

Sinqia S.A.

Parent Company and

Consolidated Financial Statements for the year ended December 31, 2021
and Independent Auditor's Report

TABLE OF CONTENTS

Message from Management	3
Independent Auditor's Report on the Financial Statements	4

Financial Statements

Statements of Financial Position	9
Income Statements	11
Statements of Comprehensive Income	12
Statements of Changes in Shareholders' Equity	13
Statements of Cash Flow	14
Statements of Value Added	16
Notes to the Financial Statements	17

MESSAGE FROM MANAGEMENT

Dear shareholders and stakeholders,

In compliance with legal provisions, Sinqia S.A., a Brazilian technology provider for the financial sector, hereby submits to the analysis of its shareholders and other stakeholders the Management Report and the corresponding Financial Statements, accompanied by the independent auditor's report, for the year ended December 31, 2021, prepared under the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

RELATIONSHIP WITH INDEPENDENT AUDITORS

The Company's policy when contracting services not related to the external audit from independent auditors is based on principles that preserve their independence. These principles consist of internationally accepted standards, namely: (a) auditors must not audit their own work; (b) auditors must not perform management roles in their clients; and (c) auditors must not have conflicts of interest with their clients.

Procedures adopted by the Company, pursuant to item III of article 2 of CVM Instruction 381/03: As a formal procedure, before hiring professional services other than those related to external audit, the Company and its subsidiaries consult independent auditors and the Board of Directors to ensure that the provision of said services does not affect their independence and objectivity, which are necessary for the audit services, as well as obtain approval from the Board of Directors.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, Board of Directors and Management of
Sinqia S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Sinqia S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2021, and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Sinqia S.A. as at December 31, 2021, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matter

Key audit matter ("KAM") is that matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on this matter.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 286,200 professionals make an impact that matters, please connect with us on Facebook, LinkedIn or Twitter.

© 2022. For information, contact Deloitte Touche Tohmatsu Limited.

Business combinations

Why is it a KAM

As disclosed in notes 26 and 28.9 to the individual and consolidated financial statements, in 2021, the Company acquired five companies, namely: Itaú Administração Previdenciária Ltda., Simply Sistemas S.A., Dendron Tecnologia S.A., Homie do Brasil Informática Ltda. ("Fepweb") e Rosk Software S.A. ("QuiteJá") in the amounts of R\$82,445 thousand, R\$37,479 thousand, R\$30,787 thousand, R\$40,553 thousand and R\$36,641 thousand, respectively, accounting for these transactions according to technical pronouncement CPC 15 - Business Combination. Consequently, the considerations transferred were allocated, preliminary, to the acquired assets and liabilities assumed, based on their fair value, which included identified intangible assets, as well as resulted in the identification of goodwill on future earnings, which involved significant judgments by Management.

These business combinations were considered key audit matter, as: (i) the respective amounts are significant; (ii) they involved significant Management's judgment in determining the assumptions to estimate the fair value of identified intangible assets and goodwill on future earnings to prepare the respective accounting records; and (iii) this matter requested a high level of judgment by the independent auditor and an increase in the extent of our procedures for assessing the reasonableness of the assumptions used by Management, which included the need to involve our fair value specialists.

How the matter was addressed in our audit

Our audit procedures included, without limitation: (i) assessing whether the methodology used was appropriate to estimate the fair value of the intangible assets acquired, according to the criteria set out in technical pronouncement CPC 15 - Business Combination; (ii) assessing the reasonableness of the discount rate used in estimating the fair value of intangible assets acquired and liabilities assumed; (iii) assessing the reasonableness of the main operational and accounting assumptions used in the fair value estimate and (iv) testing the mathematical accuracy of the calculation model used to estimate the fair value of identified intangible assets and liabilities.

We have also audited the appropriateness of the disclosures on this matter, included in notes 26 and 28.9 to the individual and consolidated financial statements.

Based on the evidence obtained by performing our procedures described above, we consider that the assessment carried out by Management and respective disclosures in the notes to the financial statements are appropriate in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2021, prepared under the responsibility of the Company's Management and disclosed as supplemental information for purposes of the IFRS, were subject to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. In forming our opinion, we evaluated whether these individual and consolidated statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

Management is responsible for the other information. The other information comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the individual and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Management's responsibilities and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the IFRS issued by the IASB and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 17, 2022


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Fernando Augusto Lopes Silva
Engagement Partner

SINQIA S.A.
STATEMENTS OF FINANCIAL POSITION ON DECEMBER 31, 2021 AND DECEMBER 31, 2020
(In thousands of Reais, unless stated otherwise)

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
ASSETS				
Current				
Cash and cash equivalents (Note 6)	10.354	296.828	24.192	321.063
Financial investments (Note 6)	537.000	-	537.000	-
Receivables (Note 7)	25.784	7.673	34.510	17.427
Prepaid expenses	2.333	504	3.452	673
Recoverable taxes and contributions (Note 8)	4.594	2.622	7.261	4.354
Other receivables	261	273	2.552	641
Total current assets	580.326	307.900	608.967	344.158
Non-current				
Accounts receivable from related parties (Note 9)	4.277	4.853	-	-
Recoverable taxes and contributions (Note 8)	2.868	1.847	3.765	1.884
Securities (Note 6)	33.144	5.319	70.219	5.319
Court deposits (Note 16)	163	162	174	239
Deferred income tax and social contribution (Note 22)	37.561	21.049	47.596	25.205
Investments (Note 5)	350.733	152.694	-	-
Property and equipment (Note 10)	22.397	16.559	47.831	38.138
Intangible assets (Note 11)	124.674	34.288	476.305	222.710
Total non-current assets	575.817	236.771	645.890	293.495
Total assets	1.156.143	544.671	1.254.857	637.653

The management's notes are an integral part of the financial statements.

SINQIA S.A.
STATEMENTS OF FINANCIAL POSITION ON DECEMBER 31, 2021 AND DECEMBER 31, 2020
(In thousands of Reais, unless stated otherwise)

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
LIABILITIES				
Current				
Loans and financing (Note 12)	27.300	12.506	27.300	12.506
Lease (Note 24)	13.121	5.176	16.660	7.807
Trade payables	1.804	1.066	2.323	2.437
Advances from customers	7.214	4.031	10.110	8.255
Labor liabilities (Note 13)	28.332	12.729	41.230	20.735
Earnings to be distributed	5.638	1.385	6.471	1.385
Tax liabilities (Note 14)	1.985	771	3.993	2.298
Payables with related parties (Note 9)	-	3.117	-	-
Liabilities from investment acquisition (Note 15)	12.003	6.094	22.294	15.549
Total current liabilities	97.397	46.875	130.381	70.972
Non-current				
Loans and financing (Note 12)	146.339	27.139	146.339	27.139
Lease (Note 24)	41.651	13.040	62.810	30.993
Payables with related parties (Note 9)	-	3.206	-	-
Tax liabilities (Note 14)	-	1.988	-	2.407
Provisions for lawsuits (Note 16)	37.553	16.895	58.347	42.402
Liabilities from investment acquisition (Note 15)	50.544	-	71.524	28.212
Total non-current liabilities	276.087	62.268	339.020	131.153
Shareholders' equity (Note 17)				
Share capital	813.303	413.261	813.303	413.261
Treasury shares	(40.896)	(1.689)	(40.896)	(1.689)
Costs to issue shares	(48.890)	(23.915)	(48.890)	(23.915)
Capital reserves	12.227	15.497	12.227	15.497
Profit reserves	46.915	32.374	46.915	32.374
Total shareholders' equity from controlling shareholders	782.659	435.528	782.659	435.528
Non-controlling interest	-	-	2.797	-
Total shareholders' equity	782.659	435.528	785.456	435.528
Total liabilities	1.156.143	544.671	1.254.857	637.653

The management's notes are an integral part of the financial statements.

SINQIA S.A.
INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands of Reais, unless stated otherwise)

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net operating revenue (Note 18)	148.436	95.783	352.596	209.993
Cost of services rendered (Note 19)	(98.186)	(77.666)	(217.831)	(138.430)
Gross profit	50.250	18.117	134.765	71.563
General, administrative and selling (Note 20)	(74.668)	(46.797)	(112.443)	(64.607)
Equity in the results of subsidiaries (Note 5)	35.940	21.714	-	-
Operating result before financial result	11.522	(6.966)	22.322	6.956
Finance result, net (Note 21)	(684)	3.993	2.653	(156)
Income (loss) before income tax and social contribution	10.838	(2.973)	24.975	6.800
Current income tax and social contribution (Note 22)	(5.626)	1.052	(21.850)	(4.447)
Deferred income tax and social contribution (Note 22)	14.967	6.877	19.404	2.603
Income after Income tax and social contribution	20.179	4.956	22.529	4.956
Non-xontrolling Interest	-	-	(2.350)	-
Net income for the period	20.179	4.956	20.179	4.956
Basic net income per share – in Reais (Note 23)			0,266	0,070
Diluted net income per share – in Reais (Note 23)			0,264	0,069

The management's notes are an integral part of the financial statements.

SINQIA S.A.
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021
AND 2020
(In thousands of Reais, unless stated otherwise)

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income for the period	20.179	4.956	22.529	4.956
Items that will subsequently be reclassified to income statement	-	-	-	-
Items that will not be subsequently reclassified to income statement	-	-	-	-
Total comprehensive income	20.179	4.956	22.529	4.956

The management's notes are an integral part of the financial statements.

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

SINQIA S.A.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of Reais, unless stated otherwise)

					Profit Reserves		Shareholders' Equity	Non-Controlling Interest	Consolidated Shareholders' Equity
	Share Capital	Capital Reserve	Treasury Shares	Costs to Issue Shares	Legal Reserve	Retained Profit			
Balances on December 31, 2019	413.261	13.186	-	(23.789)	2.285	26.518	431.461	142	431.603
Net income for the period	-	-	-	-	-	4.956	4.956	-	4.956
Decrease in minority interest	-	-	-	-	-	-	-	(142)	(142)
Share-based compensation (Note 17)	-	289	-	-	-	-	289	-	289
Creation of legal reserve (Note 17)	-	-	-	-	248	(248)	-	-	-
Earnings distribution (Note 17)	-	-	-	-	-	(1.385)	(1.385)	-	(1.385)
Costs to issue shares	-	-	-	(126)	-	-	(126)	-	(126)
Purchase of treasury shares (Note 17)	-	-	(8.355)	-	-	-	(8.355)	-	(8.355)
Sale of treasury shares (Note 17)	-	2.022	6.666	-	-	-	8.688	-	8.688
Balances on December 31, 2020	413.261	15.497	(1.689)	(23.915)	2.533	29.841	435.528	-	435.528
					Profit Reserves		Shareholders' Equity	Non-Controlling Interest	Consolidated Shareholders' Equity
	Share Capital	Capital Reserve	Treasury Shares	Costs to Issue Shares	Legal Reserve	Retained Profit			
Balances on December 31, 2020	413.261	15.497	(1.689)	(23.915)	2.533	29.841	435.528	-	435.528
Net income for the period	-	-	-	-	-	20.179	20.179	2.350	22.529
Acquisition of non-controlling interest	-	-	-	-	-	-	-	447	447
Capital increase (Note 17)	400.042	-	-	-	-	-	400.042	-	400.042
Share-based compensation (Note 17)	-	331	-	-	-	-	331	-	331
Stock options exercised	-	(1.043)	1.746	-	-	-	703	-	703
Constitution of legal reserve (Note 17)	-	-	-	-	1.009	(1.009)	-	-	-
Earnings distribution (Note 17)	-	-	-	-	-	(5.638)	(5.638)	-	(5.638)
Costs to issue shares	-	-	-	(24.975)	-	-	(24.975)	-	(24.975)
Purchase of treasury shares (Note 17)	-	-	(99.620)	-	-	-	(99.620)	-	(99.620)
Decrease of treasury shares (Note 17)	-	(2.558)	58.667	-	-	-	56.109	-	56.109
Balances on December 31, 2021	813.303	12.227	(40.896)	(48.890)	3.542	43.373	782.659	2.797	785.456

The management's notes are an integral part of the financial statements.

