



sequoia

RELEASE 1Q22

Earnings Conference

May 6th, 2022
(Friday)
10h BRT

Portuguese

Tel: +55 11 3181-8565

[Webcast Link](#)

English
(Simultaneous Translation)

Tel: +1 412 717-9627

+44 20 3795-9972

[Webcast Link](#)

B3:SEQL3
R\$10,22
Per share
(05/05/2022)

139.898.823
Total Shares

R\$1,4 Bi
Market Cap

ri@sequoialog.com.br

1Q22 EARNINGS RELEASE

São Paulo, May 05, 2022 – Sequoia Logística e Transportes S.A. (“Sequoia” or “Company”; B3: SEQL3), a leader in e-commerce and technology logistics operations, announces results for the first quarter of 2022 (“1Q22”). All numbers are compared to the same period of the previous year, unless specified.

As of 2022, the Company will no longer adjust Gross Profit and EBITDA for the effects of IFRS 16. To better represent the business’ economic reality, Gross and Net Profit will be presented excluding the amortization of intangibles generated in the acquisitions (“ Ex Intangibles”). The reconciliation of Net Profit is presented on page 10 and the impacts related to IFRS 16 in the EBITDA on page 15.

1Q22 Highlights

- **Number of Orders** accelerated, reaching 19,6 million, an 81,3% growth. Strong B2C grow with 18.1 million orders, an 87.7% increase.
- **Gross Revenue** reached R\$ 538.1 million, growing 39.0%. Organic growth of 27.7%.
- **B2C Gross Revenue** was R\$ 360.9 million, total growth 57.0%. Organic growth of 51.6%.
- **EBITDA** reaches R\$ 38.4 million, a growth of 83,5%. EBITDA margin reaches 8.6% (+2.2 p.p.)
- **ROIC:** Reaches 37.3%, an increase of 2.9 p.p. YoY.

*Thousand, unless otherwise indicated

| Highlights | 1Q22 | 1Q21 | Δ |
|--|--------------|--------------|---------------|
| B2C | 18.1 | 9.7 | 87.7% |
| B2B | 1.4 | 1.1 | 25.8% |
| Quantity of Orders | 19.6 | 10.8 | 81.3% |
| B2C | 360.9 | 229.9 | 57.0% |
| B2B | 129.4 | 114.3 | 13.2% |
| Logistics | 47.8 | 42.9 | 11.4% |
| Gross Revenue | 538.1 | 387.1 | 39.0% |
| Net Revenue | 449.1 | 326.4 | 37.6% |
| Gross Profit | 81.5 | 57.2 | 42.5% |
| Gross Margin | 18.1% | 17.5% | 0.6 pp |
| EBITDA | 38.4 | 20.9 | 83.5% |
| EBITDA Margin | 8.6% | 6.4% | 2.2 pp |
| Adjusted EBITDA¹ | 46.7 | 30.6 | 52.4% |
| Adjusted EBITDA Margin | 10.4% | 9.4% | 1.0 pp |
| Adjusted Net Profit² | (4.6) | (3.7) | 24.2% |
| Adjusted Net Margin | -1.0% | -1.1% | 0.1 pp |
| ROIC³ | 37.3% | 34.4% | 2.9 pp |

1 Excludes non-recurring expenses with: (i) mergers and acquisitions; and (ii) other income/expenses.

2 Excludes intangible amortization from acquisitions and non-recurring expenses.

3 Sum of Adjusted EBITDA LTM plus Depreciation LTM, multiplied by (1 - Income Tax Rate) divided by Residual Value + Working Capital (The Income Tax and Social Contribution Rate used to calculate the ROIC was 34%).

MESSAGE FROM THE MANAGEMENT

Significant growths of 88% in the number of Orders and 57% in Gross Revenue in the B2C segment, reflecting the Company's strong ability to gain market share.

1Q22 recorded significant growths in Orders and Gross Revenue, led by the B2C segment. Despite seasonality, with lower demand expected for the beginning of the year, the Company was able to gain strong organic growth, maintaining total Gross Revenue at the same level as that reported in 4Q21, through new customers and share gain in same-client sales.

The total number of Orders reached 19.6 million in the period, up by 81% over 1Q21, and above the figure reported in 4Q21. Gross Revenue grew by 39%, with organic growth increasing by 28%.

For the second consecutive quarter, the volume of Orders in the B2C segment significantly increased. The volume of Orders grew by 88% in 1Q22, to 18.1 million, and virtually 100% of such growth was organic (~98%). Such increase is mainly related to the light goods segment, with packages with less than 3kg. The Gross Revenue of the B2C segment also recorded a significant growth of 57%, with organic growth increasing by 52%.

