



T4f

TIME FOR FUN

T4F Entretenimento S.A.

1Q21 Earnings Release

T4F Entretenimento S.A.
B3: SHOW3

Closing on March 31st, 2021: R\$3.50

1Q21 Average Volume: 620 thousand (1.78% of the free float)

Market Cap on March 31st, 2021: R\$235.9 million

Earnings Presentation through webcast
<http://ri.t4f.com.br/>

Date: May 14th, 2021

English
02:00 p.m. (US ET) | 03:00 p.m. (BR)

Portuguese
01:00 p.m. (US ET) | 02:00 p.m. (BR)

SHOW
B3 LISTED NM

Sao Paulo, May 13th, 2021 – T4F Entretenimento S.A. (“T4F” or “Company”) (B3: SHOW3), leading live entertainment company in South America, announces the revised results for the first quarter of 2021 (1Q21). The financial and operational information herein were prepared according to International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil.

1Q21 Highlights

- Gross cash balance of R\$205.0 million and net cash balance of R\$74.1 million in 1Q21, an increase of R\$3.1 million and R\$16.6 million compared to 4Q20, respectively;
- 34% reduction in recurring expenses between 1Q21 and 1Q20;
- End of the operation of our concert hall in São Paulo;
- Cancellation of two shows by Taylor Swift in Brazil;
- Postponement of Lollapalooza to March 2022;
- Reissuance of Law No. 14,046/20, which establishes the conversion of the value tickets related to postponed and canceled events into credits for use until December 31st, 2022.

Financial Indicators (R\$ million)	1Q20	1Q21	Chg. %
Net Revenue	32,5	2,7	-92%
Events Promotion	6,5	0,3	-95%
Live Music	5,8	0,3	-94%
Family Events and Theater	0,1	-	-100%
Sports Events	0,6	-	-100%
Ticketing, F&B and Venues Operation	11,8	2,3	-81%
Sponsorship	14,2	0,1	-99%
Events Promotion	11,8	0,1	-99%
Ticketing, F&B and Venues Operation	2,4	-	-100%
Cost	(26,4)	(3,0)	89%
Gross Profit	6,1	(0,3)	-105%
Gross Margin (%)	18,7%	-10,3%	-29,0 p.p.
SG&A	(16,5)	(9,8)	41%
(-) Other results with investments	-	-	-
(-) Depreciation	5,4	(2,2)	-141%
EBITDA	(5,1)	(12,2)	-142%
EBITDA Margin (%)	-15,6%	-455,4%	-439,8 p.p.
Adjusted EBITDA (excl. non-recurring effects) ⁽¹⁾	(5,1)	(12,1)	-139%
Adjusted EBITDA Margin (excl. non-recurring effects) ⁽¹⁾	-15,6%	-449,6%	-434,0 p.p.
Financial Result	(3,6)	(2,1)	43%
Income Tax And Social Contribution	(0,1)	0,6	715%
Net Result	(14,1)	(11,5)	18%
Net Margin (%)	-43,4%	-428,8%	-385,4 p.p.
Net Financial Result (excl. non-recurring effects) ⁽¹⁾	(14,1)	(14,4)	-2%
Net Margin (excl. non-recurring effects) ⁽¹⁾	-43,4%	-535,8%	-492,4 p.p.
Operational Indicators	1Q20	1Q21	Chg. %
Events Promoted	11	-	-100%
Tickets Sold (000)	37	-	-100%
Average Ticket Price (R\$)	169	-	-100%

⁽¹⁾ Non-recurring effects recorded in 1Q21: (i) positive result of R\$0.5 million related to contingency agreements, convictions and provisions, with R\$2.3 million positive accounted in “General and Administrative Expenses” and negative R\$1.8 million in “Financial Expenses”; (ii) a negative result of R\$2.5 million referring to the write-off of assets related to the end of the operation of the concert hall in São Paulo, of which R\$1.5 million was recorded in “Other Operating Expenses” due to the write-off of fixed assets, and R\$1.0 million in “General and Administrative Expenses” due to the write-off of accounts receivable, and; (iii) a positive result of R\$5.1 million recorded in “Depreciations” referring to the write-off of lease liabilities related to the property rental agreement, partially discounted by R\$0.2 million related to financial expenses linked to the termination of the contract.

Message from the Management

March marked one year since the beginning of the restrictions imposed to reduce the impact of the COVID-19 pandemic in the markets we operate. Despite this sad mark, the mood at the Company is optimistic about the resumption. In addition to the positive signs observed in our industry, we have seen several reports from Brazil and other countries talking about the strong resumption of the sectors most affected by the pandemic, given the advance of vaccination. In this context, there are companies that have suffered the most from the pandemic, such as airlines, tourism, hospitality, and especially entertainment.