SINQIA S.A.
CASH FLOW STATEMENTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands of Reais, unless stated otherwise)

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	20.179	4.956	22.529	4.956
Adjustments for:				
Equity income	(35.940)	(21.714)	-	-
Share-based compensation plan	331	289	331	289
Depreciation and amortization	28.655	13.208	46.860	23.082
Result from the write-off/sale of fixed assets	5	20	10	37
Allowance for estimated losses on doubtful accounts	1.153	309	2.165	527
Provision (reversal of provision) for lawsuits	(210)	(2.167)	(4.549)	(4.714)
Provision for bonuses and profit sharing	6.466	2.933	8.117	3.076
Interest and adjustments to AVP incurred	16.868	4.902	21.457	8.974
Current and deferred income tax and social contribution	(9.341)	(6.880)	2.446	(2.603)
Changes in operating assets and liabilities accounts				
Receivables	(13.194)	2.689	(13.178)	4.799
Court deposits	1	108	65	70
Taxes and contributions to recover	(989)	(3.341)	(2.784)	(1.512)
Other receivables	11.167	4.464	(10.033)	1.420
Trade payables	(205)	106	(1.057)	476
Labor liabilities	4.101	1.009	7.342	2.140
Tax liabilities	(3.246)	1.903	(2.476)	1.201
Lawsuits paid	(645)	(530)	(1.669)	(581)
Advances from customers	3.183	(39)	327	3.475
Receivables (payment) from related parties	(5.747)	3.771	-	(142)
CASH GENERATED BY OPERATIONS	22.592	5.996	75.903	44.970
Income tax and social contribution paid	-	-	(14.846)	(4.447)
Interest paid	(8.823)	(9.035)	(10.942)	(10.798)
NET CASH FROM (USED IN) OPERATIONS	13.769	(3.039)	50.115	29.725
CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of property, plant & equipment and intangible assets	(15.993)	(6.993)	(16.462)	(8.048)
Acquisition of companies, net of cash	(110.132)	-	(103.202)	(24.500)
Payment of liabilities from investment acquisition	(7.247)	(7.846)	(15.351)	(15.939)
Capital increase in subsidiaries	(36.723)	(14.000)	-	-
Cash received through incorporations	42.508	-	-	-
Financial investments	(537.000)	-	(537.000)	-
Investment in securities	(27.823)	(1.075)	(64.900)	(627)
NET CASH USED IN INVESTMENT ACTIVITIES	(692.410)	(29.914)	(736.915)	(49.114)
CASH FLOW FROM FINANCING ACTIVITIES				

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

Amortization of loans and financing	(13.737)	(17.473)	(13.737)	(17.473)
Lease payment	(9.631)	(5.656)	(12.804)	(7.267)
Loans and financing	144.472	-	144.472	-
Acquisition of treasury shares	(99.620)	(8.355)	(99.620)	(8.355)
Sale of treasury shares	-	8.688	-	8.688
Dividends paid	(1.385)	-	(1.385)	-
Capital increase	400.042	-	400.042	-
Costs to issue shares	(27.974)	(126)	(27.039)	(126)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	392.167	(22.922)	389.929	(24.533)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(286.474)	(55.875)	(296.871)	(43.922)
Cash and cash equivalents at start of the period	296.828	352.703	321.063	364.985
Cash and cash equivalents at end of the period	10.354	296.828	24.192	321.063
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(286.474)	(55.875)	(296.871)	(43.922)

The notes are an integral part of the financial statements.

SINQIA S.A.
VALUE ADDED STATEMENTS FOR THE FISCAL YEARS ENDED DECEMBER 21, 2021 AND
2020
(In thousands of Reais, unless stated otherwise)

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
1 – REVENUES	165.574	107.291	393.627	235.832
1.1 - Sale of products and services	166.727	107.600	395.792	236.359
1.2 - Estimated loss on receivables from doubtful accounts - reversal (constitution)	(1.153)	(309)	(2.165)	(527)
2 - INPUTS ACQUIRED FROM THIRD PARTIES (ICMS, IPI, PIS and COFINS)	(31.096)	(19.099)	(59.924)	(25.412)
2.1 - Costs of products and services sold	(14.180)	(8.520)	(32.314)	(12.312)
2.2 - Materials, energy, third-party services and other	(16.916)	(10.579)	(27.610)	(13.100)
3 - GROSS VALUE ADDED (1-2)	134.478	88.192	333.703	210.420
4 - DEPRECIATION AND AMORTIZATION	(23.418)	(13.208)	(41.219)	(23.082)
5 - NET VALUE ADDED PRODUCED BY THE ENTITY (3-4)	111.060	74.984	292.484	187.338
6 - VALUE ADDED RECEIVED IN TRANSFER	52.517	31.031	25.205	9.728
6.1 - Equity income	35.940	21.714	-	-
6.2 - Financial income	16.577	9.317	25.205	9.728
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	163.577	106.015	317.689	197.066
8 - DISTRIBUTION OF VALUE ADDED	163.577	106.015	317.689	197.066
8.1 - Personnel	116.479	92.662	225.606	153.658
8.1.1 - Direct compensation	94.171	73.936	184.950	124.046
8.1.2 - Benefits	16.419	13.777	28.882	21.462
8.1.3 - Government Severance Fund (FGTS)	5.889	4.949	11.774	8.150
8.2 - Taxes, fees and contributions	9.893	3.886	47.048	28.210
8.2.1 - Federal	5.274	907	34.945	21.157
8.2.2 - Municipal	4.619	2.979	12.103	7.053
8.3 - Third-party capital compensation	17.026	4.511	22.506	10.242
8.3.1 - Interest	12.931	3.849	15.443	6.494
8.3.2 - Rents	4.095	662	7.063	3.748
8.4 - Shareholders' equity compensation	20.179	4.956	22.529	4.956
8.4.1 - Retained earnings	14.541	3.571	14.541	3.571
8.4.2 - Interest on equity	5.638	1.385	5.638	1.385
8.4.3 - Non-controlling interest in retained earnings	-	-	2.350	-

The management's notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS ON DECEMBER 31, 2021

Section A - General Information

1.1 Operational Context

Sinqia S.A. ("Company") is a publicly held company headquartered at Rua Bela Cintra, 755 - 7º andar, in the city and state of São Paulo, with its shares traded in the Novo Mercado listing segment of B3 – Brasil, Bolsa, Balcão.

The Company was created in 1996, with the main purpose of providing IT products and services for the financial market.

The Company is the Parent Company of Sinqia Tecnologia Ltda., Torq Inovação Digital Ltda., Homie do Brasil Informática Ltda and Rosk Software S.A., whose purpose is to work in a complementary manner to the Company's activities.

On March 16, 2022, the Board of Directors approved the disclosure of these financial statements.

1.2 Preparation base and declaration of compliance

The Company's parent company and consolidated financial statements were prepared under the accounting practices adopted in Brazil (BR GAAP) issued by the Accounting Pronouncements Committee (CPC) and International Financial Reporting Standards (IFRS), which were issued by the International Accounting Standards Board (IASB). These individual statements are disclosed along with the consolidated financial statements.

The parent company and consolidated Value Added Statements are mandatory under the Brazilian Corporation Law and Brazilian accounting practices for publicly held companies. The Value Added Statement was prepared in accordance with the criteria set in the Technical Pronouncement CPC 09 - "Value Added Statement". Interim Financial Reporting (IFRS) does not require the presentation of this statement. Therefore, under IFRS, this statement is presented as supplementary information, without prejudice to the financial statements.

Since there is no difference between the consolidated shareholders' equity and the consolidated result attributable to the shareholders of the parent company, included in the consolidated financial statements prepared in accordance with IFRS and accounting practices adopted in Brazil, and the shareholders' equity and results of the parent company, included in the individual financial statements prepared in accordance with IFRS and accounting practices adopted in Brazil, the Company chose to present these individual and consolidated financial statements jointly, side by side.

Management declares that all relevant information specific to the individual and consolidated financial statements, and only these, is being disclosed and correspond to the information used by Management when carrying out their daily attributions.

The individual and consolidated financial statements are shown in thousands Brazilian Reais, rounded to the nearest thousand, except when indicated otherwise.

1.3 Consolidation

The Company consolidates all entities under its control, that is, when the Company is exposed or has rights to variable returns from its involvement with the investee and has the power to direct relevant activities of the investee.

The subsidiaries included in the consolidation are described in Note 5.

Section B - Risks

2 Critical accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events, considered reasonable for the circumstances.

2.1 Critical accounting estimates and assumptions

Based on assumptions, the Company and its subsidiaries make estimates regarding the future. By definition, the resulting accounting estimates will rarely equal their actual results. The estimates and assumptions that present a significant risk, likely to cause a material adjustment to the carrying amounts of assets and liabilities for the next fiscal year, are covered below.

(a) Reduction by impairment test

The Company and its subsidiaries test goodwill for impairment annually, in accordance with the accounting policy presented in Note 28. The recoverable amount of Cash Generating Units (CGU) has been determined based on value-in-use calculations and according to estimates.

The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate. The book value of the asset is reduced and the amount of the loss is recognized in the income statement.

All cash flow and discount rate projections were estimated on a nominal basis. The main assumptions used to estimate the value in use are:

- Revenues – Projected revenue from 2022 to 2031 considering the growth of the customer base (only organic growth);
- Operating costs and expenses – Projected costs and expenses were created to be aligned with the Company's historical data, as well as the revenue growth and efficiency gain;
- Capital investments - Estimated for investments in capital goods considered the current technological infrastructure necessary to make the services offered feasible, based on the Company's historical data and projected growth;
- Estimated future cash flows were discounted at a discount rate of 12,28% p.a. in 2021 (8,05% p.a. in 2020);
- Perpetuity – Growth in perpetuity was estimated at 2%, based on the long-term GDP from the Focus report issued by the Central Bank of Brazil.

Key assumptions were based on the Company's historical data and reasonable macroeconomic assumptions based on the financial market outlook, documented and approved by the Company's Management.

(b) Income tax, social contribution and other taxes

The Company and its subsidiaries recognize deferred assets based on the differences between the book value presented in the financial statements and the tax basis of assets and liabilities using the effective tax rates. The Company and its subsidiaries also recognize provisions because of situations in which it is probable that additional amounts of taxes will be due. When the final outcome of these issues is different from the amounts initially estimated and recorded, these differences affect current

and deferred tax assets and liabilities in the year in which the final value is determined.

The Company regularly reviews the deferred tax assets as to their recoverability, considering the historical profit generated and the projected future taxable income, according to a technical feasibility study.

(c) Revenue recognition

The Company revenues are mainly earned from software licensing, comprising license fees, revenues from maintenance and product support services, customization services, and ongoing consulting and advisory services.

Revenue is recognized as the Company satisfies the performance obligations, in transferring the service agreed upon with the customer. A service is considered transferred when the customer obtains control of it. For long contracts, the Company obtains formal evidence of the customer's acceptance of the service.

Revenues related to access licenses are recognized when the software is made available to the customer and its value can be reliably measured (according to the terms of the contract); it is probable that future economic benefits will be generated in favor of the Company.

Revenues from customization and consulting services are recognized as the services are provided, according to service agreements. The cases in which the service has been rendered, but not yet billed, are registered as services to be billed under "accounts receivable" in current assets.

Revenues from services rendered are recognized in the result as they are realized. Revenue is not recognized if there is a significant uncertainty in its realization.

2.2 New standards, changes and interpretations of accounting pronouncements mandatory as of January 1, 2021

When preparing these financial statements, the Company's Management considered, when applicable, new revisions and interpretations to IFRS and the following technical pronouncements, issued by IASB and CPC, respectively, which became mandatorily effective for accounting periods starting January 1, 2021.

Pronouncement	Description
IFRS 17 Insurance Contracts	In May 2017, the IASB issued IFRS 17 - Insurance Contracts (CPC 50 - Insurance Contracts which replaced CPC 11 - Insurance Contracts). The general objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.
Changes to IAS 1: Classification of liabilities as current or non-current	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, related to CPC 26, to specify the requirements for classifying liabilities as current or non-current. The changes shall come into effective for periods beginning on, or after, January 1, 2023 and must be applied retrospectively. Currently, the Group does not expect any impact from this standard.
Changes to IAS 8: Definition of accounting estimates	In February 2021, the IASB issued amendments to IAS 8 (standard related to CPC 23), in which it introduces

Pronouncement	Description
	the definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement and input techniques to develop accounting estimates.
Changes to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	In February 2021, the IASB issued amendments to IAS 1 (standard related to CPC 26 (R1)) and IFRS Practice Statement 2 - Making Materiality Judgments, which provides guidelines and examples to help entities apply materiality judgment for the disclosure of accounting policies.

The Company did not identify material impacts due to the standards and interpretations issued.

Additionally, the Company analyzed the new standards, amendments and interpretations of the accounting pronouncements with mandatory application as of January 1, 2022 and did not identify relevant impacts.

2.3 Impacts of COVID-19

As for the new coronavirus ("COVID-19"), we adopted the measures disclosed in the Notice to the Market of March 19, 2020, as well as withheld all commitments undertaken with our customers, and we remain ready to support them to face this scenario.

Regarding the effects on Sinqia in 2021, we noticed: (i) irrelevant effects on revenue, costs, gross profit and expenses; (ii) irrelevant effects on accounts receivable; and (iii) increased investments to acquire laptops so our employees could work from home.

Finally, the Company's remains at a comfortable financial position, with consolidated gross cash of R\$561.192 at the end of 2021.

3 Financial risk management

3.1 Financial risk factors

The Company has a financial department responsible for risk management, under the supervision of the Board of Directors, and is responsible for defining the policy and managing risks and financial instruments through control systems, which establish limits for currency and interest exposure and define the allocation of funds with financial institutions. The positions of all financial instruments as well as the results obtained in relation to the proposed targets are presented and evaluated monthly by the financial department and submitted to the Company's Board of Directors.

(a) Liquidity risk

Liquidity risk consists in the possibility of the Company and its subsidiaries not having enough funds to meet their commitments and settlement terms of their rights and obligations.

Liquidity and cash flow controls of the Company and its subsidiaries are daily monitored by the Company's management areas to ensure that operating cash generation and funding, when necessary, are enough to honor its financial commitments without generating liquidity risks for the Company and its subsidiaries.