The performance reported in 1Q22 makes us confident to deliver a solid result in 2022 and to continue exploring growth opportunities in the coming years through a synergistic model between our B2C and B2B businesses with innovative solutions that will generate great benefits for our customers.

EBITDA Margin grows by 2.2 p.p. YoY, a strong increase led by higher volume and efficiency gains.

The upturn in the number of Orders, with a subsequent increase in Gross Revenue, reflected the growth in EBITDA and margin between 1Q22 and 1Q21. The EBITDA reported solid growth of 84%, reaching a margin of 8.6%, 2.2 percentage points higher than in 1Q21.

The effect of operational leverage, with growing route volume, mainly of light products of the B2C segment, was essential for the increase in the EBITDA margin, contributing to the YoY dilution of costs and operational expenses.

It is worth noting that the appropriate comparison for margin growth is on an annual basis, since the Company's cost dynamics are impacted by seasonality and the subsequent level of occupation of structures and routes during the year and are also influenced by the maturity of the routes and growing structures. Despite the similar Gross Revenue of 4Q21, the seasonality of the B2B and Logistics segments was maintained in 1Q22, with a lower occupancy level and in line with the period seasonality.

The recent increase in fuel prices by Petrobras in March did not impact our cost structure in the quarter, given the Company's asset-light operation model. At the end of 1Q22, we adjusted freight costs to our partner drivers, based on the impact of higher fuel prices. At the same time, we adjusted revenue with our customers, neutralizing by 100% the possible impact on 2Q22 margins.

SFx has over 11 million Orders in the quarter. We continue progressing in the integration of our digital solutions.

SFx, our digital collection solution in multiple origins focused on small and medium sellers, was key to the growing volume reported in the B2C segment. In 1Q22, SFx contributed more than 11 million Orders by collecting in 551 different cities to more than 11,000 small and medium sellers. The integration of SFx with the other solutions that are part of the Company's digital ecosystem (Drops, Frenet, and Lincros) will be essential to the sustainability of our growth.

In 1Q22, Drops, which has pick-up and drop-off ("PUDOs") points and reverse logistics operation, registered 1,500 approved PUDOs. In 1Q22, the Company also launched a tool for small and medium sellers to directly contract Drops' solutions for the delivery of their orders, marking the entry of Drops in direct contact with small

and medium sellers. For large retailers, the Company is progressing in negotiations that may quickly and significantly increase volumes to the PUDO's network.

Frenet, our digital freight solution platform, reached 32,000 active sellers that use the platform for freight pricing. Over 1Q22, the company made progress in negotiations with several platforms and we expect to increase the active seller base over the first half. SFX's and Drops' solutions will be incorporated into Frenet in 2022 to capture the active sellers of the platform, which were responsible for R\$678 million in freight negotiations in 2021.

In 1Q22, Sequoia and Lincros started a project to develop a new routing system. A pilot project enabled in some cities showed that the new solution has the potential to increase delivery efficiency in the first and last miles. We will provide more details during the progress of the project.

OPERATING REVENUE

Our activities are segmented into three categories: (i) **B2C** (business to consumer) transport, (ii) **B2B** (business to business) transport and (iii) **Logistics** services.

Gross Revenue by Segment

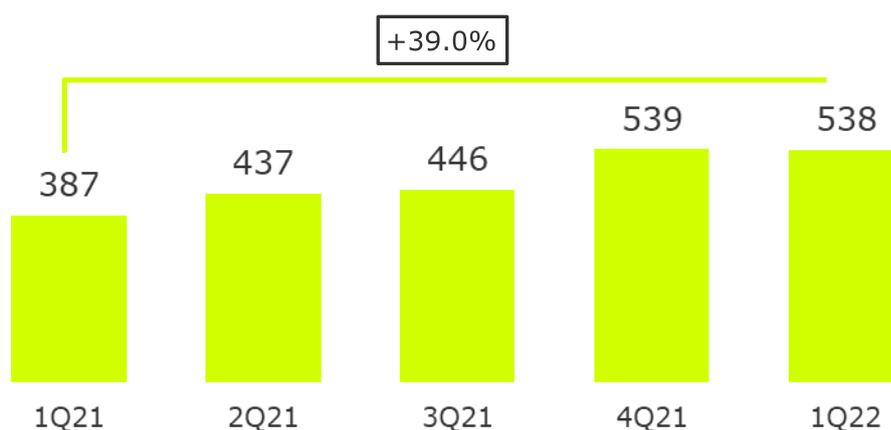
*thousands, otherwise if indicated

| | 1Q22 | 1Q21 | Δ |
|--------------------------------|----------------|----------------|--------------|
| B2C | 360,900 | 229,900 | 57.0% |
| B2B | 129,400 | 114,300 | 13.2% |
| Logistics | 47,800 | 42,940 | 11.3% |
| Gross Operating Revenue | 538,100 | 387,141 | 39.0% |
| Taxes levied | (88,960) | (60,701) | 46.6% |
| % Gross Revenue | 16.5% | 15.7% | 0.8 p.p. |
| Net Operating Revenue | 449,140 | 326,440 | 37.6% |