We see an important potential to unlock in our operation, based on five pillars. The first pillar is our cash position. Although we have been prevented from promoting outdoor events for more than a year, the Company has preserved its cash balance, which grew R\$3.1 million gross and R\$16.6 million net this quarter related to the observed at the end of 2020, representing an important liquidity cushion to face the crisis, positioning ourselves comfortably in face to our competitors.

This result comes from the focus on spending control, second pillar on which we rely. We promptly reduced the number of employees in Brazil almost in half immediately after the first impacts and, in this moment of pandemic worsening, we have made an additional 36% reduction in the number of employees in 1Q21. A similar movement was carried out in Argentina, where we implemented a Voluntary Dismissal Plan, reducing the number of local employees by 25%.

Additionally, last year, we ceased the operations of our venues in Belo Horizonte and Rio de Janeiro, and in March we closed the operation of our concert hall in São Paulo. The results of this venue have been under pressure in recent years by the rise of the dollar and the rental price, that became our main fixed cost. The result of these movements, combined with the detailed review of all contracts with suppliers, represented a continuous reduction in SG&A, quarter by quarter, since the beginning of 2020, evidenced by the 38% reduction in this quarter when compared to the same period last year.

More recently, with the best prospects for the economic recovery, and a consequent increase in risk appetite due to liquidity excess, we observe a greater flow of investments in developing markets, which has led to an appreciation of currencies from emerging countries, such as Brazil, in relation to the dollar. This appreciation of the Real directly benefits our business, which main costs are made international talent fees, that are directly linked to the US currency, which makes up our third pillar.

The fourth pillar on which we sustain our growth prospects is the advance of vaccination, which, despite the slow pace, should gain traction on the second half of this year as manufacturers expand their production capacities, including national production of vaccines. Also, an excess of shots in developed countries could be available to underdeveloped markets.

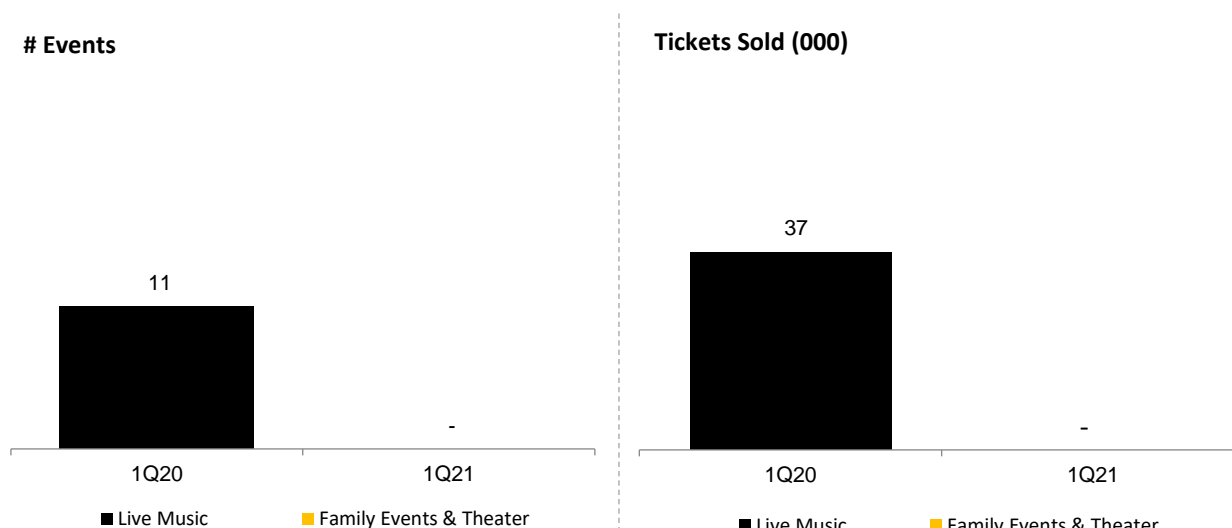
We continue monitoring the pandemic evolution and we hope that, given the advance of immunization, following what is happening in countries such as the United States and the United Kingdom, we expect the restrictions to be gradually lifted and we can promote our major events again. In these countries, a series of festivals and tours with dates from the third quarter of this year have already been put on sale, with tickets sold out quickly, which demonstrates the strength of the pent-up demand for live entertainment and makes up our fifth and final pillar.

Even with these positive perspectives, in view of the slower rate of vaccination in the country, we understand that it was prudent to postpone Lollapalooza again, which will be held in March 2022, with the proper safety to our team, artists and public. Driven by the observation of the great pent-up demand, we have been working to make this edition compensate all the waiting of the fans, thus marking the resumption of the great festivals.

Fernando Alterio
CEO

Comments on the Consolidated Financial Performance

Operating Indicators



Due to the maintenance of restrictions imposed to our sector to contain the impacts of the COVID-19 pandemic, we did not promote any Live Music events in the quarter.

