sinqia

15 Aug. 2019 (Thursday)
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São Paulo, August 14, 2019. Sinqia S.A. (B3: SQIA3) (“**Company**”), a technology provider for the financial system, announces today its consolidated results for the second quarter of 2019 (“**2Q19**”).

Recent events:

Acquisition of Softpar. In May, we announced the purchase of Softpar (Partec Tecnologia Ltda. and NVA Representações e Participações EIRELI), one of the main software providers to banks, non-banks financial institutions and development agencies. The acquisition expands the coverage of Sinqia Banks vertical, adding SQ Leasing, SQ Risks and SQ GED (Electronic Document Management) and reinforces SQ Credit, SQ Financial Control and SQ Regulatory suites, Softpar presented gross revenues of R$ 18.2 million in 2018 and was acquired at an initial enterprise value of R$ 32.0 million, with an earn-out up to R$ 6.0 million, subject to the achievement of a goal.

New IR website. In June, we launched the new Investor Relations website in order to improve the users’ experience with more agility and facility in browsing and accessing to information. The website introduced the new one-page standard, with parallax effect, anchor links with scrolling function, responsive technology customizable to any screen size, only seven sections and no submenus. Access at the same address: ri.sinqia.com.br

Sale of treasury shares. In June, we announced the conclusion of the sale of the total 240,701 treasury shares, accounting for 2.04% of share capital, at gross value of R$ 9.2 million. The sale of the shares at average price of R$ 38.08, acquired at average price of R$ 8.22, generates significant value to shareholders and achieve the goals of cash reinforcement for new acquisitions and improve liquidity in B3.

Great Place to Work Certification. In August, we were awarded for the 1st time in our history with the certification of the Great Place to Work program (GPTW), in the same year we began participating in the research. This is an important achievement to Sinqia, who seeks to build an ever improving work environment to over 1.000 collaborators.

Financial highlights:

Net revenues. Record of R$ 42.2 million (+23.6% vs. 2Q18) substantial increase due to organic growth of R$ 1.5 million and inorganic growth of R$ 6.5 million;

Recurring revenues. Record of R$ 35.3 million (+25.9% vs. 2Q18) substantial increase arising mainly from the inorganic growth in Software Subscription;

Adjusted EBITDA. R$ 5,1 million (+2.1% vs. 1Q18), due to strong revenues growth, despite significant costs with complementary development and implementation managerially determined as R$ 3.4 million, aiming to convert the backlog into revenues;

Financial Highlights

(R$ '000)	2Q19	2Q18	Var.	1Q19	Var.	LTM-2Q19	LTM-2Q18	Var.
Net Revenues	42,166	34,125	23.6%	38,540	9.4%	156,058	136,800	14.1%
Recurring Revenues	35,330	28,068	25.9%	32,291	9.4%	128,268	105,194	21.9%
% of Recurrence	*83.8%*	*82.3%*	*1.5 p.p.*	*83.8%*	-	*82.2%*	*76.9%*	*5.3 p.p.*
EBITDA	3,332	4,988	-33.2%	123	-	12,467	17,865	-30.2%
EBITDA margin	*7.9%*	*14.6%*	*-6.7 p.p.*	*0.3%*	*7.6 p.p.*	*8.0%*	*13.1%*	*-5.1 p.p.*
Adjusted EBITDA	5,092	4,988	2.1%	3,587	42.0%	18,402	21,186	-13.1%
Adj. EBITDA Margin	*12.1%*	*14.6%*	*-2.5 p.p.*	*9.3%*	*2.8 p.p.*	*11.8%*	*15.5%*	*-3.7 p.p.*

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MESSAGE FROM MANAGEMENT

The second quarter of 2019 was, in several aspects, an extraordinary period!

In organic terms, we recorded significant Software sales and conquered one of the most important agreements of platform Sinqia Banks over the past years. Such achievement is special due to the return of a client with which we discontinued our relationship after the sale of such client's operations in Brazil in 2015; however now, upon resumption of its operations in Brazil, such client opted for Sinqia again, which confirms the importance of our position as the sole Brazilian provider of a full banking offer.