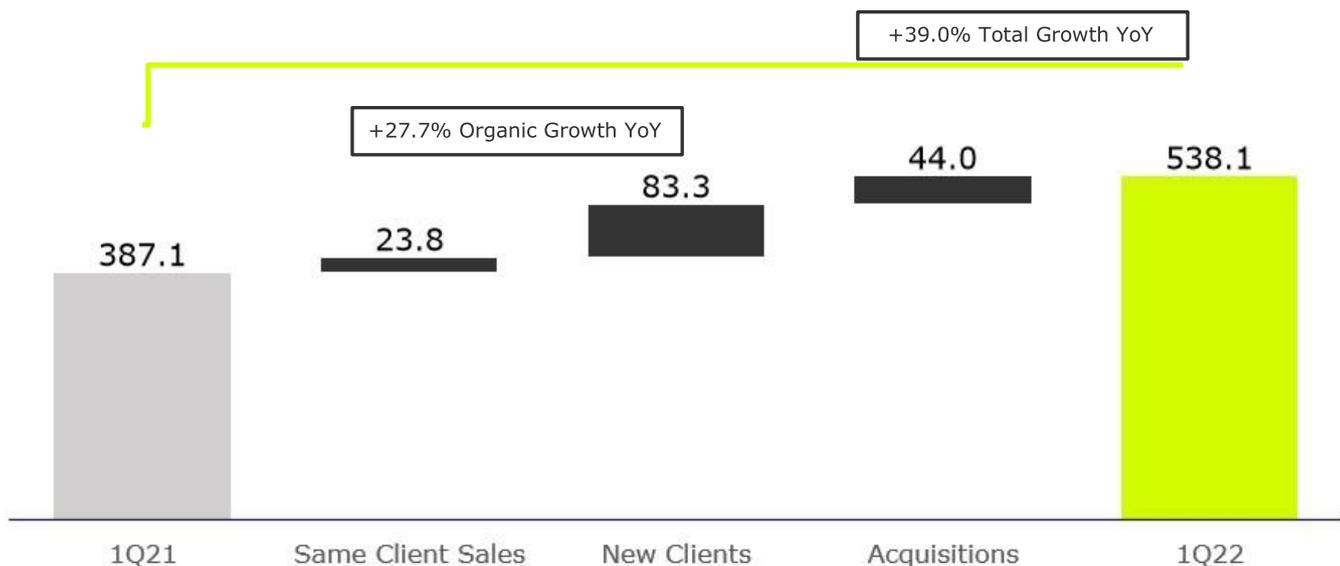
In 1Q22, the Company's Gross Revenue totaled R\$538.1 million, an increase of 39.0%. We highlight the expansion of B2C Gross Revenue, which grew by 57.0% in 1Q22.

Taxes on Gross Revenue totaled R\$89.0 million in the quarter, representing an increase of 0.8 p.p. in the ratio of Taxes on Gross Revenue versus the same period of the previous year, as a result of the mix of States in the provision of transport services that have different ICMS rates, considering the origin and destination of the packages.

Gross Revenue (R\$ million)



Gross Revenue Evolution | 1Q21 x 1Q22 (R\$ million)

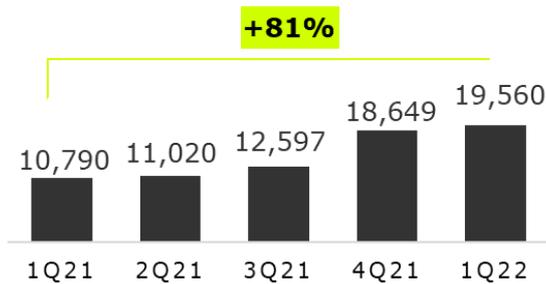


The change in Gross Revenue in the quarter stems from:

- (i) **Same Client Sales (SCS)**: increase of R\$23.8 million (+6.1%), with an important recovery compared to 3Q21 (R\$3.9 million) and 4Q21 (6.7 million), mainly impacted by the strong organic growth of the B2C segment that reached increase of 51.6% (SCS + New Customers). The consolidated growth presented, lower than the historical series, reflects: (i) the strong basis of comparison of B2C in the second half of 2021, which presented high and atypical volume due to the change in scale of e-commerce; (ii) the impact of forced churn in the B2C Heavy and B2B segments, carried out in 3Q21, with a positive impact on the Company's profitability; and (iii) impacts related to the B2B segment, which has shown a timid recovery so far, given the impacts caused by the pandemic on its supply and demand for products with higher added value.
- (ii) **New Clients**: strong increase of R\$ 83.3 million in Revenue, representing the highest annual growth rate since 3Q20, the first result released by the Company after the IPO. The growth was mainly impacted by the B2C segment with the acceleration of the SFX model and the entry of new marketplace players; and
- (iii) **M&As**: increase in Revenue as a result of the acquisitions, mainly of Prime, Plimor and, lesser impact of Frenet (logtech), which combined contributed with R\$ 44.0 million. We highlight that, as of 4Q21, Direcional's operation started to be considered in organic growth.