The first quarter of 2020 was the last quarter in which we could promote our events, until the imposition of restrictions in March of that year. Thus, we had 11 performances in Live Music, with 37 thousand tickets sold. There was no promotion of Family and Theater events in the period.

Net Revenue

Net Revenue (R\$ million)	1Q20	1Q21	Chg. %
Events Promotion	6,5	0,3	-95%
Live Music	5,8	0,3	-94%
Family Events and Theater	0,1	-	-100%
Sports Events	0,6	-	-100%
Ticketing, F&B and Venues Operation	11,8	2,3	-81%
Sponsorship	14,2	0,1	-99%
Events Promotion	11,8	0,1	-99%
Ticketing, F&B and Venues Operation	2,4	-	-100%
TOTAL	32,5	2,7	-92%
Events Promoted	11	-	-100%
Tickets Sold (000)	37	-	-100%
Average Ticket Price (R\$)	169	-	-100%

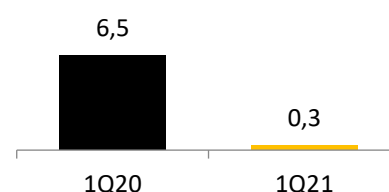
As previously explained, due to the impossibility of promoting our content, we had a 92% reduction in net revenue in 1Q21 when compared to 1Q20.

Although we did not promote events during 1Q21, we recorded R\$0.3 million in net revenue related to participation in events held at our venue in Buenos Aires, which operated during the first quarter with a capacity limited to 1,000 people. When compared to 1Q20, the last quarter in which we promoted events, we recorded a 95% drop in net revenue.

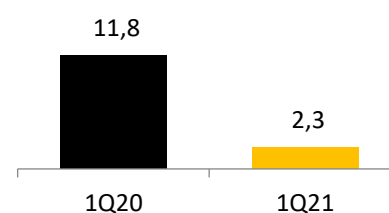
Net revenue from box office F&B and venues operations decreased 81% in 1Q21 when compared to 1Q20, reaching R\$2.3 million, against R\$11.8 million last year, also a result of restrictions imposed on the culture and entertainment sectors. 1Q21 revenue comprises R\$0.5 million from ticket sales to adjacent markets through INTI, R\$1.3 million from ticket sales for 13 streaming events and 399 third-party events held in Argentina, and R\$0.5 million for the rental of production structures in Chile.

Net sponsorship revenue was R\$0.1 million in 1Q21, down 99% from 1Q20, since during the pandemic we suspended the recognition of sponsorships. In 1Q21, we had revenue from sponsoring streaming shows in Argentina.

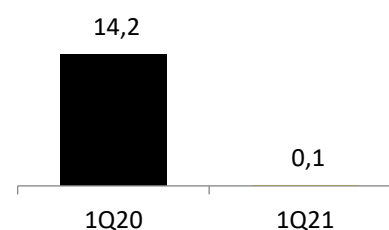
Events Promotion R\$ mn



Ticketing, F&B and Venues R\$ mn



Sponsorship R\$ mn



Gross Profit

Gross Profit (R\$ million)	1Q20	1Q21	Chg. %
Net Revenue	32,5	2,7	-92%
Cost	(26,4)	(3,0)	89%
Events Promotion	(6,2)	0,6	109%
Ticketing, F&B and Venues Operation	(1,9)	(1,4)	25%
Sponsorship	14,2	0,1	-99%
Gross Result	6,1	(0,3)	-105%
<i>Gross Margin (%)</i>	<i>18,7%</i>	<i>-10,3%</i>	<i>-29,0 p.p.</i>

Gross profit in 1Q21 was negative by R\$0.8 million versus positive R\$6.1 million in 1Q20. The fixed cost of maintaining venues and offshore operations with the lowest revenue due to the restrictions imposed to contain the pandemic are the main reasons for the recording of negative gross profit in the quarter.

The 1Q21 costs have a positive R\$5.1 million referring to the write-off of the lease liabilities linked to the rental contract for the venue in São Paulo, which operation was ceased in March.

Operating Expenses

SG&A (R\$ million)	1Q20	1Q21	Chg. %
Sales	(0,5)	(0,3)	47%
General and Administrative	(13,3)	(8,8)	34%
Management Compensation	(2,3)	(1,5)	35%
SG&A	(16,2)	(10,6)	34%
Other Operating Revenues (Expenses)	(0,3)	0,8	351%
Total	(16,5)	(9,8)	41%
<i>% Total/Net Revenue</i>	<i>50,8%</i>	<i>363,1%</i>	<i>312,3 p.p.</i>

SG&A in 1Q21 decreased by 34% versus 1Q20 as a result of the Company's focus on containing expenses, with the timely adoption of actions, such as: (i) 45% reduction in the number of employees in Brazil immediately after the decree of public calamity and an additional 36% decrease in the remaining structure in 1Q21; (ii) implementation of a Voluntary Dismissal Plan in Argentina in February 2021, given the prohibition on firing in the country, reducing the local structure by 25%; and (iii) renegotiation of all service contracts, resulting in their reduction, cancellation or suspension.