(b) Credit risk

Credit risk arises from the eventual difficulty for the Company to collect the amounts from the maintenance services provided to its clients and from the sales of licenses.

The Company and its subsidiaries are also subject to credit risk arising from their financial investments.

Credit risk related to the provision of services and sale of licenses is minimized by strict control of the customer base and active management of default through clear policies regarding the provision of services and sale of licenses. There is no concentration of transactions with customers and the level of default has been historically very low.

With respect to the credit risk associated with financial institutions, the Company and its subsidiaries act to diversify this exposure among top-tier financial institutions.

(c) Market risk

Interest Rate and Inflation Risk: Interest rate risk arises from the installment of debt referenced to the CDI and financial investments referenced to the CDI, which may negatively affect financial income or expenses if there is an unfavorable movement in interest rates and inflation.

(d) Sensitivity analysis

The main risk related to the company's operations is linked to the variation of the Interbank Deposit Certificate (CDI) for loans and financings.

The Company's financial instruments are represented by cash and cash equivalents, accounts receivable, accounts payable, loans and financing, and are recorded at cost plus accrued income or charges, which on December 31, 2021 and 2020 were approximate to market values.

The main risks linked to financial investments arise from variations in the profitability rates of assets, such as investments in CDB (Bank Deposit Certificates) and repurchase transactions, with equivalent average interest rates ranging from 95,10% to 112,57% of the CDI (Interbank Deposit Certificate) rate.

The financing relates to debentures issued in 2019 and 2021. Under these conditions, the amount recorded is the closest to the market value of these financial instruments and low amount in relation to the indebtedness.

To check the sensitivity of the index on the financial investments to which the Company was exposed to on December 31, 2021, three different scenarios were defined. We made a scenario projection on 12/31/2021 based on the average CDI rate for the year, calculating our financial expenses in a scenario of a 25% (scenario 2) and 50% (scenario 3) increase in the CDI rate.

For each scenario, the Company calculated the "gross financial income", not considering the impact of tax on the income from investments. The base date used for the portfolio was December 31, 2021, projecting one year and checking the sensitivity of the CDI with each scenario.

<u>Transaction</u>	<u>12/31/2021 Consolidated</u>	<u>Risk</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Financial investments	556.057	CDI	4,46%	3,35%	2,23%
Average CDI equivalent interest (95% and 113%)		104% of CDI	4,64%	3,48%	2,32%
Financial income			17.092	12.819	8.546

SINQIA S.A. AND SUBSIDIARIES**December 31, 2021****(In thousands of Reais, unless stated otherwise)**

The Company has loan and financing contracts, with restrictive clauses applicable to these types of operations, related to meeting economic-financial indexes, cash generation, and others. These restrictive clauses have been met and do not limit the ability to conduct the normal course of operations.

Most of our debt comes from debentures that the Company holds that is indexed to the CDI plus a fixed annual rate. We made a scenario projection on 12/31/2021 based on the average CDI rate for the year, calculating our financial expenses in a scenario of a 25% (scenario 2) and 50% (scenario 3) increase in the CDI rate.

<u>Transaction</u>	<u>12/31/2021 Consolidated</u>	<u>Risk</u>	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>
Debentures	173.639	CDI	4,46%	5,58%	6,70%
Average equivalent interest rate (6,63%)		CDI+2,17%	6,63%	7,75%	8,87%
Financial expense			7.350	9.188	11.025

3.2 Capital management

The purpose of the Company's capital management is to ensure that a strong credit rating is held with the institutions and an optimal capital ratio to support the Company's business and maximize shareholder value.

The Company considers the following within the net debt structure: loans and obligation for investment acquisition less cash and cash equivalents.

In 2021, the Company's cash was maintained higher than its debt balance.

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Total loans and financing (Note 12)	173.639	39.645
Liabilities from investment acquisition (Note 15)	93.818	43.761
Financial investments (Note 6)	(537.000)	-
Cash and cash equivalents (Note 6)	<u>(24.192)</u>	<u>(321.063)</u>
Net Cash	<u>(293.735)</u>	<u>(237.657)</u>
Total shareholders' equity	<u>785.456</u>	<u>435.528</u>

3.3 Estimated fair value

As determined by CPC48/IFRS 9 - Financial Instruments, the Company must classify its financial instruments measured at fair value, following the following hierarchy of valuation techniques:

Level 1 - Prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Information other than market-traded prices for assets included in level 1 that is observable directly or indirectly for the asset or liability. This item is not applicable to the Company on December 31, 2021.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that is not

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

based on observable market data. This item is not applicable to the Company on December 31, 2021.

The table below sets out the Company's assets and liabilities measured at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Consolidated Total balance</u>
Assets				
Fixed income securities in national currency	556.057	-	-	556.057
Securities	32.069	-	38.150	70.219
Total assets	588.126	-	38.150	626.276

3.4 Financial instruments offset

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle them on a net basis or realize the asset and settle the liability simultaneously.

(a) Financial instrument by category

	<u>Consolidated</u>			
	<u>Fair value through comprehensive profit or loss</u>	<u>Fair Value through profit or loss</u>	<u>Amortized cost</u>	<u>Total</u>
December 31, 2021				
Assets (as per statement of financial position)				
Accounts receivable	-	-	37.088	37.088
Cash and banks	-	-	5.135	5.135
Fixed income securities in national currency	-	556.057	-	556.057
Securities	-	70.219	-	70.219
	-	626.276	42.223	668.499

	<u>Consolidated</u>			
	<u>Fair value through comprehensive profit or loss</u>	<u>Fair Value through profit or loss</u>	<u>Amortized cost</u>	<u>Total</u>
December 31, 2021				
Liabilities (as per statement of financial position)				
Loans and financing	-	-	173.639	173.639
Liabilities from investment acquisition	-	-	93.818	93.818
Suppliers	-	-	2.323	2.323
	-	-	269.780	269.780

Section C - Segment Reporting

4 Presentation of Information by Segments

The Company aims to supply IT products and services, in addition to related consulting services, intended to assist the financial market. Although the products are destined for several segments of financial institutions, they are not controlled and managed by Management as independent segments, since the Company's results are monitored and assessed in an integrated manner.

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

Section D - Group Structure

5 Investments

(a) Changes in investments

	Senior Solution Serviços em Informática Ltda.	Sinqia Tecnologia Ltda.	Controlpart Consultoria e Participações Ltda.	Consult Brasil Ltda.	Intellectual Capital Ltda.	Att/ps Informática Ltda.	Torq Inovação Digital Ltda.	Sinqia Administração Previdenciária Ltda	Dendron Tecnologia S.A.	Homie do Brasil Informática Ltda.	Simply Sistemas S.A.	Rosk Software S.A.	Total
Balance on December 31, 2019	3.027	63.929	6.055	(1.824)	3.454	40.003	1.284	-	-	-	-	-	115.928
Capital increase	-	14.000	-	-	-	-	-	-	-	-	-	-	14.000
Equity income	10.990	11.151	-	-	-	-	(427)	-	-	-	-	-	21.714
Corporate reorganization (i)	-	-	(3.331)	4.383	-	-	-	-	-	-	-	-	1.052
Balance on December 31, 2020	14.017	89.080	2.724	2.559	3.454	40.003	857	-	-	-	-	-	152.694
Balance on December 31, 2020	14.017	89.080	2.724	2.559	3.454	40.003	857	-	-	-	-	-	152.694
Capital increase	-	8.000	-	-	-	-	28.721	-	-	-	-	-	36.721
Investment acquisition (ii)	-	-	-	-	-	-	-	56.340	25.287	23.015	32.364	40.712	177.718
Equity income	10.041	(5.711)	-	-	-	-	4.535	17.057	714	3.627	5.748	(71)	35.940
Corporate reorganization (i)	(24.058)	-	-	-	-	-	-	(23.232)	(214)	-	(4.836)	-	(52.340)
Balance on December 31, 2021	-	91.369	2.724	2.559	3.454	40.003	34.113	50.165	25.787	26.642	33.276	40.641	350.733

(i) On January 1, 2020, companies Consult Brasil Ltda. and Controlpart Consultoria e Participações Ltda. were incorporated by Sinqia S.A (parent company). On October 01, 2021, companies Sinqia Administração Previdenciária Ltda., Dendron Tecnologia S.A., Senior Solution Serviços em Informática Ltda.; and Simply Sistemas S.A. were incorporated by Sinqia S.A (parent company).

(ii) This amount refers to the acquisitions of (1) Itaú Administração Previdenciária Ltda., (2) Dendron Tecnologia S.A., (3) Homie do Brasil Informática Ltda., (4) Simply Sistemas S.A.; and (5) Rosk Software S.A., as detailed in Note 26. After the acquisition, the name Itaú Administração Previdenciária Ltda. was changed to Sinqia Administração Previdenciária Ltda.

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

(b) Information on subsidiaries

Direct investment	Shareholders' equity	Interest (%)	Goodwill on acquisitions	Result for the period	Total Investment		Equity income	
					12/31/2021	12/31/2020	12/31/2021	12/31/2020
Senior Solution Serviços em Informática Ltda.	N/A	N/A	-	10.041	-	14.027	10.041	10.990
Senior Solution Consultoria em Informática Ltda.	91.369	100%	-	(5.711)	91.369	89.080	(5.711)	11.151
Controlpart Consultoria e Participações Ltda.	N/A	N/A	2.724	-	2.724	2.724	-	-
Consult Brasil. Ltda.	N/A	N/A	2.559	-	2.559	2.559	-	-
Intellectual Capital Ltda.	N/A	N/A	3.454	-	3.454	3.454	-	N/A
Att/ps Informática Ltda.	N/A	N/A	40.003	-	40.003	40.003	-	N/A
Torq Inovação Digital Ltda.	34.113	100%	-	4.535	34.113	847	4.535	(427)
Sinqia Administração Previdenciária Ltda.	N/A	N/A	50.165	17.057	50.165	-	17.057	-
Dendron Tecnologia S.A	N/A	N/A	25.787	714	25.787	-	714	-
Homie do Brasil Informatica Ltda.	1	60%	26.641	6.045	26.642	-	3.627	-
Simply Sistemas S.A.	N/A	N/A	33.276	5.748	33.276	-	5.748	-
Rosk Software S.A.	2.907	51%	37.734	(139)	40.641	-	(71)	-
					350.733	152.694	35.940	21.714

Section E – Selected significant notes

6 CASH AND CASH EQUIVALENTS

a) Cash and cash equivalents

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Banks	2.287	71	5.135	998
Fixed income securities (i)	8.067	296.757	19.057	320.065
	10.354	296.828	24.192	321.063

(i) The Company has financial investment policies that require investments to be concentrated in low-risk securities and are substantially remunerated based on percentages of the variation in Interbank Deposit Certificates (CDIs). Therefore, the Company's financial investments consist of investments in fixed-income funds and Bank Deposit Certificates (CDBs), earning average interest from 95,10% to 112,57% of the CDI (from 91% to 104,18% on December 31, 2020), with immediate liquidity, that is, without a grace period for redemption.

c) Financial investments

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Fixed income securities	537.000	-	537.000	-
	537.000	-	537.000	-

The amount of the financial investments item refers to the cash allocated to investment activities, including future business combinations. The Company has financial investment policies that require investments to be concentrated in low-risk securities and are substantially remunerated based on percentages of the variation in Interbank Deposit Certificates (CDIs). Therefore, the Company's financial investments consist of investments in fixed-income funds and Bank Deposit Certificates (CDBs), earning average interest from 95,10% to 112,57% of the CDI (from 91% to 104,18% on December 31, 2020), with immediate liquidity, that is, without a grace period for redemption.

c) Securities

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Collateral amounts (ii)	32.069	4.244	32.069	4.244
Investments in private entities (iii)	1.075	1.075	38.150	1.075
	33.144	5.319	70.219	5.319

(ii) The collateral amounts mainly correspond to financial investments held as guarantee for the payment of the installments of the investment acquisition liability and the debentures.

(iii) The amounts correspond to the fair value of investments in preferred shares of Cellcoin Pagamentos S.A., Fundos de Investimento em Participações and mutuals convertible into shares.

ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Amounts billed	21.835	6.124	30.672	15.377
Services to bill (i)	5.381	1.959	6.416	2.735
(-) Estimated losses from doubtful accounts (ii)	(1.432)	(410)	(2.578)	(685)
	25.784	7.673	34.510	17.427

(i) Services to bill refer to revenue from services actually provided to customers, but which had not been billed up to the base date of the financial statements.

(ii) We present below the changes in estimated losses from doubtful accounts:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Balances on December 31, 2020 and 2019	(410)	(101)	(685)	(158)
Additions due to acquisition of companies (i)	(684)	-	(543)	-
Additions	(2.113)	(309)	(3.204)	(527)
Effective losses	815	-	815	-
Reversals	960	-	1.039	-
Balances on December 31, 2021 and 2020	(1.432)	(410)	(2.578)	(685)

(i) The increased balance was due to the acquisition and incorporation of Itaú Administração Previdenciária Ltda..