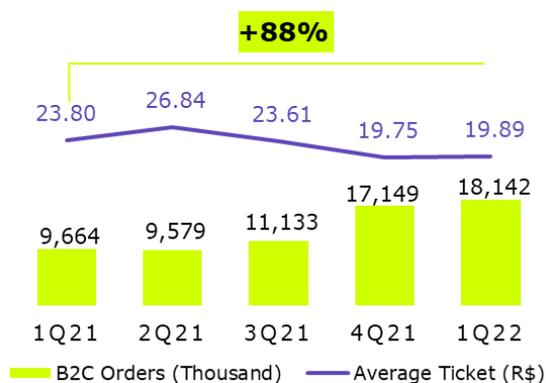
We emphasize that, in the quarter, both Same Client Sales and M&As revenues were negatively impacted by the forced and one-off churn in the B2C Heavy and B2B segments, carried out in 3Q21, due to: (i) customers with a profile of products that are not "drawable", not adhering to the investments made by the Company in automatic drawing, generating low profitability in operations; and (ii) customers with smaller operations whose contracts expired in 3Q21 and did not accept the price adjustment due to high inflation in the period.

Consolidated Orders (thousands)



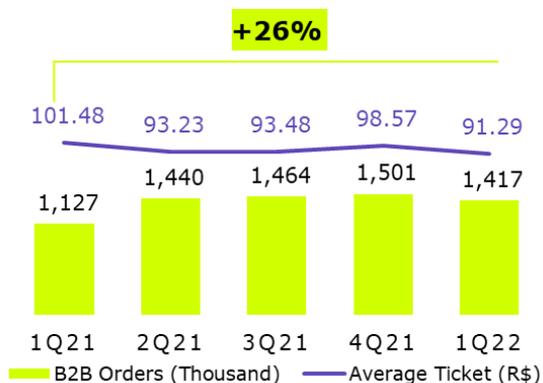
In the quarter, the Company made 19.6 million deliveries, representing a growth of 81%. The new level achieved in relation to previous periods reflects the strong increase in the number of orders in categories with a lower average ticket through Sfx, which reached 11.6 million orders in the quarter.

B2C Orders (thousands)



In **B2C**, we reached 18.1 million deliveries in 1Q22, an increase of 88% compared to 1Q21, with an average ticket retraction of 16.4% YoY, mainly reflecting the impact of the acceleration of the lighter items segment (light goods B2C), which have a lower average ticket.

B2B Orders (thousands)



In **B2B**, we reached 1.4 million deliveries in 1Q22, growth of 26% compared to 1Q21, with an average ticket retraction of 10.0%, reflecting the mix by the greater share of the number of LTL (Less-Than- truckload) and field service.

GROSS PROFIT AND MARGIN

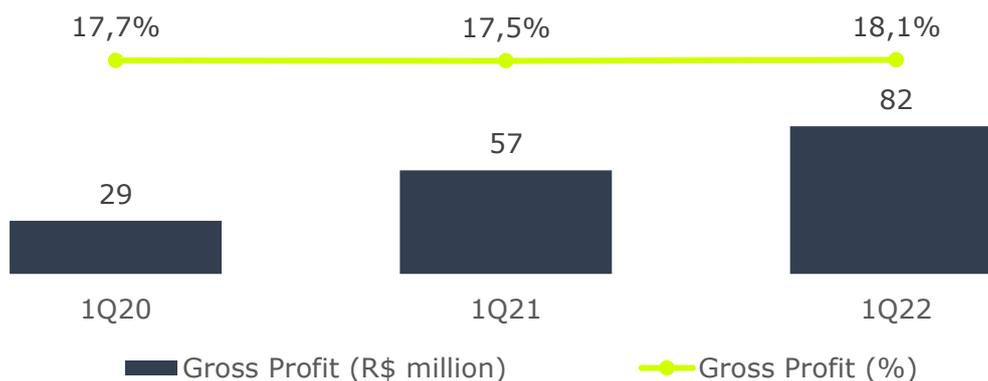
*Thousand, unless otherwise indicated

| | 1Q22 | 1Q21 | Δ |
|----------------------------------|------------------|------------------|--------------|
| Cost of services rendered | (367,615) | (269,246) | 36.5% |
| Gross margin | 18.1% | 17.5% | 0.6 p.p. |
| Distribution and transportation | (271,118) | (196,804) | 37.8% |
| Others | (96,498) | (72,442) | 33.2% |

The Company's costs essentially comprise expenses with freight, fuel, tolls, personnel and other fixed costs related to the provision of storage and transportation services. In the quarter, Cost totaled R\$367.6 million, representing a growth of 36.5% in relation to the same period of the previous year. Gross margin increased by 0.6 p.p., reaching 18.1% in 1Q22.