Total Other operating income (expenses) reached R\$0.8 million positive in 1Q21, due to: (i) the positive result of provisions for contingencies and the results of lawsuits, in the amount of R\$2.3 million, mainly due to the difference between labor agreements celebrated mainly in Rio de Janeiro and their corresponding provisions, constituted in a larger amount; and (ii) the write-off of fixed assets related to the closing of the venue in São Paulo, in the negative amount of R\$1.5 million.

EBITDA and Adjusted EBITDA

EBITDA Reconciliation (R\$ million)	1Q20	1Q21	Chg. %
Net Result	(14,1)	(11,5)	18%
(+) Income Tax and Social Contribution	0,1	(0,6)	-715%
(+) Net Financial Result	3,6	2,1	-43%
(+) Depreciation	5,4	(2,2)	-141%
=EBITDA	(5,1)	(12,2)	-142%
<i>EBITDA Margin (%)</i>	<i>-15,6%</i>	<i>-455,4%</i>	<i>-439,8 p.p.</i>
(+) Provision of contingencies	-	(2,3)	n.a.
(+) Write-offs related to the venue in São Paulo	-	2,5	n.a.
Adjusted EBITDA (excl. non-recurring effects)	(5,1)	(12,1)	-139%
<i>Adjusted EBITDA Margin (%) (excl. non-recurring effects)</i>	<i>-15,6%</i>	<i>-449,6%</i>	<i>-434,0 p.p.</i>

The 1Q21 EBITDA was negative by R\$12.2 million in the official view and R\$12.1 million in the adjusted one, versus negative EBITDA of R\$5.1 million in both views in 1Q20. In the adjusted view, the following effects are excluded (i) the result contingencies, in the positive amount of R\$2.3 million, as well as (ii) the result of the write-off of assets referring to the venue in São Paulo, in the total amount of R\$2.5 million, of which R\$1.5 million is fixed assets, and R\$1.0 million of accounts receivable.

However, the EBITDA recorded in this quarter is the best since 1Q20, the last period in which the Company could promote events, reflecting the actions implemented in the period to mitigate the effects of the pandemic on our business.

Financial Result

Financial Result (R\$ million)	1Q20	1Q21	Chg. %
Financial Income	1,2	1,0	-20%
Interest Income	0,6	0,0	-98%
Income over Financial Investments	0,5	1,0	76%
Others	0,0	0,0	-96%
Financial Expenses	(5,2)	(3,7)	29%
Interest Cost	(0,1)	(0,1)	36%
Interests with Borrowings - Debentures	(1,7)	(1,6)	9%
Tax on Financial Transactions	(0,3)	(0,1)	52%
Others	(3,1)	(1,9)	37%
Financial Income - Financial Expenses	(4,0)	(2,7)	31%
Exchange and Monetary Variations	0,4	0,7	65%
Exchange Variation	2,2	3,5	54%
Monetary Variation	(0,6)	(1,5)	-136%
Hiperinflation Variation	(1,2)	(1,3)	-6%
Net Financial Result	(3,6)	(2,1)	43%

In 1Q21, the net financial result was negative by R\$2.1 million, 43% better than the result recorded in 1Q20, negative by R\$3.6 million. This improvement is mainly due to:

- (i) Interest on debentures lower by R\$0.1 million, due to the reduction in the Brazilian basic interest rate, from 3.75% p.a. at the end of 1Q20 to 2.75% p.a. at the end of 1Q21, partially offset by the increase in its surcharge of 1.48 p.p. with the re-profiling of the debentures in November 2020.
- (ii) Smaller interest on right of use by R\$0.5 million due to the end of the operations of the venues in Rio de Janeiro and Belo Horizonte.
- (iii) Lower amount of negative earnings from financial investments and fines by R\$0.6 million, having been R\$1.5 million in 1Q21, versus R\$2.1 million in 1Q20.
- (iv) Exchange, Monetary and Hyperinflationary variation in an amount of R\$0.3 million higher in 1Q21 compared to 1Q20, mainly due to the appreciation of the US Dollar against the Real in 1Q21, with a positive impact on the foreign currency balance.