In inorganic terms, we announced the second largest acquisition in our history: Softpar, one of the main software providers to banks, non-bank financial institutions and development agencies. In Sinqia Banks platform, Softpar added SQ Leasing, SQ Risks and SQ GED suites, and complements the consolidated SQ Credit, SQ Financial Control and SQ Regulatory suites, increasing the comprehensiveness of our offer.

In addition, we advanced significantly in the integration of three companies acquired this year: Atena, ADSPrev and Softpar. We have basically undertaken all necessary measures to perform the mapped synergies, including the closing of offices of Atena (Osasco/SP branch) and ADSPrev (Belo Horizonte/MG branch), and the partial reduction of the overhead, measures that resulted in extraordinary items in the quarter. The trend, from now on, is that these operations generate increasing results.

The portfolio of recurring software contracts represented the record of R$ 137.3 million, an increase of 67,9% compared to 2Q18 and 21.0% compared to 1Q19. Over the previous quarter, there was an organic addition of R$ 4.8 million and the inorganic addition of R$ 19.1 million from Softpar. The significant additions in this portfolio, both in current and past quarters, have generated significant backlog of implementations, out of which a small portion has already been converted into revenues. Such measures shall sustain the organic growth at a higher level in the next periods.

Net revenues represented a record of R$ 42.2 million, an increase of 23.6% compared to the same period of prior year, an R$ 8.0 million increase. Out of such increase, R$ 1.5 million was organic and R$ 6.5 million was inorganic, arising from the last four acquisitions. Due to the recent acquisition, Softpar's revenues were consolidated solely in June and, therefore, do not account for a complete quarter.

Gross profit totaled R$ 12.4 million, drop of 2.7% compared to the same period of prior year. Such variation resulted mainly from the decrease in organic gross profit due to the reduction of the organic gross margin in Software business, necessary to convert the implementation backlog in revenues, as we booked significant development and implementation costs managerially determined as R$ 3.4 million; and the increase in inorganic gross profit, with margin below expectations, already impacted by extraordinary items, however not by synergies, which shall become more evident in 3Q19. Again, we shall emphasize that the profitability of the acquired companies follows the "J curve" path.

General and administrative (SG&A) expenses totaled R$ 9.0 million, an increase of 16.9% compared to 2Q18, equivalent to R$ 1.3 million. Out of such increase, R$ 0,9 million was organic and R$ 0,4 million was inorganic. It's worth mentioning that such line was impacted by extraordinary expenses, as most part of synergies are generated from reduction of the SG&A expenses in acquired companies.

Adjusted EBITDA (excluding extraordinary items) totaled R$ 5.1 million, an increase of R$ 2.1 million compared to 2Q18. This number was impacted by the decisions undertaken to speed up the organic and inorganic growth, referred to in prior quarters, mainly additional RD&I investments, changes in commercial model and additional employees to convert the implementation backlog in revenues. Accordingly, adjusted EBITDA margin decreased to 12.1% compared to 14.6% in 2Q18.

We are confident that our way ahead is the best possible and Sinqia is prepared for a new increase in revenues and margins!