The increase in Cost reflects: (i) the impacts of inflationary pressure in the last 12 months, mainly in 2021 related to fuel, rent and materials; (ii) increase in the variable part of Costs with volume growth; and (iii) expansion of the operation to meet the strong demand of the B2C segment.

Gross Profit and Margin Evolution



In the quarter, Gross Profit totaled R\$81.5 million, a growth of 42.5% in relation to the same period of the previous year. Even amid the aforementioned scenario of inflationary pressure, the Gross Margin reached 18.1% in the quarter, an improvement of 0.6 p.p. compared to 1Q21.

Historically, the Gross Margin of the three segments (B2C, B2B and Logistics) has presented similar levels, however, in the last 15 months, the categories were impacted in different ways. Despite the positive impact on the gross margin from the increase in volume, mainly from the B2C segment, we understand that there is an opportunity to gain efficiency with the recovery and growth of the B2B segment. In 1Q22, the B2B segment presented a lower contribution margin than the B2C segment, due to a lower level of occupancy of the structures.

SELLING, ADMINISTRATIVE, GENERAL AND OTHER EXPENSES

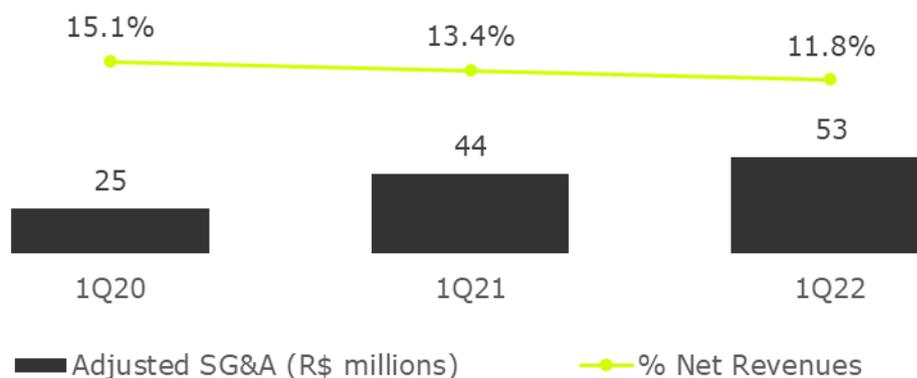
*Thousand, unless otherwise indicated

| | 1Q22 | 1Q21 | Δ |
|---|-----------------|-----------------|--------------|
| Selling, Administrative, General and Other adjusted expenses | (80,338) | (62,061) | 29.4% |
| % Net Revenue | 17.9% | 19.0% | -1.1 p.p. |
| Depreciation and amortization | 19,235 | 8,501 | 126.3% |
| M&A Expenses | 8,270 | 9,697 | -14.7% |
| Adjusted Selling, Administrative, General and Other Expenses | (52,833) | (43,863) | 20.4% |
| % Net Revenue | 11.8% | 13.4% | -1.6 p.p. |
| Personnel Expenses | (27,042) | (23,507) | 15.0% |
| Other Expenses | (25,791) | (20,356) | 26.7% |

1 Excludes non-recurring expenses with: (i) mergers and acquisitions; and (ii) Depreciation and Amortization

In 1Q22, total Expenses reached R\$ 80.3 million, essentially comprising personnel, sales, administrative, third-party services, depreciation and amortization expenses. In comparison with the same period of the previous year, Expenses increased 29.4% and presented a dilution of 1.1 p.p. Adjusting Expenses for non-recurring effects (M&A expenses), depreciation and amortization of intangible assets, the latter originated from acquisitions, Adjusted Expenses totaled R\$52.8 million, increasing 20.4% with a dilution of 1.6 p.p. compared to 1Q21.