Net Result

Net Result (R\$ million)	1Q20	1Q21	Chg. %
Result Before Taxes	(14,0)	(12,1)	14%
(-) Income Tax and Social Contribution (Current)	(0,4)	(0,2)	52%
(-) Income Tax and Social Contribution (Deferred)	0,3	0,8	134%
Net Result	(14,1)	(11,5)	18%
<i>Net Margin (%)</i>	<i>-43,4%</i>	<i>-428,8%</i>	<i>-385,4 p.p.</i>
(+) Provision of contingencies	-	(0,5)	n.a.
(+) Write-offs related to the venue in São Paulo	-	2,5	n.a.
(+) Write-off of lease liabilities	-	(4,9)	n.a.
Net Result (excl. non-recurring effects)	(14,1)	(14,4)	-2%
<i>Net Margin (%) (excl. nonrecurring effects)</i>	<i>-43,4%</i>	<i>-535,8%</i>	<i>-492,4 p.p.</i>

As a result of the effects mentioned above, Net Loss for 1Q21 was R\$11.5 million, versus R\$14.1 million in 1Q20. Adjusted Net Loss was R\$14.4 million in 1Q21, against R\$14.1 million in 1Q20. Like EBITDA, the Net Loss in both official and adjusted view in 1Q21 was the lowest since 1Q20, the last quarter where we promoted our major events.

The adjustments made in 1Q21 were (i) R\$0.5 million as a result of contingencies, with R\$2.3 million positive in Other Operating Expenses, as described in the “EBITDA and Adjusted EBITDA” section, partially offset by negative R\$1.8 million accounted in Financial Expenses, referring to the written-off portion of provision for contingencies corresponding to the monetary adjustment; (ii) R\$2.5 million referring to write-off of assets related to the closing of our venue in São Paulo, as described in the “EBITDA and Adjusted EBITDA” section; as well as (iii) a positive R\$4.9 million due to the write-off of the lease liability linked to the long-term rental agreement for the venue in São Paulo, as described in the “Gross Profit” section, in the amount of R\$5.1 million, offset by R\$0.2 million of linked financial expenses.

Working Capital

Working Capital (R\$ million)	1Q20	4Q20	1Q21	Var. % (1Q21/4Q20)	Var. % (1Q21/1Q20)
Current Assets	165,8	132,8	122,1	-8%	-26%
Accounts Receivable	49,6	34,4	27,6	-20%	-44%
Inventories	1,1	0,9	0,9	5%	-14%
Advances to Suppliers and Anticipated Costs	89,8	59,2	52,7	-11%	-41%
Recoverable Taxes	23,7	25,5	27,0	6%	14%
Other Receivables	1,6	12,7	13,9	9%	757%
Current Liabilities	194,7	165,3	168,4	2%	-14%
Accounts Payable (Suppliers)	40,7	22,1	28,0	27%	-31%
Advances from Clients	137,7	134,3	131,8	-2%	-4%
Payroll, Provisions and Social Contributions	7,2	2,0	1,5	-25%	-79%
Recoverable Taxes	4,2	2,1	2,0	-7%	-52%
Other Payables	4,9	4,8	5,0	6%	2%
Dividends Payable	(28,9)	(32,5)	(46,3)	-42%	-60%

Working capital in 1Q21 was negative by R\$46.3 million, versus negative R\$32.5 million in 4Q20 and R\$28.9 million in 1Q20.

The variation of R\$13.8 million in the first quarter of this year, versus the immediately previous quarter, is mainly due to (i) the receipt of R\$8.9 million in sponsorship contracts related to the operation of our venues and events postponed due to the restrictions imposed to combat the effects of the COVID-19 pandemic, reflected in the variation of the Accounts Receivable; (ii) return of talent fees paid in advance for shows that were canceled, in the total amount of R\$6.7 million, impacting the Advances to Suppliers and Anticipated Costs; (iii) constitution of liabilities with Suppliers, mostly linked to rebates in contracts of third party ticket sales in Argentina and INTI; and (iv) write-off of liabilities related to the operation of the venue São Paulo, impacting the Advances from Clients in the total amount of R\$2.7 million.

Negative working capital is inherent to our business model, where we sell tickets, as well as receive some sponsorships in advance (recorded in Advances from Clients), while most payments to suppliers related to the content we promote are accounted in "Anticipated Costs".

Cash and Indebtedness

Cash and Indebtedness (R\$ million)	1Q20	4Q20	1Q21	Var. % (1Q21/4Q20)	Var. % (1Q21/1Q20)
Balance in Cash and Financial Investments (BoP) ⁽²⁾	209,7	211,7	201,9	-4%	-5%
Operating Cash Flow	13,0	(14,4)	(4,3)	-133%	70%
Investment Cash Flow	(0,4)	5,3	(0,6)	-31%	-111%
Financing Cash Flow	(4,7)	(4,6)	(2,0)	57%	56%
Exchange Variance	4,9	3,8	10,0	103%	160%
Increase (Reduction) in Cash and Equivalents	12,9	(9,8)	3,1	-76%	131%
Balance in Cash and Financial Investments (EoP)	222,5	201,9	205,0	-8%	2%
Borrowings and Financing - Short Term	42,9	1,0	2,5	-94%	162%
Lease Liabilities (Current)	15,3	16,5	3,7	-76%	-78%
Borrowings and Financing - Long Term	80,0	120,0	120,0	50%	0%
Lease Liabilities (Non-Current)	25,4	7,0	4,7	-82%	-33%
Total Indebtedness	163,6	144,5	130,8	-20%	-9%
Net Cash (Debt)	58,9	57,5	74,1	26%	29%
Net Cash (Debt) net of financial debt	99,7	80,9	82,4	-17%	2%

(2) Until 3Q20, the company had a balance of investments in the amount of R\$5.0 million, whose redemption in 4Q20 had an impact on the Cash Flow of Investments presented in the Financial Statements, but managerially without effect for this cash flow.