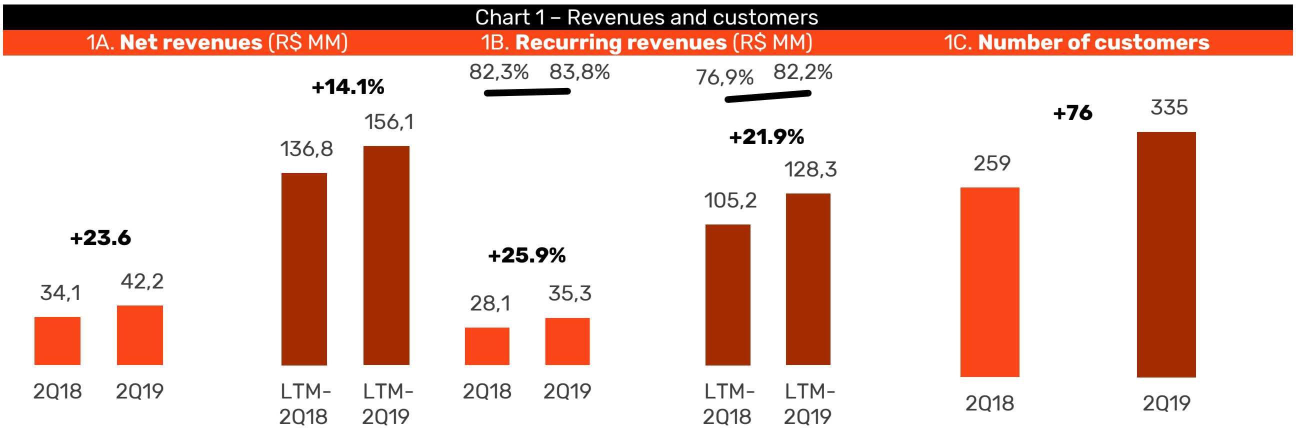
OPERATIING AND FINANCIAL PERFORMANCE

Net revenues. Record of R$ 42.2 million (+23.6% vs. 2Q18), an increase of R$ 8.0 million, out of which R$ 1.5 million was organic, due to the increase of R$ 0.7 million in the Services unit (+5.7% vs. 2Q18) and of R$ 0.8 million in the Software unit, and R$ 6.5 million was inorganic, with the addition of Software revenues from the last four acquisitions: ConsultBrasil (Oct/18), Atena (Jan/19), ADSPrev (Feb/19) and Softpar (May/19).

Recurring revenues. Comprising "Subscription" in the Software business and "Outsourcing" in the Services business, totaled a record R$ 35.3 million (+25.9% vs. 2Q18), an increase of R$ 7.3 million, out of which R$ 1.4 million was organic, R$ 0.9 million in revenues from "Outsourcing" (+9.2% vs. 2Q18) and R$ 0.4 million from "Subscription", and R$ 5.9 million was inorganic as a result of the "Subscription" from the last four acquisitions. The recurrence percentage totaled the highest value in a second quarter 83.8% of total (vs. 82.3% in 2Q18).

Number of customers. Increased to 335 (+76 vs. 2Q18), due to the addition of customers from the last four acquisitions. The largest customer accounted for 9.6% of net revenues (vs. 11.5% in 2Q18), reduction resulting from dilution of customer portfolio with the consolidation of the last acquisitions.

Chart 1 – Revenues and customers



Software Unit

Net revenues from software. Totaled a record of R$ 29.2 million (+33.5% vs. 2Q18), 69% of the total, an increase of R$ 7.3 million, with an organic increase of R$ 0.8 million and an inorganic increase of R$ 6.5 million due to the consolidation of the last four acquisitions, taking into consideration that the last acquisition was performed in the middle of the quarter; therefore, such result considers Softpar's revenues solely in June. We present below a breakdown between the recurring "Subscription" portion and the variable "Implementation and Customization" portion:

- Net revenues from subscription. Totaled a record of R$ 24.2 million (+35.3% vs. 2Q18), 83% of the unit's total, an increase of R$ 6.3 million, out of which R$ 0.4 million was organic, with inflation adjustments, and R$ 5.9 million was inorganic, with addition from the last four acquisitions. It's worth mentioning that a significant part of the backlog has not yet been implemented in this first quarter and, therefore, still did not contribute to more expressive revenues in this line.

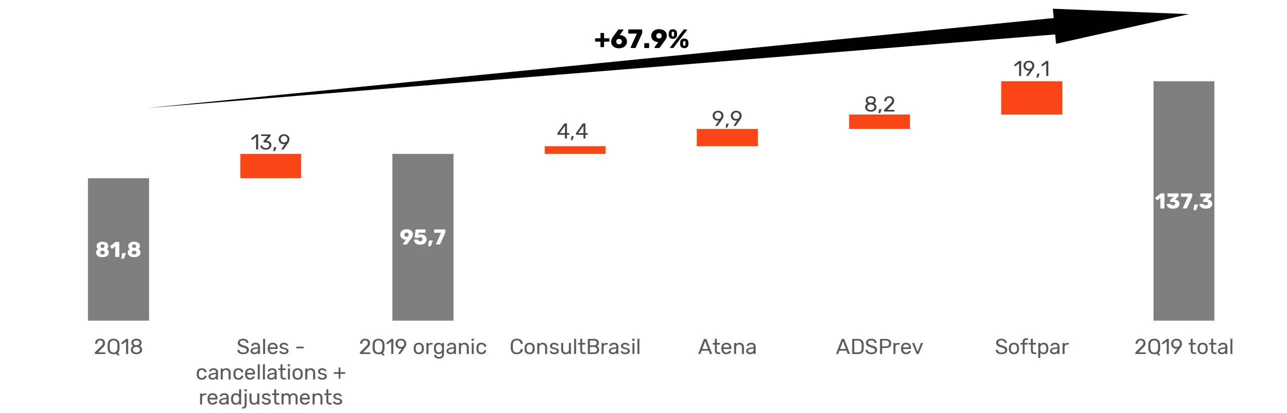
Portfolio of recurring contracts. The portfolio of recurring contracts[1] totaled gross value of R$ 137.3 million (+67.9% vs. 2Q18), out of which R$ 95.7 million organic (+R$ 13.9 million vs. 2Q18), due to the increase in sales for the period arising from setup subsidies, and R$ 41.6 million inorganic (null in the 2Q18), arising from the last four acquisitions, out of which R$ 4.4 million from ConsultBrasil, R$ 9.9 million from Atena, R$ 8.2 million from ADSPrev and R$ 19.1 million from Softpar, confirming

