 60 and 80 million (Annualized effect on EBITDA)

Sequoia + MOVE3 | Business complementarity + growth levers

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Common units and synergies



ORDERS

Door-to-door parcel deliveries focused on e-commerce with B2C operations



FIELD SERVICE

Customizable and flexible service model according to business needs



LOGISTICS

Fulfillment e Cross-docking, Armazenagem indoor e outdoor, Refurbishing, VAS Value-Added Services

Business complementarity



FTL

Transfer of urgent full loads between 2 or more locations connecting local warehouses, distribution centers around the country



EXPRESS

Mission-critical logistics solutions for express parcels, integrating national air and road transportation



DEDICATED OPERATIONS

Dedicated vehicle rental service for first and last mile operations



BANK OBJECTS

B2B and B2C delivery of bank orders such as cards, checkbooks and tickets

Logtechs

Dominance in logistics technology for light packages



FRENET

Logistics platform connects carriers to e-commerces in Brazil, automating freight calculations, deadlines and smart labels in a single interface



DROPS

Delivery and pick-up network with points all over Brazil



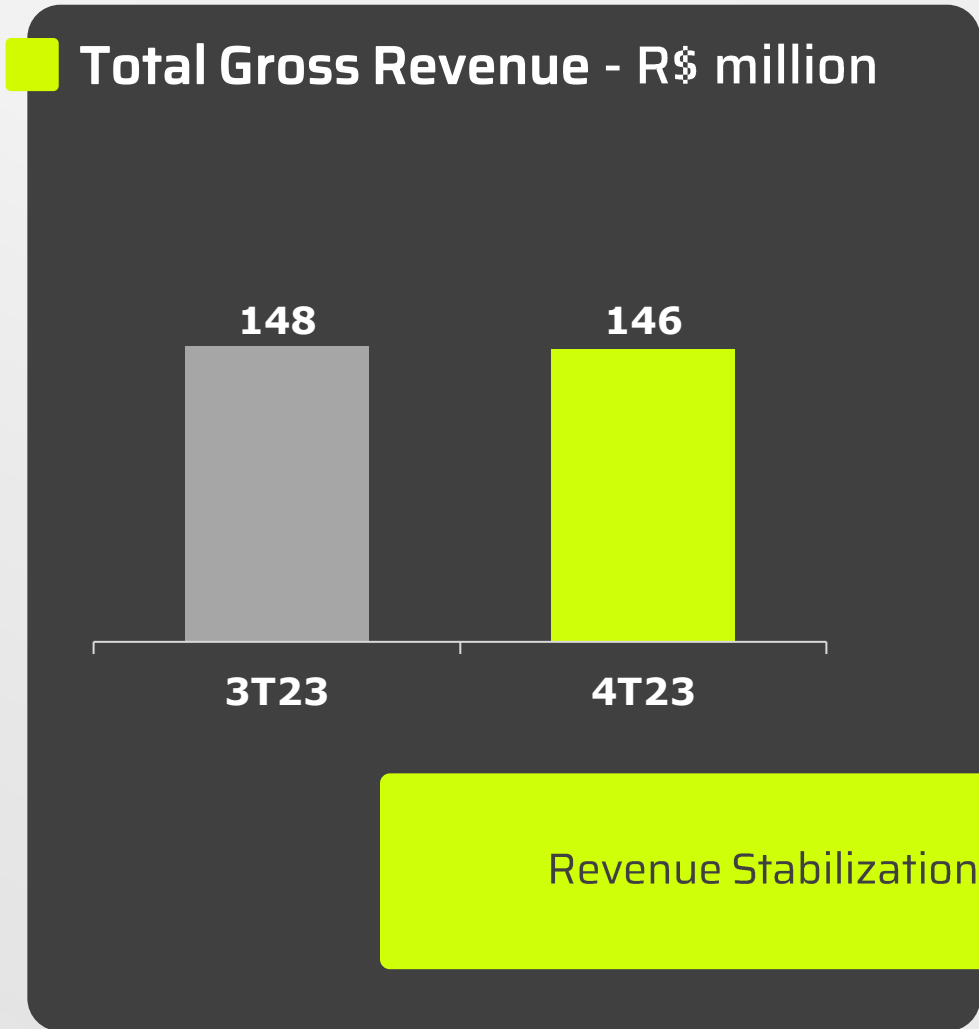
LEVOO

Sharing economy platform for fast deliveries (same day)