We closed the 1Q21 with R\$205.0 million in cash balance, versus R\$201.9 million in 4Q20 and R\$222.5 million in 1Q20. The main effects on Cash Flow were:

- **Operating Cash Flow:** reduction of R\$10.1 million in operating cash consumption in 1Q21 compared to 4Q20, reflecting the expense control actions adopted by the company, as well as the receipt of R\$8.9 million in sponsorships, and R\$6.7 million in return of talent fees paid in advance, as described in the “Working Capital” section. The negative variation of R\$16.9 million between 1Q21 and 1Q20 is explained by the impossibility of operating our events in 1Q21 and thus, not generating cash, while 1Q20 was the last quarter where we could promote events.
- **Cash Flow from Investments:** the negative variation of R\$5.9 million in 1Q21 against 4Q20 is due to the receipt, in 4Q20, of the second installment related to the sale of our stake in Vicar, the promoter of Stock Car. In relation to 1Q20, the increase of R\$0.2 million is due to investments in management software and the evolution of INTI.
- **Cash Flow from Financing Activities:** the 1Q21 result, R\$2.6 million lower than 4Q20, is mainly due to the payment of interest and charges related to the re-profiling of debentures in November 2020, in the amount of R\$2.5 million. The reduction of R\$2.7 million in relation to 1Q20 is mostly due to the lower expenditure on the payment of lease liabilities related to rental contracts, due to the end of the operations of our venues in Belo Horizonte and Rio de Janeiro, respectively in 3Q20 and 4Q20, as well as the renegotiation, during 2020, of the amounts paid for renting all the venues because of the impossibility of operating in the period.
- Finally, there was a positive **exchange variation** of R\$10.0 million, due to the appreciation of investments and cash balance in foreign currency in the quarter, as a result of the 8.4% appreciation of the US Dollar in the period, from R\$5.1937 on December 31st, 2020 to R\$5.6315 on March 31st, 2021.

On March 17th, 2021, the Law 14,046, originally approved on August 24th, 2020, was reissued. This law, which establishes, among other effects, the non-return of tickets for postponed or canceled shows, considering that they will be converted into credit for later use in other Company events. With its reissue, the law now applies

to events postponed or canceled until December 31st, 2021, and its credits can be used until December 31st, 2022.

Combined with the other actions taken by the Company to preserve its cash, the reissue of this law brings more safety to pass through this turmoil moment and allows the implementation of the actions outlined in our strategic planning.

Given that, we ended 1Q21 with: (i) total indebtedness of R\$130.8 million, or R\$13.7 million lower than the position in 4Q20, as a result of the write-off of lease liabilities related to the São Paulo venue; (ii) net cash of financial debt of R\$82.4 million, 17% lower than the position observed in 1Q20 and 2% higher than that observed in 4Q20, - the variation of R\$2.5 million in relation to the immediately previous quarter is due to interest related to debentures accrued during 1Q21, paid in March 2021 -, and; (iii) net cash of R\$74.1 million, 26% higher than the position observed in 1Q20 and 29% higher than the 4Q20 one.

Events Pipeline

As informed in the 4Q20 earnings release, due to the pandemic's worsening, Taylor Swift decided to cancel the two shows she would hold in Brazil. For the same reason, more recently, we announced the postponement of Lollapalooza Brazil to March 2022, a period in which we traditionally promote it.