[1] Annualized signed contracts, that will generate revenues after the conclusion of the implementation.

the potential of Sinqia to continue growing two digits by combining the commercial model adjustments with increased speed in the execution of the consolidation strategy.

Chart 2 – Software Unit

Portfolio of recurring contracts (R$ MM)



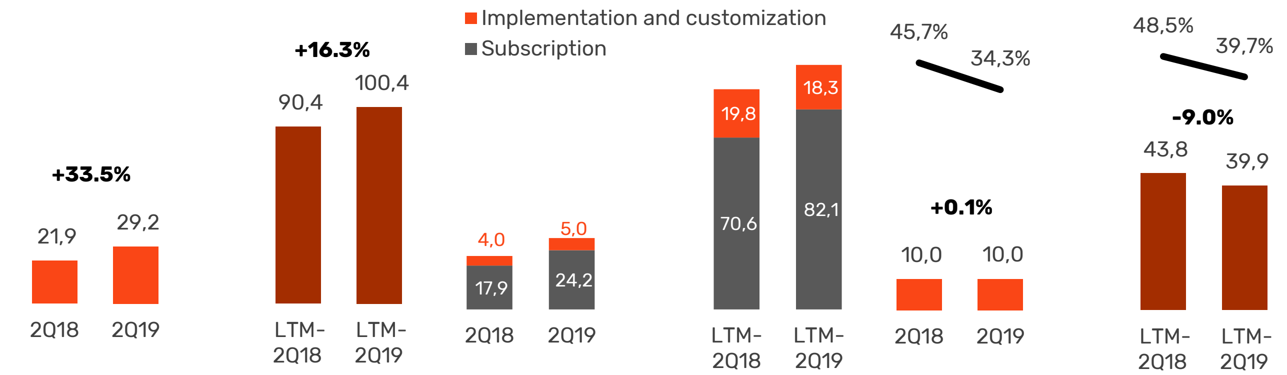
- Net revenues from implementation and customization. Totaled R$ 5.0 million (+25.3% vs. 2Q18), accounting for 17% of the unit's total, an increase of R$ 1.0 million, mainly due to the inorganic increase of R$ 0.7 million from the last four acquisitions, which were acquired with ongoing implementations.

Software costs. Totaled R$ 19.2 million (+61.6% vs. 2Q18), an increase of R$ 7.3 million, out of which (i) R$ 2.9 million was organic, due to the increase of R$ 0.5 million in the RD&I investments, increase in costs with development and implementations to convert sales into revenues, which shall improve organic growth in future quarters and high layoff volume; and (ii) R$ 4.4 million inorganic, added by the last four acquisitions, including extraordinary costs with the integration of operations.

Gross profit from software. Totaled R$ 10.0 million (+0.1% vs. 2Q18), with gross margin of 34.3% (-11.4 p.p. vs. 2Q18). The loss of profitability is explained by the cost increase mentioned above, impacted by extraordinary layoff expenditures arising from the integration of operations. However, we point out such effect is temporary and the consolidated gross margin of these companies will increase as we capture synergies and proceed with the implementations.