The following are the receivables by maturity (aging list):

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Services to bill	5.381	1.959	6.416	2.735
Falling due	18.916	3.646	23.626	10.005
Overdue from 1 to 90 days	1.386	1.442	3.838	2.919
Overdue from 91 to 180 days	149	123	966	779
Overdue from 181 to 270 days	440	138	473	315
Overdue from 271 to 360 days	303	134	677	213
Overdue more than 360 days	641	641	1.092	1.146
	27.216	8.083	37.088	18.112

8 RECOVERABLE TAXES AND CONTRIBUTIONS

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
IRRF, income tax and social contribution to be offset (i)	7.427	4.468	10.935	6.119
Withholding PIS, COFINS and SC	19	-	36	101
Other	16	1	55	18
Total	7.462	4.469	11.026	6.238
Current	4.594	2.622	7.261	4.354
Non-current	2.868	1.847	3.765	1.884

(i) Refers to withholding income tax and prepayment of income tax and social contribution.

9 RELATED PARTIES

a) INFORMATION ON RELATED PARTIES

The following table presents information on outstanding balances on December 31, 2020 and December 31, 2021 among the Parent Company, its subsidiaries and the Company's management:

Related Parties	Parent Company			
	Receivables from related parties (Assets)	Payables to related parties (Liabilities)	Receivables from related parties (Assets)	Payables to related parties (Liabilities)
	12/31/2021		12/31/2020	
Senior Solution Serviços em Informática Ltda.	-	-	4.733	5.745
Sinqia Tecnologia Ltda.	4.277	-	-	578
Torq Inovação Digital Ltda.	-	-	120	-
Ativo não circulante	4.277	-	4.853	-
Passivo circulante	-	-	-	3.117
Passivo não circulante	-	-	-	3.206

Transactions between Group companies refer to cash and expenses shared, mainly administrative, and are carried out based on agreements signed between the parties. There are no transactions for the purchase and sale of products or services between companies. In 2021, specifically, there was no expenses shared between companies, and the transactions refer mainly to cash management, with no impact on the result.

b) MANAGEMENT COMPENSATION

The Company has no additional post-employment obligations, nor does it offer other long-term benefits, such as leave and other benefits for time of service. The Company also does not offer other severance benefits to the members of the senior management, besides those set in the current Brazilian labor laws.

Short-term benefits

Short-term benefits include salaries, fees, social charges, variable benefits and bonuses. Expenses related to the compensation paid to the main senior executives and management of the Company and its subsidiaries are as follows:

	Parent Company and Consolidated	
	12/31/2021	12/31/2020
Salaries, fees and payroll charges	4.550	3.390
Benefits	324	308
Variable bonuses	1.237	484
	6.111	4.182

c) SHARE-BASED COMPENSATION PLAN

The purpose of the Share-Based Compensation Plan ("Plan") is to offer top executives of the Company the opportunity to multiply the value of their annual financial bonus ("Annual Bonus"), by assigning additional resources ("Additional Bonus"), by the Company, which must be used by eligible executive officers ("Beneficiary") to acquire shares of the Company ("Shares"). The Plan establishes that the Additional Bonus will be calculated by applying a multiplier to the Annual Bonus, which is granted by the Company under the Profit-Sharing Program ("PPLR").

The Additional Bonus under this Plan will be calculated by applying a multiplier on the Annual Bonus. The multiplier ranges from 50% to 80% depending on the role performed in the Company.

The number of shares to be acquired by each beneficiary will be calculated based on the average market value of the shares in a certain period.

The shares acquired will vest as follows: 40% of the total shares acquired, after twelve (12) months from acquisition; 30% of the total, after twenty-four (24) months from acquisition; and the remaining 30%, after thirty-six (36) months from acquisition. The acquisition date will be considered as that on which the Company receives from the beneficiary the amounts related to the sale, and the share purchase agreement is signed.

The number of shares available for the year in this plan is 56.773 shares.

d) STOCK-OPTION PLAN TO PURCHASE OR SUBSCRIBE SHARES

The Stock Option Plan ("Plan") includes granting options to purchase or subscribe common shares ("Options") of the Company. The Plan has as purpose (a) attracting, retaining and engaging key professionals in the management of the Company ("Beneficiaries"), (b) aligning the interests of the Beneficiaries with the interests of the Company and its shareholders in a long-term perspective, and c) encouraging the Beneficiaries to contribute to the achievement of good results for the Company.

Number of Shares Included in the Plan: The options granted under the Plan, including those already exercised or not, and discounted those canceled due to termination, death, permanent disability or retirement, may grant rights on common shares representing up to 3% (three percent) of the Company's share capital on the date of approval of the Plan.

Options Exercise: The options granted may be exercised provided that the terms and conditions set forth in this Plan and by the Board of Directors are observed, in addition to the terms and conditions

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

provided for in the respective Option Agreements. The Beneficiary may exercise all or part of the Exercisable Options, established that the Beneficiary shall exercise at least 25% of the Options that it holds and that are exercisable in each partial exercise of the Options. The exercise of part of the Options by the Beneficiary shall not affect the exercise of the other Options held.

The fair value of the options granted is estimated on the grant date based on the Black-Scholes option pricing model.

The main events related to the current plans, the variables used in the calculations and the results are as follows:

Grants				Fair value assumptions			
				Prospect for:		Risk-free interest rate	Maturity
Date	Number of options/shares	Exercise price in Reais	Fair value of shares in Reais	Dividends	Volatility		
08/01/2018	177.716	7,38	19,24	0,23%	37,57%	4,50%	5 years
03/31/2021	200.424	17,24	25,50	0,00%	48,26%	6,00%	4 years

10 PP&E
a) PP&E Breakdown

			Parent Company	
			12/31/2021	12/31/2020
Useful life (years)	Cost	Depreciation Amortization	Net	Net
Facilities and improvements	9 – 10	7.369	(2.313)	5.056
Electric devices and materials	9 – 12	1.858	(1.587)	271
Furniture and fixtures	9 – 12	3.208	(1.709)	1.499
Right of use - leases	2 – 10	5.998	(1.526)	4.472
Computers and peripherals	4 – 5	17.669	(6.570)	11.099
		36.102	(13.705)	22.397
				16.559

			Consolidated	
			12/31/2021	12/31/2020
Useful life (years)	Cost	Depreciation Amortization	Net	Net
Facilities and improvements	9 – 10	9.416	(3.855)	5.561
Electric devices and materials	9 – 12	2.172	(1.843)	329
Furniture and fixtures	9 – 12	4.256	(2.449)	1.807
Right of use - leases	2 – 10	34.689	(6.305)	28.384
Computers and peripherals	4 – 5	21.418	(9.668)	11.750
Vehicles	5	35	(35)	-
		71.986	(24.155)	47.831
				38.138

b) Changes in fixed assets - Parent Company

	Facilities and improvements	Electric devices and materials	Furniture and fixtures	Right of use - leases	Computers and peripherals	Total
Balances on December 31, 2019	5.276	391	1.479	18.656	3.543	29.345
Additions	964	25	504	-	3.409	4.902
Additions – right of use	-	-	-	4.427	-	4.427
Transfer between subsidiaries (i)	-	-	-	(18.575)	-	(18.575)
Write-offs	(11)	-	-	-	(9)	(20)
Depreciation and amortization	(825)	(71)	(287)	(1.095)	(1.242)	(3.520)
Balances on December 31, 2020	5.404	345	1.696	3.413	5.701	16.559
	Facilities and improvements	Electric devices and materials	Furniture and fixtures	Right of use - leases	Computers and peripherals	Total
Balances on December 31, 2020	5.404	345	1.696	3.413	5.701	16.559
Additions	90	-	99	-	7.382	7.571
Additions – right of use	-	-	-	2.386	-	2.386
Transfer between subsidiaries	5	25	5	-	-	35
Write-offs	-	-	-	-	(5)	(5)
Depreciation and amortization	(443)	(99)	(301)	(1.327)	(1.979)	(4.149)
Balances on December 31, 2021	5.056	271	1.499	4.472	11.099	22.397

(i) The amount refers to the transfer of the lease contracts from the Parent Company to the subsidiary Sinqia Tecnologia Ltda.

SINQIA S.A. AND SUBSIDIARIES
December 31, 2021
(In thousands of Reais, unless stated otherwise)

c) Changes in fixed assets - Consolidated

	Facilities and improvements	Electric devices and materials	Furniture and fixtures	Right of use - lease	Computers and peripherals	Vehicles	Total
Balances on December 31, 2019	6.523	463	1.778	21.336	4.643	-	34.743
Additions	992	25	508	-	3.500	-	5.025
Additions – right of use	-	-	-	4.430	-	-	4.430
Additions due to acquisition of companies	99	53	122	-	148	30	452
Write-offs	(28)	-	-	-	(9)	-	(37)
Depreciation and amortization	(885)	(90)	(351)	(3.531)	(1.612)	(6)	(6.475)
Balances on December 31, 2020	6.701	451	2.057	22.235	6.670	24	38.138
	Facilities and improvements	Electric devices and materials	Furniture and fixtures	Right of use - lease	Computers and peripherals	Vehicles	Total
Balances on December 31, 2020	6.701	451	2.057	22.235	6.670	24	38.138
Additions	98	2	99	-	7.381	-	7.580
Additions – right of use (i)	-	-	-	13.096	-	-	13.096
Additions due to acquisition of companies	-	198	135	-	192	-	525
Write-offs	-	-	-	-	(10)	-	(10)
Depreciation	(1.238)	(322)	(484)	(6.947)	(2.483)	(24)	(11.498)
Balances on December 31, 2021	5.561	329	1.807	28.384	11.750	-	47.831

(i) The additions concerning CPC 06 (R2) recognize the right of use of the new real estate lease agreements.

11 INTANGIBLE ASSETS

a) Intangible assets breakdown

			Parent Company	
			12/31/2021	12/31/2020
	Useful life (years)	Cost	Accumulated Amortization and impairment (i)	Net
Right of use - software	1-5	19.306	(14.352)	4.954
Trademarks and patents	5-10	2.277	(1.682)	595
Software acquired	5	28.060	(9.934)	18.126
Customer portfolio	10	62.887	(10.294)	52.593
Non-compete agreement	5	4.575	(4.575)	-
Development of new products	-	6.301	(6.301)	-
Right of use - servers	1-3	55.734	(7.328)	48.406
		179.140	(54.466)	124.674
				34.288

			Consolidated	
			12/31/2021	12/31/2020
	Useful life (years)	Cost	Accumulated amortization and/or impairment	Net
Goodwill on acquisitions of subsidiaries	-	297.451	(2.860)	294.591
Right of use - software	1-5	25.057	(20.003)	5.054
Trademarks and patents	5-10	14.863	(2.233)	12.630
Software acquired	5	52.541	(21.477)	31.064
Customer portfolio	10	106.403	(23.759)	82.644
Non-compete agreement	5	9.068	(7.152)	1.916
Development of new products	-	6.301	(6.301)	-
Right of use - servers	1-3	55.734	(7.328)	48.406
		567.418	(91.113)	476.305
				222.710

- (i) The main assumptions used in the goodwill impairment test on the acquisition of subsidiaries were disclosed in Note 2.a. There was no recognition or reversal of impairment losses during 2021 and 2020.

SINQIA S.A. E CONTROLADAS.
December 31, 2021
(In thousands of Reais, unless stated otherwise)

b) Changes in intangible assets - Parent Company

	Right of use - software	Trademarks and patents	Software acquired	Customer portfolio	Non-compet agreement	Development of new products	Right of use - leases	Total
Balances on December 31, 2019	1.487	1.279	2.814	16.151	1.143	1.210	-	24.084
Additions	2.091	-	-	-	-	-	-	2.091
Additions due to corporate reorganization	84	-	-	-	-	-	-	84
Additions – right of use	-	-	-	-	-	-	17.717	17.717
Amortization	(1.992)	(367)	(1.213)	(1.058)	(1.143)	-	(3.915)	(9.688)
Balances on December 31, 2020	1.670	912	1.601	15.093	-	1.210	13.802	34.288
	Right of use - software	Trademarks and patents	Software acquired	Customer portfolio	Non-compet agreement	Development of new products	Right of use - leases	Total
Balances on December 31, 2020	1.670	912	1.601	15.093	-	1.210	13.802	34.288
Additions	8.422	-	-	-	-	-	-	8.422
Additions due to acquisition of companies (i)	-	-	21.199	42.471	-	-	-	63.670
Additions – right of use (ii)	-	-	-	-	-	-	42.800	42.800
Amortization	(5.138)	(317)	(4.674)	(4.971)	-	(1.210)	(8.196)	(24.506)
Balances on December 31, 2021	4.954	595	18.126	52.593	-	-	48.406	124.674

(i) There was an increase in assets from Itaú Administração Previdenciária Ltda. due to the preliminary allocation of the price paid disclosed in Note 26, while the increase in the second quarter the increase was due to assets from the preliminary allocation related to the purchase price of Dendron Tecnologia S.A., Homie do Brasil Informática Ltda., and Simply Sistemas S.A.

(ii) The additions concerning CPC 06 (R2) recognize the right of use of the server's new lease agreements.