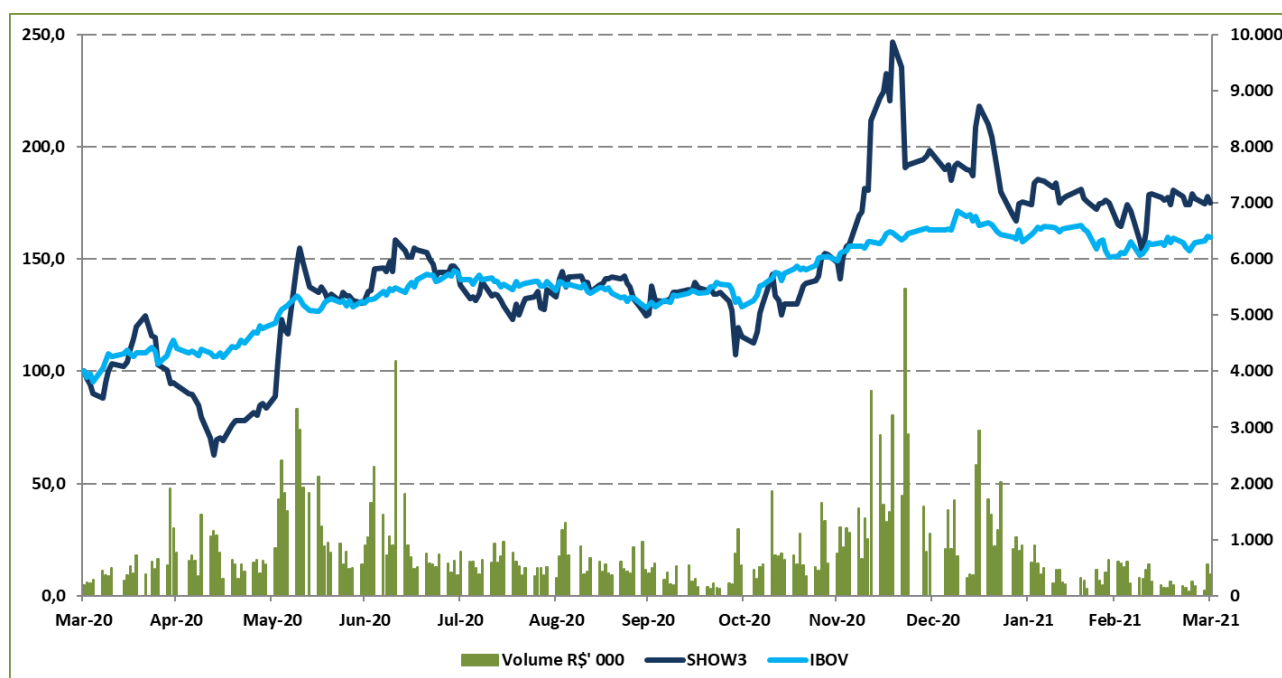
We are constantly monitoring the conditions for the return of our activities, keeping constantly in touch with local governments, to contribute to the recovery of the economy, as well as with international agents to recompose our pipeline of events as soon as we have this possibility.

Looking at the markets where vaccination is most advanced, and which are preparing for the reopening of live entertainment activities, we see a series of events scheduled from the third quarter of this year with tickets sold out shortly after the opening of their sales. These examples give evidences of the pent-up demand for live entertainment that has been observed in recent months, and reinforce our plans to expand our content portfolio, delivering ever more remarkable experiences to our audience.

SHOW3 Performance

The movement of our stock reflects the upsurge of the pandemic and its constant impact on our industry. The closing price of SHOW3 on March 31st, 2021 was R\$3.50, a devaluation of 7.9% in comparison with the price of December 31st, 2020. The stock price remains below the pre-pandemic levels, given it was quoted at R\$6.24 on the trading session of December 30th, 2019.

An increase in the volume of transactions and the value of our stock can be seen as of November 2020, reflecting the media coverage of the advance in the registration of vaccines in the world. During 1Q21, the volume decreased again and the stock price stabilized, given the worsening of the pandemic. In this way, we observed a great link between the negotiation of our stocks and the advance in the immunization of the population, as seen in international peers and local players in sectors such as aviation and tourism.



Income Statement

(R\$ 000)

	1Q20	1Q21
NET OPERATING REVENUE	32.493	2.689
COST OF SERVICES PROVIDED AND PRODUCTS SOLD	(26.416)	(2.966)
GROSS PROFIT	6.077	(277)
OPERATING INCOME (EXPENSES)		
Sales	(533)	(280)
General and administrative	(13.341)	(8.845)
Management compensation	(2.295)	(1.489)
Other operating income (expenses), net	(338)	849
OPERATING PROFIT (LOSS) BEFORE FINANCIAL (EXPENSES) INCOME	(10.430)	(10.042)
FINANCIAL RESULT		
Financial expenses	(5.200)	(3.711)
Financial income	1.217	979
Net exchange rate and monetary variation	414	682
OPERATING PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(13.999)	(12.092)
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	(416)	(201)
Deferred	325	761
NET RESULT	(14.090)	(11.532)

Balance Sheet

(R\$ 000)