Chart 3 – Software Unit

3A. **Net revenues** (R$ MM) | 3B. **Breakdown of revenues** (R$ MM) | 3C. **Gross profit** (R$ MM)



Services Unit

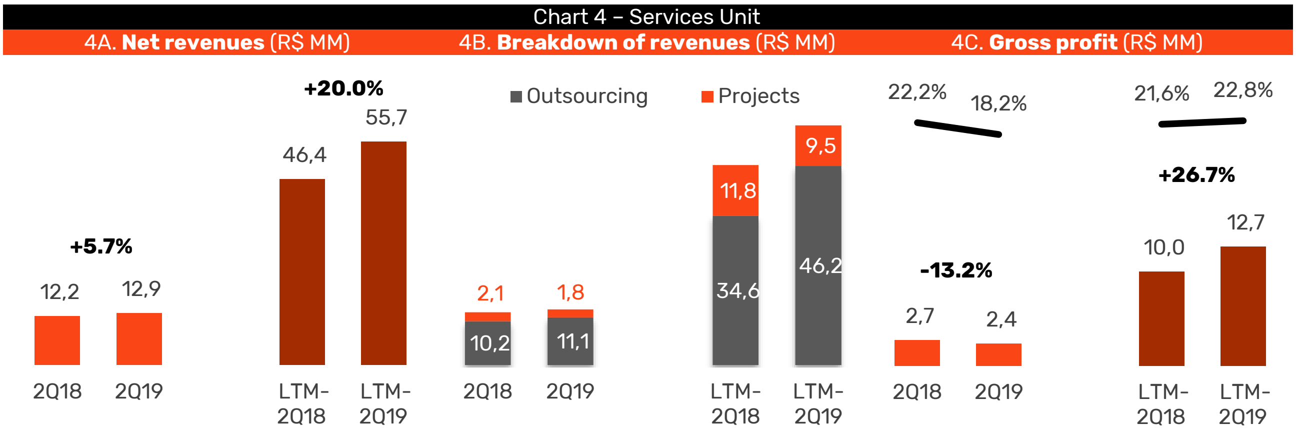
Net revenues from services. Totaled R$ 12.9 million (+5.7% vs. 2Q18), 31% of the total, an organic increase of R$ 0.7 million, with growth in the recurring portion "Outsourcing" and reduction of the variable portion "Projects", as shown below:

- Net revenues from outsourcing. Totaled R$ 11.1 million (+9.2% vs. 2Q18), 86% of the unit's total, an increase of R$ 0.9 million driven by the demand for outsourcing services and the subsequent increase in the number of professionals allocated in the customers, such as in previous quarter.

- Net revenues from projects. Totaled R$ 1.8 million (-11.0% vs. 2Q18), 14% of the unit's total, a decrease of R$ 0.2 million, due to the expansion of innovation projects by our laboratory Torq of R$ 1.1 million, but insufficient to offset the decrease of R$ 1.3 million in technology and consulting projects.

Services costs. Totaled R$ 10.6 million (+11.1% vs. 2Q18), an increase of R$ 1.1 million, out of which: (i) R$ 0.8 million from the increase in the Outsourcing headcount; and (ii) R$ 0.3 million from Projects, mainly due to the Torq's additional costs.

Gross profit from services. Totaled R$ 2.4 million (-13.2% vs. 2Q18), with gross margin of 18.2% (-4.0 p.p. vs. 2Q18), almost entirely from R$ 2.3 million in Outsourcing (+4.6% vs. 2Q18).