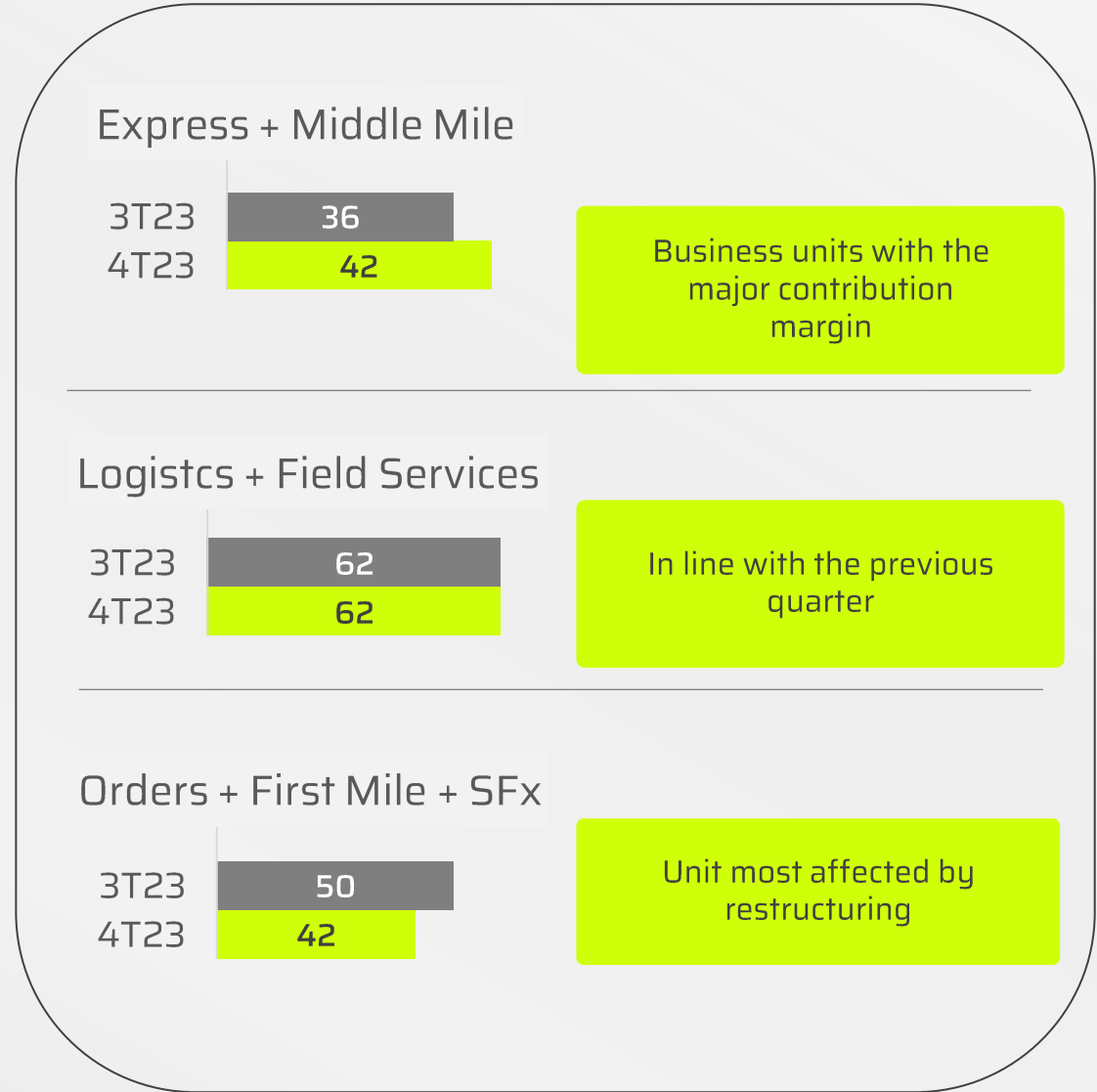
04

Results 4Q23

Gross Revenue 4Q23

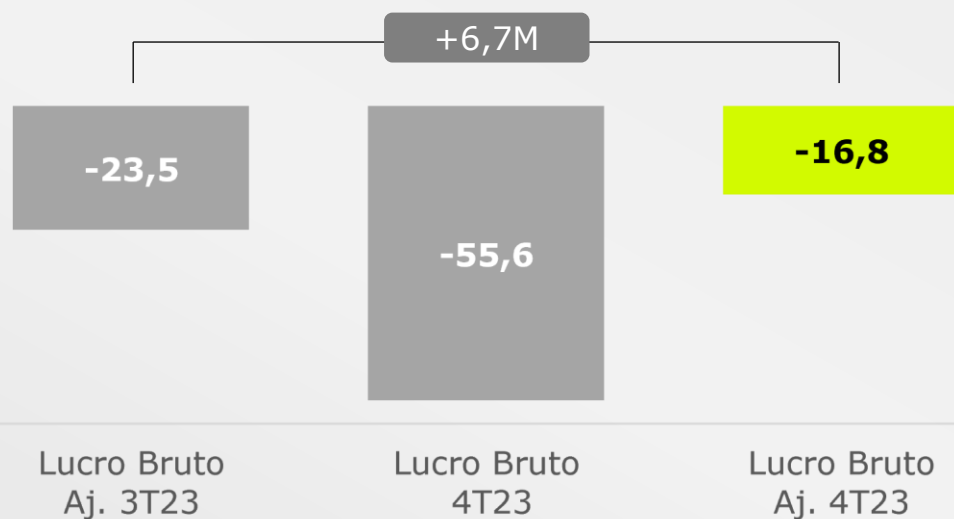


Business Units

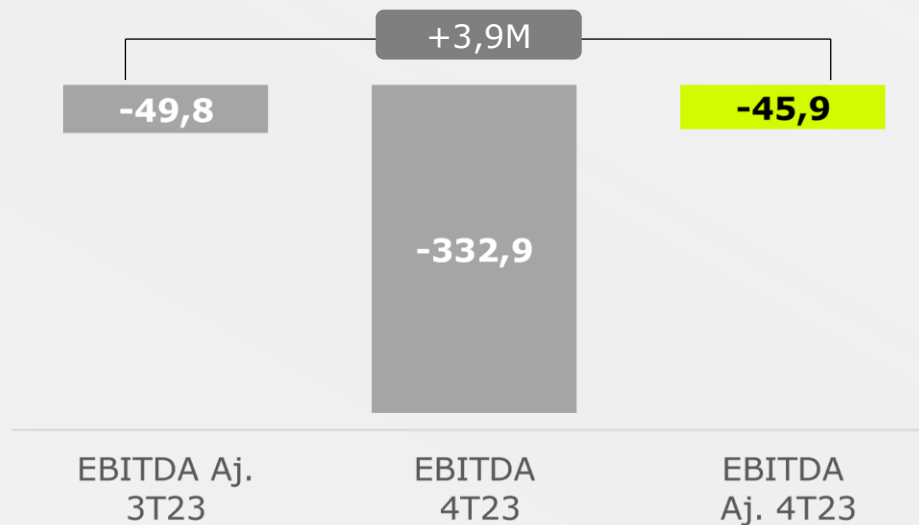


Gross Profit and Adjusted EBITDA 4Q23

Adjusted Gross Profit - R\$ million



EBITDA Ajusted • R\$ milhões



Main non-recurring effects :

1. Revisions to Management Expectations:

- Increase in Provision for Legal Contingencies;
- Increase in PDD in Accounts Receivable;

2. Direct Impacts of the Restructuring Process:

- Costs of terminating people, terminating contracts and agreements with suppliers in arrears;
- Write-off of Indemnity Assets in the context of renegotiation of Accounts Payable for M&As; and
- Sale of Assets..

Result 12M•2023 | Sequoia + MOVE3

Pro-forma vision run rate

* Millions, except where indicated

Management P&L	sequoia	Run Rate Sequoia Adj.	MOVE3	sequoia MOVE3
	12M•23 Sequoia		12M•23 MOVE3	SEQL + MOVE3 Run-Rate
Gross Revenue	874,3	(46,0)	812,0	1.640,3
Net Revenue	747,7	(39,6)	697,9	1.403,0
Variable costs		92,8		
Building Installations (inc. Rent)		91,5		
Direct and Indirect Fixed Costs		65,1		
Adjusted Gross Profit	(30,3)	209,7	87,0	266,4
% gross margin			12,5%	19,0%
SG&A		76,4		
Adjusted EBITDA EX-IFRS	(198,5)	286,1	62,3	149,9
% Adjusted EBITDA margin EX-IFRS			8,9%	10,7%


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Final message and Q&A

Thank you



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 ri.sequoialog.com.br

 ri@sequoialog.com.br