Evolution of Selling, Administrative, General and Other Adjusted Expenses



EBITDA AND ADJUSTED EBITDA

*Thousand, unless otherwise indicated

| | 1Q22 | 1Q21 | Δ |
|-------------------------------------|---------------|---------------|--------------|
| EBITDA | 38,421 | 20,943 | 83.5% |
| EBITDA Margin | 8.6% | 6.4% | 2.2 p.p. |
| M&A Expenses (non-recurring) | 8,270 | 9,697 | -14.7% |
| Adjusted EBITDA¹ | 46,691 | 30,640 | 52.4% |
| Adjusted EBITDA Margin ¹ | 10.4% | 9.4% | 1.0 p.p. |

¹ Adjusted EBITDA is calculated by EBITDA, excluding M&A expenses and non-recurring income/expenses.

As a result of the factors listed above, EBITDA totaled R\$38.4 million in the quarter, with a strong expansion of 83.5% compared to 1Q21. The EBITDA margin reached 8.6%, 2.2 p.p. higher than the same period in 2021.

Adjusted EBITDA for non-recurring effects was R\$46.7 million with a margin of 10.4%, an expansion of 52.4% and 1.0 p.p., respectively.

The non-recurring items adjusted in EBITDA are Expenses with projects for acquisitions and integration of acquired companies (Prime, Frenet and Plimor).

NET INCOME

*Thousand, unless otherwise indicated

| | 1Q22 | 1Q21 | Δ |
|--|-----------------|-----------------|--------------|
| Net Income (Loss) | (29,797) | (18,592) | 60.3% |
| Intangible Amortization | 17,539 | 8,505 | 106.2% |
| M&A (non-recurring) | 8,270 | 9,697 | -14.7% |
| Effect from Early Settlement of Debentures | 2,221 | - | - |
| Income Tax / Social Contribution | (2,813) | (3,297) | -14.7% |
| Adjusted Net Income (Loss) | (4,580) | (3,687) | 24.2% |
| Adjusted Net Margin | -1.0% | -1.1% | 0.1 p.p. |

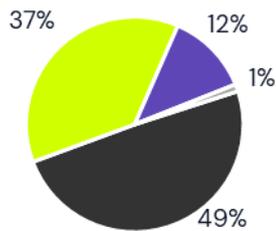
In the quarter, Adjusted Net Income for non-recurring effects and amortization of intangibles generated by acquisitions reached R\$ (4.6) million, compared to R\$ (3.7) million in 1Q21.

In the comparison between 1Q22 and 1Q21, Net Income was negatively impacted by the variation in the Financial Result (Financial Expenses) as a result of the increase in the Brazilian economy's basic interest rate ("Selic Rate"). Isolating only the effect of the increase in the interest rate related to the Company's financings, the result would be an increase of R\$ (11.4) million in 1Q22 versus 1Q21. Disregarding this effect, Adjusted Net Income would post a positive evolution in the quarter.

CAPEX

Historically, the Company's investments are mostly directed to (i) the expansion and automation of its Distribution Centers, Hubs and Bases, with higher capillarity and a positive impact on the Company's operating efficiency; and (ii) technological training in data storage and processing, software development and integration processes with new customers.

1Q22 CAPEX



■ Automation ■ Technology ■ Base expansion ■ Other

CAPEX EVOLUTION



CAPEX totaled R\$17.4 million in 1Q22, an increase of 78.0% when compared to 1Q21. CAPEX invested in the quarter, divided by Gross Revenue for the same period, reached 3.2%.

ROIC – RETURN ON INVESTED CAPITAL

*Thousand, unless otherwise indicated

| ROIC ¹ | 1Q22 | 1Q21 | Δ |
|---|-------------------|-----------------|---------------|
| Adjusted EBITDA² LTM | A 217,364 | 148,739 | 46% |
| Depreciation LTM | B (77,831) | (57,329) | 36% |
| Residual Value (Property & Equipment + Software) | C 155,581 | 117,769 | 32% |
| Accounts Receivable | 366,994 | 247,517 | 48% |
| Suppliers | (147,324) | (100,477) | 47% |
| Tax and Labor Liabilities | (128,168) | (89,341) | 43% |
| Working Capital | D 91,503 | 57,700 | 59% |
| Income Tax Rate | E 34% | 34% | |
| ROIC ((A+B)*(1-E))/(C+D) | 37.3% | 34.4% | 2.9 pp |

¹ Sum of Adjusted EBITDA LTM plus Depreciation LTM, multiplied by (1 - Income Tax Rate) divided by Residual Value + Working Capital (The Income Tax and Social Contribution Rate used to calculate the ROIC was 34%).

² Excludes non-recurring expenses with: (i) mergers and acquisitions; and (ii) other income/expenses.

In the last 12 months ended in 1Q22, ROIC reached 37.3%, 2.9 p.p. above that presented in the same period of the previous year. The result reflects the Company's ability to balance the strong growth of the operation, with the increased demand for working capital, with the benefit of the asset light model and the higher-level increase in Operating Profit.