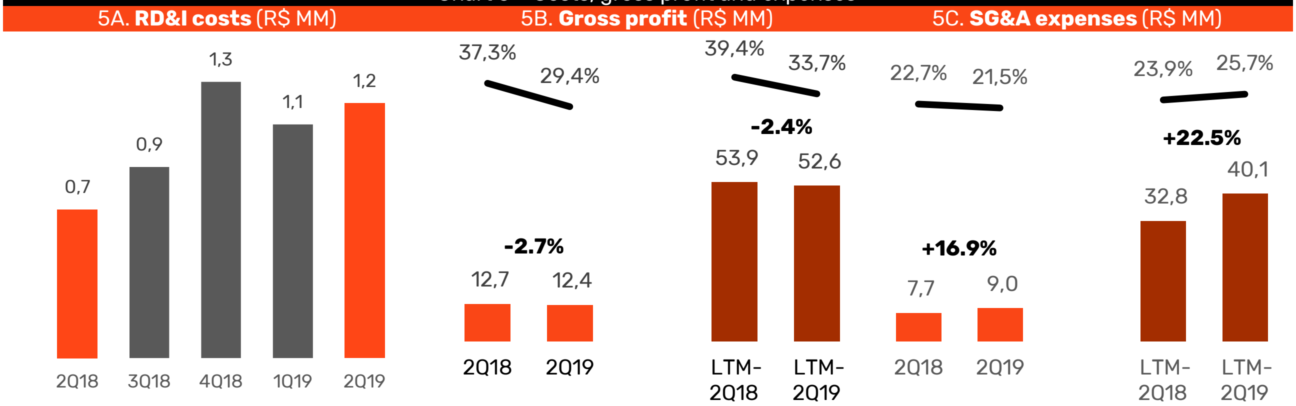
Costs, gross profit and expenses

Costs. Totaled R$ 29.8 million (+39.2% vs. 2Q18), an increase of R$ 8.4 million, out of which (i) R$ 3.9 million was organic; and (ii) R$ 4.5 million was inorganic, relating to the last four acquisitions, previously explained, and increase of extraordinary R$ 1.5 million, related to the integration of operations.

Gross profit. Totaled R$ 12.4 million (-2.7% vs. 2Q18), out of which R$ 10.3 million was organic and R$ 2.1 million was inorganic. Gross margin reached 29.4% (-7.9 p.p. vs. 2Q18), mainly due to the higher organic and inorganic software costs, besides extraordinary expenses with integration of operations totaling R$ 0.3 million and the decrease in services gross profit

General and administrative expenses. Totaled R$ 9.0 million (+16.9% vs. 2Q18), accounting for 21.5% of the total net revenues (-1.2 p.p. vs. 2Q18), an increase of R$ 1.3 million, out of which (i) R$ 0.9 million was organic, mainly due to higher extraordinary integration expenses and hiring of external services; and (ii) R$ 0.4 million inorganic, upon consolidation of the expenses from the last four acquisitions. In addition, under the IFRS 16, the amount of R$ 0.4 million in rental expenses was not recognized in this quarter.

Chart 5 – Costs, gross profit and expenses



EBITDA and adjusted EBITDA[2]

Adjusted EBITDA. Totaled R$ 5.1 million (+2.1% vs. 2Q18), and adjusted EBITDA margin 12.1% (-2.5 p.p. vs. 2Q18). Adjusted EBITDA growth only did not accompany strong revenues growth as there were significant development and implementation costs, which were managerially determined at R$ 3.4 million, aiming to convert the backlog into revenue. In addition, actions taken during the quarter to achieve synergies in acquired companies have not yet had an effect on results for a full quarter. There was a positive impact of R$ 0.4 million due to the effect of IFRS 16.

Table 1 - Reconciliation of EBITDA and Adjusted EBITDA

(R$ '000)	2Q19	2Q18	Var.	1Q19	Var.	LTM-2Q19	LTM-2Q18	Var.
Net Income	**(3,578)**	**2,010**	**-**	**(2,341)**	**-**	**(3,404)**	**5,651**	**-**
(+) Income tax/social contribution	412	863	-52.3%	(1,658)	-	789	2,054	61.6%
(+) Financial result	3,014	351	758.7%	1,285	134.6%	5,044	3,286	-53.5%
(+) Depreciation/amort.	3,484	1,764	97.5%	2,837	22.8%	10,038	6,874	-46.0%
EBITDA	**3,332**	**4,988**	**-33.2%**	**123**	**-**	**12,467**	**17,865**	**-30.2%**
(+) Extraordinary expenses - earnout	-	-	-	-	-	-	3,247	-100.0%
(+) Extraordinary expenses - integration	288	-	-	2,619	-89.0%	2,915	-	-
(+) Extraordinary expenses - new brand	-	-	-	244	-	871	-	-
(+) Extraordinary costs - integration	1,472	-	-	601	144.9%	2,149	74	-
Adjusted EBITDA	**5,092**	**4,988**	**2.1%**	**3,587**	**42.0%**	**18,402**	**21,186**	**-13.1%**
Adj. EBITDA Margin	***12.1%***	***13.8%***	***-2.5 p.p.***	***12.3%***	***2.8 p.p.***	***11.8%***	***15.5%***	***-3.7 p.p.***