SINQIA S.A. E CONTROLADAS.
December 31, 2021
(In thousands of Reais, unless stated otherwise)

c) Changes in intangible assets - Consolidated

	Goodwill on acquisitions of subsidiaries (iii)	Right of use - software	Trademarks and patents	Software acquired	Customer portfolio	Non-compete agreement	Development of new products	Right of use - servers	Total
Balances on December 31, 2019	97.060	2.080	5.576	11.405	42.448	4.668	1.210	-	164.447
Additions	-	3.023	-	-	-	-	-	-	3.023
Additions due to acquisition of companies	37.842	1.797	-	4.962	9.311	218	-	-	54.130
Additions – right of use	-	-	-	-	-	-	-	17.717	17.717
Amortization	-	(2.662)	(366)	(3.653)	(4.002)	(2.009)	-	(3.915)	(16.607)
Balances on December 31, 2020	134.902	4.238	5.210	12.714	47.757	2.877	1.210	13.802	222.710
	Goodwill on acquisitions of subsidiaries (iii)	Right of use - software	Trademarks and patents	Software acquired	Customer portfolio	Non-compete agreement	Development of new products	Right of use - leases	Total
Balances on December 31, 2020	134.902	4.238	5.210	12.714	47.757	2.877	1.210	13.802	222.710
Additions	-	8.882	-	-	-	-	-	-	8.882
Additions due to acquisition of companies (i)	159.732	-	7.740	25.825	43.976	-	-	-	237.273
Additions – right of use (ii)	-	-	-	-	-	-	-	42.802	42.802
Transfer between subsidiaries	(43)	36	-	-	7	-	-	-	-
Amortization	-	(8.102)	(320)	(7.475)	(9.096)	(961)	(1.210)	(8.198)	(35.362)
Balances on December 31, 2021	294.591	5.054	12.630	31.064	82.644	1.916	-	48.406	476.305

(i) There was an increase in assets from Itaú Administração Previdenciária Ltda. due to the preliminary allocation of the price paid disclosed in Note 26, while the increase in the second quarter was due to assets from the preliminary allocation related to the purchase price of Dendron Tecnologia S.A., Homie do Brasil Informática Ltda., and Simply Sistemas S.A.

(ii) The additions concerning CPC 06 (R2) recognize the right of use of the server's new lease agreements.

(iii) The entire goodwill balance is allocated to the Company's sole cash-generating unit.

12 LOANS AND FINANCING

	Charges	Maturity	Parent Company and Consolidated	
			12/31/2021	12/31/2020
First Debenture Issue (i)	CDI + 1,50%	22/02/2024	27.161	39.645
Second Debenture Issue (ii)	CDI + 2,30%	15/07/2026	146.478	-
Total			173.639	39.645
Current			27.300	12.506
Non-current			146.339	27.139

- (i) The first issue of simple debentures, not convertible into shares, is backed by credit rights arising from receivables. In addition, the Company is required to hold a deposit of R\$3.000, which was recorded in "securities", under non-current assets.
- (ii) The first issue of simple debentures, not convertible into shares, is backed by credit rights arising from receivable accounts linked to the operation and the funds deposited therein, arising from the contracts between the Company and its clients.

The changes in loans and financing are as follows:

	Parent Company and Consolidated
Balance on December 31, 2020	39.645
Funding	144.472
Incurred interest	7.874
Interest paid	(4.615)
Amortization	(13.737)
Balance on December 31, 2021	173.639

Below we show the expectation of payment of loans and financing:

	Parent Company and Consolidated
2022	27.300
2023	49.290
2024	38.845
2025	36.756
2026	21.448
Total	173.639

(a) COVENANTS

The debentures have financial restrictive clauses that must be calculated as of December 31. In 2021 the Gross Bank Debt must be less than or equal to R\$290.000, in 2022 the Net Debt divided by the Ebitda must be less than or equal to 3 and from 2023 to 2026 the Net Debt divided by the Ebitda must be less than or equal to 2.75 .

Gross Bank Debt means the sum of short-term and long-term loans and financing, including (i) discounted securities with return and anticipation of receivables, (ii) leasing, unless the leasing arises from property rental contracts operations and contracts for the right to use servers, (iii) non-convertible fixed income securities resulting from public or private issuance, in the local or international markets, (iv) liabilities arising from derivative financial instruments, (v) financial debts of the companies acquired, provided that the interest is greater than 50% (fifty percent) of the capital stock of the respective acquiree, and not yet consolidated, (vi) debts and convertible securities, and (vii) mutual liabilities net of mutual assets, duly represented in the Issuer's consolidated Balance Sheet, in the "Loans and Financing" account contained in the consolidated quarterly financial information or in the consolidated annual financial statements.

On the present date, the Company expects to comply with all restrictive clauses. In 2021, the Company complied with the clauses.

13 LABOR LIABILITIES

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
INSS/FGTS payable	2.898	2.571	6.466	3.921
IRRF on wages	3.482	1.551	5.306	2.634
Vacation	13.982	5.515	20.958	10.523
13 th Salary (Christmas Bonus)	-	-	-	-
Bonuses, commissions and profit sharing (i)	7.701	2.933	8.001	3.076
Other	269	159	499	581
	28.332	12.729	41.230	20.735

- (i) The provision for bonuses and profit sharing is recorded monthly, and depends on the achievement, by the employees, of corporate and individual goals. These amounts are paid in April of the subsequent year.

14 TAX LIABILITIES

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income tax and social contribution payable	517	11	1.550	951
ISS payable	839	284	1.365	690
PIS/COFINS payable	407	147	779	208
Tax payable in installments	139	2.287	139	2.768
Other taxes payable	83	30	160	88
Total	1.985	2.759	3.993	4.705
Current	1.985	771	3.993	2.298
Non-current	-	1.988	-	2.407

15 LIABILITIES FROM INVESTMENT ACQUISITION

These refer to installments payable for investment acquisitions made by the Company and its subsidiaries, negotiated with payment in installments, and for agreements that do not have market interest rates, the present value is adjusted (using the average rate of 7%). Recorded in current and non-current liabilities, as follows:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Acquisition of att/PS Informática	-	6.094	-	6.094
Acquisition of Atena	-	-	4.727	5.262
Acquisition of ADSPrev	-	-	1.481	1.806
Acquisition of SoftPar	-	-	7.589	11.791
Acquisition of Stock&Info	-	-	236	362
Acquisition of Tree Solution	-	-	5.444	4.900
Acquisition of Fromtis	-	-	11.794	13.546
Acquisition of ISP	50.776	-	50.776	-
Acquisition of Dendron	5.294	-	5.294	-
Acquisition of Simply	6.477	-	6.477	-
Total	62.547	6.094	93.818	43.761
Current	12.003	6.094	22.294	15.549
Non-current	50.544	-	71.524	28.212

Below we show the changes in liabilities due to the investment acquisition:

	Parent Company	Consolidated
Balance on December 31, 2020	6.094	43.761
Incurred interest	5.057	7.569
Additions due to acquisition of companies	60.379	60.379
Interest paid	(1.736)	(2.540)
Amortization	(7.247)	(15.351)
Balance on December 31, 2021	62.547	93.818

Below we show the expected payment of liabilities with investment acquisition:

	Parent Company	Consolidated
2022	12.003	22.294
2023	12.953	24.488
2024	14.026	22.013
2025	11.166	12.625
2026	12.399	12.399
Total	62.547	93.818

16 PROVISION FOR LAWSUITS

In the normal course of its activities, the Company is subject to tax, civil and labor lawsuits. Supported by the opinion of its legal counsel, Management assesses the expected outcome of the ongoing lawsuits and establishes the need for provisions at amounts deemed sufficient to cover the expected losses.

The table below shows the provisions for probable losses on December 31, 2021 and December 31, 2020:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Civil	10.024	10.268	10.024	19.187
Labor	12.005	1.680	26.645	12.890
Tax	15.524	4.947	21.678	10.325
	37.553	16.895	58.347	42.402

Below we show the changes in provisions for lawsuits:

	Parent Company	Consolidated
Balance on December 31, 2020	16.895	42.402
Additions	843	1.499
Payments	(645)	(1.669)
Additions due to acquisition of companies (i)	20.380	20.380
Interest and monetary restatement	1.133	1.783
Reversals	(1.053)	(6.048)
Balance on December 31, 2021	37.553	58.347

(i) Refers to the amounts from the acquisitions of Itaú Administração Previdenciária Ltda., Simply Sistemas S.A., Dendron Tecnologia S.A., Homie do Brasil Informática Ltda. and Rosk Software S.A.

The Company and its subsidiaries are also parties to labor and tax lawsuits with possible risk of loss – according to its legal counsel and management – for which no provision has been recognized. The amount referring to the updated cause related to these lawsuits corresponds to R\$26.945 in the Parent Company on December 31, 2021 (R\$29.366 on December 31, 2020) and R\$30.281 in the Consolidated on December 31, 2021 (R\$31.280 on December 31, 2020). The Company also has court deposits corresponding to R\$163 in the Parent Company on December 31, 2021 (R\$162 on December 31, 2020) and R\$174 in the Consolidated on December 31, 2021 (R\$239 on December 31, 2020).

- a) **Labor**
Labor lawsuits refer to overtime, health hazard allowances, salary equalization, vacation pay, moral damages resulting from occupational accident, occupational disease, and secondary liability involving service providers, among other situations.
- b) **Tax**
Tax lawsuits refer to legal disputes involving municipal and federal taxes, especially unapproved claims for compensation and/or restitution, in addition to tax risks identified in acquisition processes.
- c) **Civil**
The civil lawsuits refer mainly to suits filed under the allegation of certain problems in the provision of

services and restitution of securities.

17 SHAREHOLDERS' EQUITY

17.1 Share Capital

At a meeting held on August 26, 2021, the Board of Directors approved an increase in the Company's share capital, within the limit of the authorized capital, pursuant to Article 5 of the Bylaws, in the amount of R\$400.042 through the issuance of 17.393.160 (seventeen million, three hundred and ninety-three thousand, one hundred and sixty) common shares.

The Company's share capital is R\$813.303, represented by 87.941.972 registered common shares with no par value. The holders of common shares are entitled to one vote per share at the Company's Shareholders' Meetings.

The table below shows the number of shares held by shareholders with 5% or more common shares issued by the Company, besides treasury shares.

Shareholders	12/31/2021		12/31/2020	
	Shares	%	Shares	%
HIX Investimentos Ltda.	6.295.047	7,16%	5.640.796	8,00%
Antonio Luciano de Camargo Filho	6.078.979	6,91%	5.443.006	7,72%
Bernardo Francisco Pereira Gomes	5.970.180	6,79%	5.332.502	7,56%
SFA Investimentos Ltda.	5.739.900	6,53%	5.733.600	8,13%
Treasury shares	2.191.561	2,49%	133.468	0,19%
Other shareholders	61.666.305	70,12%	48.265.440	68,41%
Total	87.941.972	100%	70.548.812	100%

17.2 Profit Reserve

The profit reserve includes accumulated earnings balance of capital budget allocations approved at Annual Shareholders' Meetings.

a) Legal Reserve

On December 31, 2021, the legal reserve was calculated in the amount of R\$1.009. On December 31, 2020, the legal reserve was calculated in the amount of R\$248.

b) Dividends and interest on equity

On December 31, 2021, a dividend distribution was calculated, in the amount of R\$5.638. On December 31, 2020, a dividend distribution was calculated, in the amount of R\$1.385.

	12/31/2021	12/31/2020
Net income for the period	20.179	4.956
Legal reserve (5%)	1.009	248
Minimum dividend base	19.170	4.708
Interest on equity (25%)	4.793	1.177
Additional interest on equity	846	208
Dividends payable	5.638	1.385

17.3 Capital reserve

The balances of capital reserves as of December 31, 2021 and December 31, 2020 are composed of the effects of the share compensation plan and changes in prices for the acquisition and disposal of treasury shares.

In 2021, a movement of R\$331 was recognized (R\$289 in 2020) referring to the 2018 and 2020 share-based compensation plans, and there was a variation of R\$3.601 in the capital reserve related to the difference between the acquisition price and the delivery price of treasury shares in acquisitions and compensation plan.

17.4 Treasury shares

At a meeting held on March 12, 2020, the Board of Directors authorized the acquisition of up to 5.896.343 shares, representing 10% of the 58.963.436 shares issued by the Company currently in circulation, through the opening of the Fifth Share Program. Repurchase of Shares. In March, 660.400 shares were acquired for the amount of R\$8.355 and in the month of April there was a partial sale of shares for the amount of R\$8.688, and the gain was recorded in the capital reserve.

At a meeting held on March 10, 2021, the Board of Directors authorized the acquisition of up to 5.241.054 shares, representing 8,9% of the outstanding shares, through the opening of the Sixth Share Buyback Program.

In 2021, shares were acquired for an amount of R\$99.777 and delivered for an amount of R\$56.109 in the payment of the newly acquired Simply Sistemas S.A., Dendron Tecnologia S.A., Homie do Brasil Informática Ltda. and Rosk Software S.A., as detailed in Note 26.

In 2021, the balance of the treasury shares account is R\$40.896 (R\$1.689 in 2020).