To calculate the ROIC, the Company used the statutory rate of 34% – and not the effective rate – as it understands that it is temporarily benefiting from the tax loss carryforwards and goodwill on acquisitions, and the Adjusted EBITDA LTM is the basis for calculating NOPAT. As of 1Q22, as in the comparison periods, we started to use Adjusted EBITDA as a basis for calculating NOPAT and ROIC. In this way, we understand that the calculation better represents the economic reality of the business.

NET DEBT

*Thousand, unless otherwise indicated

| | Mar 22 | Dec 21 | Δ |
|---|-------------|-------------|--------------|
| (A) Indebtedness | 497,776 | 500,757 | -0.6% |
| Loans, Financing, Debentures and Derivatives | 383,141 | 381,418 | 0.5% |
| Accounts payable due to acquisition of subsidiaries | 113,624 | 120,825 | -6.0% |
| (B) Cash and Cash Equivalents | (198,960) | (203,461) | -2.2% |
| (C=A+B) Net Debt | 297,805 | 298,782 | na |
| ¹ CVM 527 EBITDA (b) | 200,544 | 184,043 | 9.0% |
| Financial Leverage Ratio (C/b) | 1.5x | 1.6x | -0.1x |

¹The EBITDA consists of the net profit (loss) from the net financial result, the income tax and social contribution – current and deferred and expenses and depreciation and costs; calculated based on the provisions of CVM Instruction 527 of October 4, 2012, considering the last 12 months of each period.

At the end of March/22, the Company's Financial Leverage Ratio reached 1.5x (1.6x in December/21), remaining at a healthy level.

ESG AGENDA

In the previous quarter, the Company concluded its materiality matrix, taking an important step towards maturing our ESG agenda. Based on this extensive discussion with our stakeholders, the pillars that will be the focus of this agenda were defined: Emissions & Waste, Mobility, Community and Drivers.

Considering these pillars, we defined four ambitions to be achieved by 2030:

- Pursuing carbon neutrality
- Favor sustainable urban mobility in priority cities
- Increase human development in the Sequoia ecosystem
- Ensure safety, development and fair work for partner drivers

To achieve these ambitions, the Company has been working on defining strategic priorities, as well as annual goals and objectives. Our vision for the future is to make Sequoia the best logistics integrator with a positive socio-environmental impact. Below are the main projects implemented in 1Q22:

- Launch of the I'm Green Program, a circular economy project aimed at recycling plastic cups and producing ecological packaging for Natura;
- Conclusion of the 1st CO2 Inventory (2021) based on the GHG ("Greenhouse Gas") protocol. The data will be published in the Sustainability Report with disclosure scheduled for the second half of the year;
- Beginning of the pilot project for the Frota Carbono Zero, with the arrival of the first electric vehicle for testing. We expect to increase the electric fleet throughout 2022, aiming at our quest to neutralize emissions by 2030;
- Conducting research with partner drivers with the aim of drawing up a social diagnosis and guiding new projects in the areas of health, safety, working conditions, journey, income and development;
- "Elas in Logistics" Campaign held, with the production of digital content addressing stories of overcoming and motivating female leadership with the engagement of more than 2,000 women from the company and third-party companies.

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 herein are calculated based on the number in thousands of reais, as well as rounding.

This performance report includes accounting and non-accounting data such as operating, pro forma financial statements and forecasts based on the Company's management expectations. Non-accounting data were not subject to review by the Company's independent auditors.

INVESTOR RELATIONS CONTACT

ri@sequoialog.com.br | <https://ri.sequoia.com.br/>

EBITDA RECONCILIATION | IFRS16

*Thousand, unless otherwise indicated

| | 1Q22 | 1Q21 | Δ |
|---|---------------|---------------|--------------|
| EBITDA | 38,421 | 20,943 | 83.5% |
| EBITDA Margin | 8.6% | 6.4% | 2.2 p.p. |
| M&A Expenses (non-recurring) | 8,270 | 9,697 | -14.7% |
| Adjusted EBITDA¹ | 46,691 | 30,640 | 52.4% |
| Adjusted EBITDA Margin ¹ | 10.4% | 9.4% | 1.0 p.p. |
| Rental Expenses | -15,166 | -14,748 | 2.8% |
| Adjusted EBITDA Ex IFRS² | 31,526 | 15,891 | 98.4% |
| Adjusted EBITDA Margin Ex IFRS ² | 7.0% | 4.9% | 2.1 p.p. |