ASSETS	1Q20	4Q20	1Q21
CURRENT			
Cash and Cash Equivalent	217.506	201.914	204.966
Financial Investments	5.001	-	-
Accounts Receivables	49.580	10.768	-
Inventories	1.064	866	910
Recoverable Taxes	23.712	25.518	26.969
Advances to Suppliers	7.317	4.772	4.228
Anticipated Costs	70.960	-	3.526
Other Receivables	1.622	12.743	13.907
Total Current Assets	376.762	256.581	254.506
NON-CURRENT			
Accounts Receivables	-	23.614	27.585
Deferred Income Tax and Social Contribution	63.774	48.942	49.797
Judicial Deposits	10.244	8.132	8.334
Anticipated Costs	11.540	54.472	44.974
Related Parties	9.052	7.469	7.781
Total Long Term Assets	94.610	142.629	138.471
Fixed Assets (Property, Plant and Equipment)	14.235	9.630	7.894
Right of Use	38.995	17.175	6.321
Intangible:			
Goodwill on investments acquisition	127.645	99.519	101.578
Other intangibles	3.199	3.715	4.155
Total Non-Current Assets	278.684	272.668	258.419
TOTAL ASSETS	655.446	529.249	512.925
LIABILITIES AND SHAREHOLDERS' EQUITY	1Q20	4Q20	1Q21
CURRENT			
Suppliers	40.667	22.059	27.963
Borrowings, financing and debentures	42.850	967	2.531
Lease Liabilities	15.325	16.516	3.666
Payroll, Provisions and Social Contributions	7.182	2.040	1.526
Taxes Payable	4.172	2.131	1.985
Advances from Clients	137.706	134.298	131.845
Other Payables	4.945	4.755	5.045
Total Current Liabilities	252.847	182.766	174.561
NON-CURRENT			
Borrowings, financing and debentures	80.000	120.000	120.000
Lease Liabilities	25.396	6.976	4.652
Provision for Tax, Civil and Labor Contingencies	21.563	27.786	24.814
Deferred Income Tax and Social Contribution	1.109	185	202
Taxes Payable	849	1.207	1.506
Other Payables	-	366	366
Total Non-Current Liabilities	128.917	156.520	151.540
SHAREHOLDERS' EQUITY			
Capital Stock	243.022	243.022	243.022
Costs with Shares Issuance	(9.665)	(9.665)	(9.665)
Capital Reserve	(782)	748	748
Revaluation Reserve	544	396	231
Revenue reserves / accumulated loss	(2.765)	(97.368)	(108.268)
Treasury Stocks	(2.131)	-	-
Comprehensive Results	46.918	55.276	63.770
Controlling Shareholders' Stake	275.141	192.409	189.838
Non-controlling Interests in Equity of Subsidiaries	(1.459)	(2.446)	(3.014)
Total Consolidated Shareholders' Equity	273.682	189.963	186.824
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	655.446	529.249	512.925

Cash Flow

(R\$ 000)

	1Q20	4Q20	1Q21
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit for the period	(14.090)	(56.652)	(11.532)
Adjustments to reconcile profit for the period to net cash provided by (used in) generated by operating activities:			
Depreciation and amortization	5.376	1.582	2.764
Loss from impairment of goodwill	-	23.283	-
Investments losses	-	-	(79)
Residual value of property, plant and equipment written-off	161	527	(3.739)
Deferred income tax and social contribution	(325)	14.277	(761)
Financial charges and and exchange differences on balances with subsidiaries, financing, borrowings and taxes payable	7.313	(2.452)	487
Share-based payments	-	127	-
Recognition (reversal) of tax, civil and labor contingencies	(329)	(3.996)	(66)
Constitution (reversal) of allowance for doubtful accounts	(130)	(701)	(26)
Hyperinflationary economies	-	934	(785)
(Increase) Decrease in operating assets and liabilities:			
Trade accounts receivables	27.947	(353)	6.054
Inventories	240	75	(44)
Recoverable taxes	(3.516)	(1.689)	(1.448)
Advances to suppliers	(616)	1.441	544
Other receivables	4.389	1.241	(1.164)
Escrow deposits	(40)	1.123	(202)
Prepaid expenses	(34.314)	18.129	5.972
Trade payables	(2.728)	(11.163)	5.865
Taxes payable	(614)	251	306
Accrued payroll and related taxes	351	(1.787)	(515)
Advances from customers	28.578	1.078	(2.453)
Payments of tax, civil and labor lawsuits	8	(669)	(3.815)
Other payables	(4.632)	1.114	289
Payments of income tax and social contribution	-	(127)	-
Cash generated by (used in) operating activities	13.029	(14.407)	(4.348)
CASH FLOW FROM INVESTING ACTIVITIES			
Financial Investments	-	5.001	-
Goodwill on acquisition of investments	-	(2.634)	-
Acquisition of property, plant and equipment and intangible assets	(428)	(540)	(562)
Selling of interest in subsidiary Vicar	-	8.500	-
Net cash generated by (used in) investing activities	(428)	10.327	(562)
CASH FLOW FROM FINANCING ACTIVITIES			
Related parties	(434)	(270)	(420)
Payment of debentures - interests	-	(2.500)	-
Lease payments - principal	(4.231)	(1.819)	(1.604)
Net cash generated by (used in) financing activities	(4.665)	(4.589)	(2.024)
Exchange Variance on Cash and Cash Equivalents	4.921	3.838	9.986
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12.857	(4.831)	3.052
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents av beginning of period	204.649	206.745	201.914
Cash and cash equivalents av end of period	217.506	201.914	204.966