17.5 Costs to issue shares

The share issuance cost account reflects changes in Shareholders' Equity due to the issuance of new shares. In 2021, expenses of R\$24.975 were recorded referring to the increase in the Company's capital stock, within the limit of the authorized capital, pursuant to Art. 5 of the Bylaws.

17.6 Non-controlling shareholders

The non-controlling interest refers to the interest held by the shareholders of Homie do Brasil Informática Ltda. and Rosk Software S.A., which jointly represented an amount of R\$2.797 in 2021.

18 NET OPERATING REVENUE

	Parent Company		Consolidated	
	12/31/2020	12/31/2020	12/31/2020	12/31/2020
Software	125.987	72.692	309.304	164.311
Services	40.739	34.908	86.488	72.048
Gross revenue from services	166.726	107.600	395.792	236.359
Tax on services (ISS)	(4.619)	(2.979)	(12.103)	(7.053)
PIS and COFINS	(6.112)	(3.958)	(16.743)	(8.759)
Employer's social security	(7.559)	(4.880)	(14.350)	(10.554)
Taxes on sales	(18.290)	(11.817)	(43.196)	(26.366)
Software	111.952	66.222	275.650	145.982
Services	36.484	29.561	76.946	64.011
Net operating revenue	148.436	95.783	352.596	209.993

The average tax rate levied on sales in the period was 10,91% in the Consolidated (11,16% on December 31, 2020), including Social Integration Program (PIS/PASEP), Financial Contribution for Social Security (COFINS), Tax on Services of Any Nature (ISSQN) and Employer's INSS (National Institute of Social Security).

19 COSTS OF SERVICES

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Third-party services	8.725	5.805	24.261	8.372
Personnel, payroll charges and benefits	78.985	64.099	180.834	121.070
Depreciation and amortization	5.237	5.051	5.641	5.051
Other costs	5.239	2.711	7.095	3.937
	98.186	77.666	217.831	138.430

20 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Third-party services	3.427	3.947	11.272	4.205
Personnel, charges and benefits	27.690	18.585	37.377	24.376
Commissions	3.297	2.893	3.499	3.133
Rentals, insurance, condominiums and others	1.195	646	2.736	3.221
Additional provision for bonuses and profit sharing	6.466	3.289	8.117	3.414
Reversal of provision for lawsuits	(210)	(2.167)	(4.549)	(4.714)
Additional estimated provision for doubtful accounts	1.153	309	2.165	527
Energy, communication and other	959	1.195	1.305	1.433
Consultants, lawyers and auditors	1.654	2.893	2.465	3.333
Publicity and marketing	773	575	860	585
Transportation and lodging expenses	40	188	42	247
Other expenses	4.806	1.236	5.935	1.765
Depreciation and amortization	23.418	13.208	41.219	23.082
	74.668	46.797	112.443	64.607

21 FINANCIAL RESULT, NET

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial expenses:				
Interest on investment acquisition	(5.057)	(901)	(7.569)	(3.433)
Interest on loans	(7.874)	(2.467)	(7.874)	(2.467)
Bank expenses	(150)	(274)	(355)	(317)
Present value adjustment	(2.804)	(991)	(4.231)	(2.523)
IOF expenses	(133)	(29)	(181)	(51)
Interest and monetary restatement of lawsuits	(1.133)	(543)	(1.783)	(551)
Other financial expenses	(22)	(78)	(397)	(397)
Installments	(88)	(41)	(162)	(145)
Financial revenues:				
Income from financial investments	16.533	9.015	17.092	9.334
Interest assets	-	-	7.844	-
Other financial revenues	44	302	269	394
	(684)	3.993	2.653	(156)

22 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

Current income tax and social contribution were computed under prevailing tax rates and deferred income tax and social contribution are calculated on temporary differences and accumulated tax losses and negative base.

a) Current and deferred income tax

The reconciliation of the expense calculated by adopting income tax and social contribution tax rates is shown as follows:

	Parent Company	
	12/31/2021	12/31/2020
Income (loss) before taxes	10.838	(2.973)
Income (expense) due to the combined official tax rate (34%)	(3.685)	1.011
Adjustments to calculate the actual rate:		
Equity income	12.220	7.383
Non-deductible bonus	(1.922)	(792)
Interest on equity	470	-
Technology incentive ("Lei do Bem") and other tax credits	1.956	-
Other permanent differences (i)	302	327
Income due to the effective tax rate	9.341	7.929
Current income tax and social contribution	(5.626)	1.052
Deferred income tax and social contribution	14.967	6.877
	Consolidated	
	12/31/2021	12/31/2020
Income before taxes	24.975	6.800
Expense due to the combined official tax rate (34%)	(8.492)	(2.312)
Adjustments to calculate the actual rate:		
Presumed profit from subsidiaries (ii)	3.928	-
Non-deductible bonus	(2.351)	-
Interest on equity	470	-
Technology incentive ("Lei do Bem") and other tax credits	2.559	-
Other permanent differences (i)	1.440	468
Expense due to effective tax rate	(2.446)	(1.844)
Current income tax and social contribution	(21.850)	(4.447)
Deferred income tax and social contribution	19.404	2.603

(i) The other permanent differences account mainly includes non-deductible provisions and expenses, special tax rates and Worker's Food Program (PAT).

(ii) The difference is due to the companies in the group that use the income tax and social contribution based on the presumed profit method.

b) Deferred income tax and social contribution - assets

Breakdown of deferred income tax and social contribution:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Non-current assets				
Tax loss and negative base	29.398	19.499	41.339	21.355
Provision for doubtful accounts	487	139	877	233
Provision for profit sharing	279	-	365	-
Provision for lawsuits and other obligations	10.524	5.744	17.594	11.237
Amortization of tax goodwill in business combination	(8.301)	(5.309)	(17.089)	(9.395)
Other provisions	408	266	450	531
Change in fair value of financial assets	-	-	(2.667)	-
Leases	4.766	710	6.727	1.244
	37.561	21.049	47.596	25.205

The deferred income tax and social contribution were constituted under studies prepared by Management regarding the generation of taxable income that will allow the total realization of these amounts in the next years, in addition to the expectation of realization of deductible or taxable temporary differences, as indicated below:

	Parent Company	Consolidated
2022	4.733	3.380
2023	4.140	5.382
2024	5.673	7.779
2025	6.374	9.316
2026	7.664	11.370
2027	7.084	9.445
2028	8.004	10.607
2029	1.942	7.158
Total deferred tax asset	45.614	64.437
Goodwill tax benefit	(8.053)	(16.841)
Net deferred tax asset	37.561	47.596

23 EARNINGS PER SHARE

The calculation of basic earnings per share is made by dividing the net income for the year, attributed to the holders of common shares of the Parent Company, by the weighted average number of outstanding common shares during the period.

Diluted earnings per share is calculated by dividing the net income for the period, attributed to the holders of common shares of the Parent Company, by the weighted average number of outstanding common shares during the period, plus the weighted average number of common shares that would be issued in the conversion of all potential common shares diluted into common shares.

The following charts show data on the result and shares used to calculate the basic and diluted earnings per share:

	Parent Company and Consolidated	
	12/31/2021	12/31/2020
Basic earnings per share		
Numerator		
Net income for the period attributed to the Company's shareholders	20.179	4.956
Denominator		
Weighted average of outstanding common shares	75.889.647	70.586.950
Basic earnings per share (in Reais)	0,266	0,070
	Parent Company and Consolidated	
	12/31/2021	12/31/2020
Diluted earnings per share		
Numerator		
Profit for the period attributed to the Company's shareholders	20.179	4.956
Denominator		
Weighted average of outstanding common shares	75.889.647	70.586.950
Potential increase in common shares due to the stock option plan and restricted shares	434.913	569.356
Diluted earnings per share (in Reais)	0,264	0,069

24 LEASE

Lease liabilities were recognized as required by accounting standard IFRS 16/ CPC 06 (R2), which requires the liability for future payments and the right to use the leased assets to be recorded for all agreements in the standard's scope. For current leases, the average discount rate of 7,38% was used.

	Final Maturity	Parent Company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Belo Horizonte Office	12/31/2028	5.246	4.204	5.246	4.204
São Paulo Office	07/01/2028	-	-	24.193	20.041
Curitiba Office	09/02/2021	-	-	505	543
Servers	12/31/2022 and 2023	49.526	14.012	49.526	14.012
Total		54.772	18.216	79.470	38.800
Current		13.121	5.176	16.660	7.807
Non-current		41.651	13.040	62.810	30.993

According to OFFICIAL LETTER/CVM/SNC/SEP/02/2019, the Company adopted the requirements of CPC06 (R2) as accounting policy to measure and remeasure its right of use, using the discounted cash flow technique without considering inflation (actual flow discounted at nominal rate). Management assessed the use of nominal flows and concluded that they do not present relevant distortions in the information presented.

To preserve the reliable representation of the information in relation to the requirements of CPC06 (R2) and to meet the guidelines of the technical areas of CVM, the liability balances without inflation, effectively accounted for (real flow x nominal rate), and the estimate of the inflated balances in the comparison periods (nominal flow x nominal rate) are provided.

Other assumptions, such as the maturity schedule of liabilities and interest rates used in the calculation are disclosed in other items of this same note. The inflation rates are those observable in the market, so that nominal flows can be prepared by users of financial statements.

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Actual flow discounted at the nominal rate				
Lease liabilities	63.051	21.343	93.863	48.946
Adjustment for present value	(8.279)	(3.127)	(14.393)	(10.146)
	54.772	18.216	79.470	38.800
Nominal flow discounted at nominal rate				
Lease liabilities	64.770	21.128	95.002	48.229
Adjustment for present value	(9.856)	(2.450)	(14.457)	(8.157)
	54.914	18.678	80.545	40.072

Below we show the changes in leases:

	Parent Company	Consolidated
Balance on December 31, 2020	18.216	38.800
Additions	45.855	53.030
Interest incurred	2.804	4.231
Interest paid	(2.472)	(3.787)
Amortization	(9.631)	(12.804)
Balance on December 31, 2021	54.772	79.470

(i) The amount refers to the transfer of the lease contracts from the Parent Company to the subsidiary Senior Solution Consultoria em Informática Ltda.

25 NON-CASH TRANSACTIONS

Investing and financing transactions that do not involve the use of cash or cash equivalents are not included in the cash flow statements. The Company carried out the following non-cash investing and financing activities:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Recognition of lease assets	45.855	22.144	53.030	22.147
Recognition of lease liabilities	(45.855)	(22.144)	(53.030)	(22.147)
Installment retained in payment for the acquisition of investments	-	-	(60.379)	(18.375)
Assets acquired from business combination	233.826	-	233.826	42.875
Liabilities acquired from business combination	(233.826)	-	(233.826)	(42.875)

26 BUSINESS COMBINATION

In 2021, the acquisitions of Itaú Administração Previdenciária Ltda., Simply Sistemas S.A., Dendron Tecnologia S.A., Homie do Brasil Informática Ltda. ("Fepweb"), and Rosk Software S.A. ("QuiteJá") were concluded.

a) Itaú Administração Previdenciária Ltda.

On January 29, 2021, the Company concluded the acquisition of the full share capital of Itaú Administração Previdenciária Ltda. The transaction involved the initial amount of R\$33.620 in cash, disbursed on the acquisition date, and installments over time totaling R\$48.825 to be paid in five annual installments of R\$9.765.

The total amount of the transaction was R\$82.445.

a.1) Counterpart transferred:

Payment in cash	33.620
Term payment	48.825
Total	82.445

a.2) Assets and liabilities recognized at fair value on the acquisition date:

STATEMENT OF FINANCIAL POSITION OF THE ACQUIRED COMPANY

	01/29/2021		01/29/2021
Current assets		Current liabilities	
Cash and cash equivalents	3.203	Trade payables	257
Receivables	4.400	Tax liabilities	740
Taxes recoverable	1.901	Labor liabilities	3.050
Prepaid expenses	824	Other liabilities	103
Total current assets	10.328	Total current liabilities	4.150
Non-current assets		Non-current liabilities	

SINQIA S.A. E CONTROLADAS.
December 31, 2021
(In thousands of Reais, unless stated otherwise)

Deferred income and social contribution taxes	2.935		
Property, plant & equipment	82	Provisions for lawsuits	3.136
Intangible assets	76.272		
Total non-current assets	<u>79.289</u>	Total non-current liabilities	<u>3.136</u>
		Total shareholders' equity	82.331
Total assets	<u>89.617</u>	Total liabilities	<u>89.617</u>

a.3) Preliminary goodwill from acquisition

Estimated price	82.445
(-) Fair value of acquired assets:	
Software	(8.393)
Customer portfolio	(17.711)
(-) Net book equity at acquisition date	6.176
Goodwill from acquisitions	<u>50.165</u>

The following table shows the acquired intangible assets that were not initially recorded in the acquiree company's accounting books, as well as the estimated useful life and amortization method:

<u>Intangible assets</u>	<u>Value</u>	<u>Useful life</u>	<u>Amortization method</u>
Software	8.393	5 years	Linear
Customer portfolio	17.711	13 years	Linear

b) Simply Sistemas S.A.