1 Adjusted EBITDA is calculated by EBITDA, excluding M&A expenses and non-recurring income/expenses.

INCOME STATEMENT

| | *thousand | |
|---|-----------------|-----------------|
| | 1Q22 | 1Q21 |
| Net operating revenue | 449,140 | 326,440 |
| Costs of services provided | (367,615) | (271,344) |
| Gross profit | 81,525 | 55,096 |
| Operational expenses: | | |
| Commercial, administrative and general expenses | (93,184) | (58,077) |
| Other income (expenses), net | 12,846 | (3,983) |
| Equity income | (1,166) | - |
| | (81,504) | (62,060) |
| Operating income before financial income | 21 | (6,964) |
| Financial expenses | (35,279) | (20,224) |
| Financial revenues | 4,319 | 2,949 |
| | (30,960) | (17,275) |
| Earnings before income tax and social contribution | (30,939) | (24,239) |
| Income tax and social contribution - current | (2,057) | (573) |
| Income tax and social contribution - deferred | 3,199 | 6,220 |
| Period losses | (29,797) | (18,592) |

BALANCE SHEET

*thousand

| ASSETS | Mar 22 | Dec 21 | LIABILITIES | Mar 22 | Dec 21 |
|--|------------------|------------------|--|------------------|------------------|
| Current | | | Current | | |
| Cash and cash equivalents | 163,904 | 168,931 | Borrowings and debentures | 34,421 | 43,298 |
| Accounts receivable | 408,509 | 411,291 | Derivatives | - | 4,252 |
| Advances | 7,809 | 20,415 | Lease liabilities | 35,845 | 80,346 |
| Taxes recoverable | 32,492 | 24,442 | Accounts payable and suppliers credit assignment | 208,325 | 175,530 |
| Prepaid expenses | 9,655 | 7,444 | Labor and tax obligations | 129,368 | 121,926 |
| Other accounts receivable | 10,598 | 10,698 | Payables for acquisition of investments | 68,156 | 63,309 |
| Total current assets | 632,967 | 643,221 | Other payables | 13,979 | 27,862 |
| | | | Total do passivo circulante | 490,094 | 516,523 |
| Non-current | | | Non-current | | |
| Restricted financial investments | 35,056 | 34,529 | Borrowings and debentures | 349,731 | 329,688 |
| Indemnification assets due to acquisition of companies | 38,266 | 36,356 | Derivatives | - | 2,694 |
| Deferred income tax and social contribution | 90,245 | 87,046 | Lease liabilities | 251,180 | 214,786 |
| Judicial deposits | 9,898 | 9,185 | Labor and tax obligations | 65,322 | 63,854 |
| Investments | 33,252 | 34,419 | Payables for acquisition of investments | 45,468 | 57,516 |
| Property and equipment | 142,990 | 138,332 | Provision for legal claims | 192,356 | 196,059 |
| Right by option in the acquisition of investment | 7,026 | 7,026 | Other payables | 153 | 221 |
| Intangible assets | 723,955 | 735,006 | Total noncurrent liabilities | 904,210 | 864,818 |
| Right-of-use assets | 249,608 | 257,053 | | | |
| Total noncurrent assets | 1,330,296 | 1,338,951 | Total liabilities | 1,394,304 | 1,381,341 |
| | | | Equity | 572,656 | 600,831 |
| Total Assets | 1,963,263 | 1,982,172 | Share capital | 654,590 | 653,872 |
| | | | Share issue expenses | (24,247) | (24,247) |
| | | | Capital reserves | 4,460 | 3,556 |
| | | | Income reserves | 9,969 | 9,969 |
| | | | Accumulated losses | (72,116) | (42,319) |
| | | | Total liabilities and equity | 1,966,960 | 1,982,172 |

STATEMENTS OF CASH FLOW | INDIRECT METHOD

*thousand

| Cash flow from operating activities | Mar 22 | Dec 21 |
|---|-----------------|-----------------|
| Result before income tax and social contribution | (30,939) | (24,239) |
| Cash flow generated by (applied in) operating activities | 20,233 | (51,939) |
| investment activities | | |
| Increase in fixed assets and intangible assets | (17,384) | (9,767) |
| Acquisition of subsidiaries net of cash acquired I M&A's | (3,693) | (7,744) |
| Cash flow applied to investing activities | (21,077) | (17,511) |
| Financing activities | | |
| Borrowing, financing and debentures | 107,462 | 18,958 |
| Amortization of loans, financing and debentures - principal | (100,357) | (1,837) |
| Amortization of leases - principal | (12,006) | (12,876) |
| Capital increase | 718 | 4,516 |
| Restricted financial application | - | (25,000) |
| Payment of dividends on preferred shares | - | - |
| Net cash flow generated by financing activities | (4,183) | (16,239) |
| Net increase (decrease) in cash and cash equivalents | (5,027) | (85,689) |
| Opening balance of cash and cash equivalents | 168,931 | 409,183 |
| Closing balance of cash and cash equivalents | 163,904 | 323,494 |
| | (5,027) | (85,689) |