On April 23, 2021, the Company concluded the acquisition of 100% of the share capital of Simply Sistemas S.A. The transaction included an initial cash payment, in the amount of R\$18.720, and R\$12.499 in shares, paid on the transaction date. Additionally, the Company will pay an estimated variable amount of R\$6.260, consisting of three installments limited to R\$2.200 each, subject to meeting consolidated gross annual revenue targets for Simply and Dendron (since they were owned by the same controller prior to the acquisition), calculated based on the 2021, 2022 and 2023 fiscal years.

Simply is a company that specializes in process automation, in particular the opening of digital accounts and the acquisition of financial products.

The total amount of the transaction was R\$37.479.

b.1) Counterpart transferred:

Payment in cash	18.720
Payment in shares	12.499
Variable installment	6.260
Total	<u>37.479</u>

a.2) Assets and liabilities recognized at fair value on the acquisition date:

STATEMENT OF FINANCIAL POSITION OF THE ACQUIRED COMPANY

	<u>04/23/2021</u>		<u>04/23/2021</u>
Current assets		Current liabilities	
Cash and cash equivalents	718	Trade payables	16
Receivables	596	Tax liabilities	517
Taxes recoverable	32	Labor liabilities	800
Other assets	466		
Total current assets	<u>1.812</u>	Total current liabilities	<u>1.333</u>
Non-current assets		Non-current liabilities	
Property, plant & equipment	65	Provisions for lawsuits	10.644
Intangible assets	49.036		
Total non-current assets	<u>49.101</u>	Total non-current liabilities	<u>10.644</u>
		Total shareholders' equity	38.934
Total assets	<u>50.913</u>	Total liabilities	<u>50.913</u>

b.3) Preliminary goodwill from acquisition

Estimated price	37.479
(-) Fair value of acquired assets:	
Software	(4.330)
Customer portfolio	(11.430)
(+) Fair value of acquired liabilities:	
Provisions for lawsuits	10.644
(-) Net book equity at acquisition date	(913)
Goodwill from acquisitions	<u>33.276</u>

The following table shows the acquired intangible assets that were not initially recorded in the acquiree company's accounting books, as well as the estimated useful life and amortization method:

<u>Intangible assets</u>	<u>Value</u>	<u>Useful life</u>	<u>Amortization method</u>
Software	4.330	10 years	Linear
Customer portfolio	11.430	8 years	Linear

c) Dendron Tecnologia S.A.

On April 23, 2021, the Company concluded the acquisition of 100% of the share capital of Dendron Tecnologia S.A. The transaction included an initial cash payment, in the amount of R\$15.267, and R\$10.226 in shares, paid on the transaction date. Additionally, the Company will pay an estimated variable amount of R\$5.294, consisting of three installments limited to R\$1.800 each, subject to meeting consolidated gross annual revenue targets for Simply and Dendron (since they were owned by the same controller prior to the acquisition), calculated based on the 2021, 2022 and 2023 fiscal years.

Dendron is a company that specializes in process automation, in particular the opening of digital accounts and the acquisition of financial products.

The total amount of the transaction was R\$30.787.

b.1) Counterpart transferred:

Payment in cash	15.267
Payment in shares	10.226
Variable installment	5.294
Total	<u>30.787</u>

a.2) Assets and liabilities recognized at fair value on the acquisition date:

STATEMENT OF FINANCIAL POSITION OF THE ACQUIRED COMPANY

	<u>04/23/2021</u>		<u>04/23/2021</u>
Current assets		Current liabilities	
Cash and cash equivalents	22	Trade payables	3
Other assets	452	Tax liabilities	39
		Labor liabilities	3
		Other liabilities	459
Total current assets	<u>474</u>	Total current liabilities	<u>504</u>
Non-current assets			
Property, plant & equipment	41		
Intangible assets	31.288		
Total non-current assets	<u>31.329</u>		
		Total shareholders' equity	31.299
Total assets	<u>31.803</u>	Total liabilities	<u>31.803</u>

c.3) Preliminary goodwill from acquisition

Estimated price	30.787
(-) Fair value of acquired assets:	
Software	(2.401)
Customer portfolio	(3.100)
(-) Net book equity at acquisition date	(501)
Goodwill from acquisitions	<u>25.787</u>

The following table shows the acquired intangible assets that were not initially recorded in the acquiree company's accounting books, as well as the estimated useful life and amortization method:

<u>Intangible assets</u>	<u>Value</u>	<u>Useful life</u>	<u>Amortization method</u>
Software	2.401	5 years	Linear
Customer portfolio	3.100	9 years	Linear

d) Homie do Brasil Informática Ltda.

On April 08, 2021, the Company concluded the acquisition of 60% of the share capital of Homie do Brasil Informática Ltda. ("Fepweb"). The transaction included an initial cash payment, in the amount of R\$23.400, R\$15.868 in shares and a variable installment estimated at R\$1.285.

Fepweb is a benchmark in solutions for formalizing digital transactions.

The total amount of the transaction was R\$40.553.

d.1) Counterpart transferred:

Payment in cash	23.400
Payment in shares	15.868
Variable installment	1.285
Total	<u>40.553</u>

a.2) Assets and liabilities recognized at fair value on the acquisition date:

STATEMENT OF FINANCIAL POSITION OF THE ACQUIRED COMPANY

	<u>04/08/2021</u>		<u>04/08/2021</u>
Current assets		Current liabilities	
Cash and cash equivalents	308	Trade payables	59
Receivables	534	Tax liabilities	336
Taxes recoverable	4	Labor liabilities	582
Prepaid expenses	1	Other liabilities	45
Total current assets	<u>847</u>	Total current liabilities	<u>1.022</u>
Non-current assets		Non-current liabilities	

SINQIA S.A. E CONTROLADAS.
December 31, 2021
(In thousands of Reais, unless stated otherwise)

Property, plant & equipment	84	Provisions for lawsuits	4.218
Intangible assets	53.816		
Total non-current assets	<u>53.900</u>	Total non-current liabilities	<u>4.218</u>
		Total shareholders' equity	49.507
Total assets	<u>54.747</u>	Total liabilities	<u>54.747</u>

d.3) Preliminary goodwill from acquisition

Estimated price	40.553
(-) Fair value of acquired assets:	
Software	(6.075)
Customer portfolio	(10.230)
(+) Fair value of acquired liabilities:	
Provisions for lawsuits	2.531
(-) Net book equity at acquisition date	138
Goodwill from acquisitions	<u>26.641</u>

The following table shows the acquired intangible assets that were not initially recorded in the acquiree company's accounting books, as well as the estimated useful life and amortization method:

<u>Intangible assets</u>	<u>Value</u>	<u>Useful life</u>	<u>Amortization method</u>
Software	6.075	5 years	Linear
Customer portfolio	10.230	9 years	Linear

e) Rosk Software S.A.

On October 22, 2021, the Company concluded the acquisition of 51% of the share capital of Rosk Software S.A. ("QuiteJá"). The transaction included an initial cash payment, in the amount of R\$19.125, and R\$17.516 in shares.

QuiteJá specializes in third-party credit recovery by using high levels of digitalization, recovering large volumes of credit in a fully digital way, with a contact team of highly humanized professionals.

The total amount of the transaction was R\$36.641.

e.1) Counterpart transferred:

Payment in cash	19.125
Payment in shares	17.516
Total	<u>36.641</u>

e.2) Assets and liabilities recognized at fair value on the acquisition date:

STATEMENT OF FINANCIAL POSITION OF THE ACQUIRED COMPANY

	<u>10/22/2021</u>		<u>10/22/2021</u>
Current assets		Current liabilities	
Cash and cash equivalents	2.679	Trade payables	1
Receivables	540	Tax liabilities	132
Taxes recoverable	67	Labor liabilities	601
Prepaid expenses	21	Other liabilities	-
Total current assets	<u>3.307</u>	Total current liabilities	<u>734</u>
Non-current assets		Non-current liabilities	
Property, plant & equipment	253	Provisions for lawsuits	7.980
Intangible assets	52.606		
Total non-current assets	<u>52.859</u>	Total non-current liabilities	<u>7.980</u>
		Total shareholders' equity	47.452
Total assets	<u>56.166</u>	Total liabilities	<u>56.166</u>

e.3) Preliminary goodwill from acquisition

Estimated price	36.641
(-) Fair value of acquired assets:	
Software	(4.626)
Customer portfolio	(1.515)
Brand	(7.740)
(+) Fair value of acquired liabilities:	
Provisions for lawsuits	4.069
(-) Net book equity at acquisition date	(2.976)
Goodwill from acquisitions	<u>23.853</u>

The following table shows the acquired intangible assets that were not initially recorded in the acquiree company's accounting books, as well as the estimated useful life and amortization method:

<u>Intangible assets</u>	<u>Value</u>	<u>Useful life</u>	<u>Amortization method</u>
Software	(4.626)	5 years	Linear
Customer portfolio	(1.515)	1 year	Linear
Brand	(7.740)	7,5 years	Linear

a) Acquisition of Newcon

On December 22, 2021, the Company announced its subsidiary Sinqia Tecnologia Ltda. ("Sinqia Tecnologia") signed an agreement to acquire 100% of the share capital of Newcon Software S.A. and Newcon Tecnologia e Serviços Ltda. (jointly as "NewCon").

The transaction price will be R\$ 422.500, with a cash installment the remaining amount payable in five annual installments. The signature of the transaction documents was authorized by the Company's Board of Directors and competent governing authorities of Sinqia Tecnologia. The transaction was concluded in January 2022.

NewCon has a net worth of R\$18,949 which, during the price allocation process, should result in the recognition of assets and goodwill from the acquisition at a fair value of approximately R\$403.551.

b) Acquisition of Lote45

On February 18, 2022, the Company announced its subsidiary Sinqia Tecnologia Ltda. ("Sinqia Tecnologia") signed an agreement to acquire 52% of the share capital of Lote45 Participações S.A. ("Lote45").

The transaction price will consist of a cash installment of R\$79.500 and an additional future installment conditioned to net revenue for the 2022 fiscal year. The signature of the transaction documents was authorized by the Company's Board of Directors and competent governing authorities. Transaction was concluded in February 2022.

Lote45 has a net worth of R\$13.747 which, during the price allocation process, should result in the recognition of assets and goodwill from the acquisition at a fair value of approximately R\$66.466.

c) Acquisition of Mercer Seguridade

On July 27, 2021, the Company announced it signed an agreement to acquire 100% of the share capital of Mercer Seguridade ("Mercer Seguridade").

The acquisition price will be up to R\$35.0 million, composed of: (i) a cash installment of up to R\$28.000, to be paid on the closing date, and (ii) an installment of up to R\$7.000, to be paid in 5 annual installments of up to R\$1.400 each, with the first installment due on the first anniversary after the closing date. The signature of the transaction documents was authorized by the Company's Board of Directors and competent governing authorities. Transaction was concluded in February 2022.

Mercer Seguridade has a net worth of R\$2.159 which, during the price allocation process, should result in the recognition of assets and goodwill from the acquisition at a fair value of approximately R\$32.840.

d) Investment on Data Rudder

In February 2022, we invested through Torq Ventures, in Data Rudder, a startup focused on guiding customers in data-based decision making. The contribution, made exclusively by the program, was BRL 3,100 million and the funds will be used to develop a new product, resulting from a successful proof of concept carried out by Data Rudder and Simply with a client. Sinqia's objectives in this investment are (i) to strengthen the product portfolio of the Sinqia Digital unit, (ii) to explore commercial synergies, distributing Data Rudder's solutions to its customer base and vice versa, and (iii) to explore technical synergies, facilitating the dissemination of AML technologies in the financial sector.

Section F – Accounting policies

28 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The main accounting policies applied in the preparation of these financial statements are defined below. These policies have been applied consistently in the years presented, except if stated otherwise.

28.1 CONSOLIDATION

The subsidiaries are all the companies in which the Company has control over. Sinqia S.A. controls an entity when it is exposed or entitled to variable returns arising from its involvement with the entity and has the ability to interfere in those returns due to the power it exercises over the entity. The subsidiaries are fully consolidated from the date on which the control is transferred to the Company. Consolidation is interrupted from the date on which the Company ceases to have control.

Identifiable assets acquired and contingent liabilities assumed in the acquisition of subsidiaries in a business combination are initially measured at fair values on the acquisition date.

The Company recognizes the interest in the acquiree, both at fair value and at the proportionate share of the interest in the acquiree's net assets. The measurement of the interest is determined at each acquisition made. Acquisition costs are accounted for as incurred.

Transactions, balances and unrealized gains on inter-company transactions are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are changed, when necessary, to ensure consistency with the policies adopted by Sinqia S.A.

28.2 CONVERSION INTO FOREIGN CURRENCY

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The individual and consolidated financial statements are presented in R\$ (Brazilian Reais), which is the Company's functional and presentation currency.

28.3 ADJUSTMENT TO PRESENT VALUE

Long-term and short-term monetary assets and liabilities, when the effect is considered material in relation to the financial statements as a whole, are adjusted to their present value. Present value adjustment is calculated by using contractual cash flows and explicit interest rates, and implicit rates in certain situations, of the respective assets and liabilities. Thus, the interest embedded in the revenues, expenses, and costs associated with these assets and liabilities are discounted in order to recognize them on an accrual basis. These interests are reallocated to financial income and expenses in profit or loss using the effective interest rate method concerning the contractual cash flows. The implicit interest rates applied were determined on the basis of assumptions and are considered accounting estimates.

The main accounts subject to present value adjustments are: leasing and obligations for the acquisition of investments (both in the short and long term).

28.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits and other short-term highly liquid investments with insignificant risk of change in value and that are readily convertible to a known amount of cash.

28.5 FINANCIAL INSTRUMENTS

28.5.1 CLASSIFICATION

Financial instruments are classification in the following categories: (i) amortized cost: (ii) fair value through profit or loss and (iii) fair value through comprehensive income.

Financial assets are presented as current assets, except for those with maturities greater than 12 months after the balance sheet date.

28.5.2 RECOGNITION AND MEASUREMENT

Purchases and sales of financial assets are normally recognized on the trade date. Investments are initially recognized at fair value plus transaction costs for all financial assets not classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to the income statement. Financial assets are written off when the rights to receive cash flows have expired or have been transferred; in the latter case, provided that the Company has significantly transferred all risks and rewards of ownership. Financial assets measured at fair value through profit or loss are subsequently carried at fair value and loans and receivables are carried at amortized cost using the effective interest rate method.

Dividends on financial assets measured at fair value through profit or loss, such as shares, are recognized in the income statement as part of other revenues when the Company's right to receive dividends is established.

28.5.3 COMPENSATION OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle them on a net basis or realize the asset and settle the liability simultaneously. The legal right should not be contingent on future events and should apply in the normal course of business and in the event of default, insolvency or bankruptcy of the company or counterpart.

28.5.4 IMPAIRMENT OF FINANCIAL ASSETS

Assets measured at the amortized cost

The Company assesses, on each balance sheet date, if there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment arising from one or more events that occurred after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate. The book value of the asset is reduced and the amount of the loss is recognized in the income statement. If a held-to-maturity asset has a variable interest rate, the discount rate for measuring an impairment loss is the current effective interest rate determined according to the contract. As a practical expedient, the Company can measure the impairment based on the fair value of an instrument using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be

objectively related to an event that occurred after the impairment was recognized (such as an improvement in the debtor's credit rating) and the reversal of this previously recognized loss will be recognized in the income statement.

28.6 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE OPERATIONS

Initially, and if applicable, derivatives are recognized at fair value on the date a derivative contract is signed and are subsequently remeasured to their fair value with changes in fair value charged against income.

The Company did not hire derivative financial instruments in the fiscal year.

28.7 ACCOUNTS RECEIVABLE

Trade accounts receivable correspond to amounts receivable from customers for software licensing, IT services and consulting in the normal course of the Company's activities. If the term of receipt is equivalent to one year or less, the receivables are classified as current assets. Otherwise, they are presented in non-current assets.

Trade accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method minus the allowance for doubtful accounts.

The amount of the provision is the difference between the book value and the recoverable value. To calculate the recoverable amount, the Company performs an individual analysis of the outstanding invoices on a monthly basis. Some characteristics are analyzed and signal the need for provisioning.

The Company registers an estimated loss on doubtful receivables for all invoices identified in the individual analysis that have factors that justify the provisioning for the recoverable amount.

28.8 INVESTMENTS

The Company's investments in its subsidiaries are valued based on the equity method, pursuant to CPC 18-R1 (IAS 28), for the purposes of the Parent Company's financial statements.

Based on the equity accounting method, investments in subsidiaries are accounted for in the Parent Company's balance sheet, plus changes after shareholding acquisition in the affiliate. Goodwill related to the subsidiary is included in the investments' book value, which is not amortized. Given that goodwill based on future profitability is part of the carrying amount of the investment in the subsidiary, it is not recognized separately and its recoverable amount is tested considering the cash-generating unit to which it belongs.

The equity interest in the subsidiary is presented in the Parent Company's income statement as equity accounting, representing the result attributable to the shareholders.

When necessary, adjustments are made so that the accounting policies are in accordance with those adopted by the Company.

After applying the equity method for Parent Company financial statement purposes, the Company determines if it is necessary to recognize additional impairment loss on the investment in its affiliate. At each reporting date, the Company determines whether there is clear evidence that its investments in subsidiaries have been impaired. If so, the Company calculates the impairment amount as the difference between the subsidiary's recoverable value and its book value and recognizes the amount in the Parent Company's income statement.

28.9 INTANGIBLE ASSETS

Refers to trademarks and patents, acquired software, new product development costs and expenses, goodwill, customer portfolio value and other intangibles arising from acquisitions of companies. Separately acquired intangible assets are measured on initial recognition at cost and subsequently reduced by accumulated amortization and impairment losses, where applicable. The goodwill generated on the acquisition of investments is not amortized, but tested annually for impairment.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with definite lifespan are amortized throughout their economic lifespan and tested for impairment whenever there is evidence of loss of its economic value. The fiscal year and amortization method for a finite-lived intangible asset are reviewed, at a minimum, at the end of each fiscal year. Changes in the useful life or consumption pattern of expected future benefits are accounted for through the change in the fiscal year or amortization method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful life are not amortized but rather annually tested for impairment. The indefinite life valuation is reviewed at the end of each fiscal year to determine if this valuation continues to be justified. Otherwise, changes in the useful life, from undefined to finite, are conducted prospectively.

Gains or losses resulting from the write-off of an intangible asset are measured as the difference between the net sales proceeds and the carrying amount of the asset and recognized in the income statement in the fiscal year in which the asset is written off.

a) Goodwill

Goodwill is calculated on the acquisition or subscription of share capital in another company, represented by the amount of the acquisition cost of the investment that exceeds the equity value, calculated from the percentage of acquisition or subscription on the company's equity valued at fair value (market value) for all its assets and liabilities. In this process of determining the equity value, the eventual existence of unaccounted assets that have fair value are individualized and can still be negotiated individually.

According to CVM Resolution 553 of November 12, 2008, which approves Technical Pronouncement CPC 04 from the Accounting Pronouncements Committee, which deals with Intangible Assets, as of January 1, 2009, the Company stopped amortizing goodwill arising from acquired investments. Since some of this goodwill continues to be amortized for tax purposes, the corresponding deferred tax effects have been recognized on the portion of amortization that is excluded for tax purposes. Goodwill is tested annually for impairment.

b) Software

Expenditures associated with the development or maintenance of software are recognized as expenses as they are incurred. Expenditure directly associated with identifiable and unique software, controlled by the Company and which will probably generate economic benefits greater than costs for more than one year, are recognized as intangible assets. Direct expenditures include the compensation of employees of the software development team and the appropriate portion of related overhead expenses.

Expenditure for the development of software recognized as assets are amortized using the straight-line method over their useful lives, at the rates shown in Note 11.

c) Customer portfolio

Customer portfolios, acquired in a business combination, are recognized at fair value on the acquisition date. Contractual relationships with customer have finite useful lives and are carried at cost minus accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationship.

d) Trademarks and licenses

Separately acquired trademarks and licenses are initially recorded at their historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value on the acquisition date. Subsequently, trademarks and licenses, valued with a defined useful life, are recorded at their cost minus accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful life.

28.10 PROPERTY, PLANT & EQUIPMENT

Recorded at historical cost of acquisition, formation or development, less accumulated depreciation. Depreciation is calculated on a straight-line basis at the rates mentioned in Note 10. Property, plant and equipment are recorded at their gross value of credits from the Tax on the Circulation of Goods and Services ("ICMS"), the Social Integration Program ("PIS") and the Contribution for Social Security Financing ("COFINS"), since the Company does not use these taxes as tax credits.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be measured reliably. The book value of the replaced items or parts is written off. All other repairs and maintenance are charged against the income statement as incurred.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at the end of each fiscal period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses from disposals are determined by comparing the proceeds with the carrying amount and are recognized under "Other net operating income (expenses)" in the income statement.

28.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

Management carries out annually reviews on the net book value of non-financial assets in order to evaluate events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. If such evidence is identified, and the net book value exceeds the recoverable value, a provision for devaluation is made, adjusting the net book value to the recoverable amount.

The recoverable amount of an asset or a particular cash-generating unit is defined as the higher of value in use and net sales value.

In the estimate of the asset's value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates.

28.12 SUPPLIERS

Accounts payable to suppliers are obligations payable for goods or services that have been purchased from suppliers in the normal course of business, and are classified as current liabilities if payment is due within one year (or the normal business operating cycle, even if longer). Otherwise, the accounts payable are presented as non-current liabilities.

The amounts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the value of the corresponding invoice.

28.13 LOANS AND FINANCING

Loans are initially recognized at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the funds raised (net of transaction costs) and the total amount payable is recognized in the income statement over the term of the loans using the effective interest rate method.

Loans and financings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

28.14 PROVISIONS

Provisions for legal claims (labor, civil and tax) are recognized when: (i) the Company has a present or unformed obligation arising from events that have already occurred; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated. Provisions for restructuring includes fines for termination of rental contracts and payments for termination of employment contracts.

When there many similar obligations, the probability of settling them is determined by taking into account the class of obligations as a whole. A provision is recognized even if the likelihood of settlement related to any individual item included in the same class of liabilities is small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation as a result of the passage of time is recognized as a financial expense.

28.15 CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution expenses represents the sum of current and deferred taxes. Income taxes are recognized in current income, except to the extent that they relate to items recognized directly in shareholders' equity or comprehensive income. In this case, the tax is also recognized in shareholders' equity or comprehensive income.

Charges on current and deferred income and social contribution taxes are calculated based on tax laws that have been enacted, or substantially enacted, by the balance sheet date. Management periodically evaluates the positions taken by the Company in income tax returns with respect to situations where the applicable tax regulations are open to interpretation.

Deferred income tax and social contribution are recognized using the liability method on temporary differences arising from differences between the asset and liability tax bases and their carrying amounts in the financial statements. However, deferred income and social contribution taxes are not accounted for if they result from the initial recognition of an asset or liability in a transaction other than

a business combination which, at the time of the transaction, affects neither the accounting profit nor the taxable profit (tax loss).

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are shown net in the balance sheet when there is a legal right and intention to offset them against current taxes, generally when related to the same legal entity and the same tax authority.

28.16 BENEFITS TO EMPLOYEES

a) Share-based compensation

According to CPC10 - Share Based Payments, the premium for these shares, calculated on the authorization date, is recognized as an expense against shareholders' equity, during the waiting period as the services are provided.

b) Profit sharing

The Company recognizes a liability and an expense for profit sharing on an accrual basis, in accordance with the Company's compensation policy.

28.17 SHARE CAPITAL

The shares are classified in shareholders' equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the amount raised, net of tax.

28.18 REVENUE FROM CONTRACTS WITH CUSTOMERS

A service contract with customers is defined as an agreement between two or more parties that creates enforceable rights and obligations, and may be written, verbal, or implied.

Revenue is recognized as the Company satisfies the performance obligations, in transferring the service agreed upon with the customer. A service is considered transferred when the customer obtains control of it. For long contracts, the Company obtains formal evidence of the customer's acceptance of the service.

Revenue from customer services is measured at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those products or services.

28.19 DISTRIBUTION OF DIVIDENDS AND INTEREST ON EQUITY

The distribution of dividends and interest on equity to the Company's shareholders is recognized as a liability in the Company's financial statements at the time they are approved by the Annual Shareholders' Meeting, based on the Company's bylaws or authorized by the Board of Directors.

28.20 LEASES

At the commencement date of a lease, the Company recognizes the lease liabilities according to the present value of the payments to be made during the lease term and right-of-use assets that represent the right to use the underlying assets.

Right-of-use assets are measured at cost, minus any accumulated depreciation and impairment losses, and are adjusted for any new remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis, over the shortest period between the lease term and the estimated useful life of the assets, and are also subject to impairment.

The Company recognizes the lease liabilities measured by the present value of the payments to be made during the lease term. Lease payments include fixed payments minus any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

When calculating the present value of lease payments, the Company uses its incremental borrowing rate at the commencement date since the implicit interest rate for the lease is not easy to determine. After the commencement date, the amount of the lease liability is increased to reflect accrued interest and exclude the lease payments already made. In addition, the carrying amount of lease liabilities is remeasured whenever there is a modification, a change in lease term, a change in lease payments (such as changes in future payments resulting from an alteration in index or rate used to determine such lease payments), or a change in the valuation of an option to purchase the underlying asset.

28.21 EARNINGS PER SHARE

The calculation of basic earnings per share is made by dividing the profit for the period, attributed to the owners of the parent, by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are calculated by dividing net income attributed to the holders of common shares of the Parent Company, by the weighted average number of outstanding common shares during the period, plus the weighted average number of common shares that would be issued in the conversion of all potential common shares diluted into common shares.

28.22 SECURITIES

The Company maintains in the securities account several financial assets, including financial investments held as collateral, investments in preferred shares of Cellcoin Pagamentos S.A., equity investment funds and convertible notes.

Financial assets are measured at fair value through profit or loss and are presented in the balance sheet at fair value, with net changes in fair value recognized in the income statement.