EBT, net profit and adjusted cash earnings

EBT. In the quarter, earnings before income tax and social contribution totaled negative R$ 3.2 million (vs. positive R$ 2.9 million in 2Q18), as follows:

- Finance income (costs). Finance costs totaled R$ 3.0 million (vs. finance costs of R$ 0.3 million in 2Q18), entirely due to the increase of R$ 2.7 million in finance expenses. This variation resulted from the (i) increase of R$ 1.9 million in interest on loans and debentures; (ii) adjustment to present value of R$ 0.5 million under the IFRS 16; and (iii) increase of 0.2 million in interest on acquisitions installments;

- Depreciation and amortization. Totaled R$ 3.5 million (+1,7 million vs. 2Q18), an increase resulting from the amortization of R$ 2.0 million from intangible of acquisitions, besides negative impact of R$ 0.4 million under the IFRS 16. In the ending of the quarter, the Company presented a goodwill balance to

[2] EBITDA is a non-accounting measurement calculated by the Company in accordance with CVM Instruction 527/12, which consists of net profit for the period, plus income taxes, finance costs, net of finance income, and depreciation and amortization. Adjusted EBITDA corresponds to EBITDA, plus the extraordinary effects from acquisitions and non-recurring events. The line item "Extraordinary expenses - earnout" represents the complement in the earn-out provision for attps; the line item "Extraordinary expenses - integration" represents the extraordinary layoff expenses in the corporate areas; the line item "Extraordinary costs - integration" represents the extraordinary layoff expenses in the Software and Services units; and the line item "Extraordinary expenses - new brand" represents marketing expenses related to the change in the Company's visual identity and solutions for Sinqia.

be amortized, arising from previous acquisitions, estimated in R$ 2.0 million, number that will become an expense with no cash effect in the future.

Net profit (loss). Totaled negative R$ 3.6 million (vs. R$ 2.0 million in 2Q18), strongly impacted by extraordinary factors, as explained above. However, such accounting measure is impacted by non-economic factors; in this regard, we recommend the analysis in conjunction with the adjusted cash earnings described below, which exclude the effects from acquisition in profit or loss.

Adjusted cash earnings. Totaled R$ 8 thousand (vs. R$ 4.1 million in 2Q18), a decrease of R$ 4.1 million arising from lower adjusted net profit (decrease of R$ 3.8 million vs. 2Q18) and increased depreciation and amortization (+R$ 1.7 million vs 2Q18).

Table 2 - Reconciliation of Adjusted Cash Earnings

(R$ '000)	2Q19	2Q18	Var.	1Q19	Var.	LTM-2Q19	LTM-2Q18	Var.
Net income	**(3,578)**	**2,010**	**-**	**(2,341)**	**52.8%**	**(3,404)**	**5,651**	**-**
(+) Extraordinary effects	1,760	-	-	3,464	-49.2%	5,935	4,683	26.7%
Adjusted net income	**(1,818)**	**2,010**	**-**	**1,123**	**-**	**2,531**	**10,334**	**-75.5%**
(+) Acquisitions amortization	1,972	1,482	33.1%	1,497	31.7%	6,381	5,891	8.3%
(+) Def. income tax/Social Contr.	(146)	582	-	(1,874)	-92.2%	(3,447)	653	-
Adjusted Cash Earnings	**8**	**4,074**	**-99.8%**	**746**	**-98.9%**	**5,465**	**16,878**	**-67.6%**
Adj. CE Margin	***-***	***11.9%***	***-11.9 p.p.***	***1.9%***	***-1.9 p.p.***	***3.5%***	***12.3%***	***-8.8 p.p.***

The historical quarterly series of financial data is available in Excel at ri.sinqia.com.br, on the Profit or Loss menu.

Financial position

Gross cash. Totaled R$ 25.3 million (+ R$ 0.7 million vs. 1Q19), variation mainly related to the entrance of R$ 16.5 million relating to the debentures and (ii) 9.1 million from sale of treasury shares; and expenditures (iii) with the cash payment for the acquisition of Softpar totaling R$ 18.0 million.

Gross debt. Totaled R$ 103.9 million (+R$ 34.1 million vs. 1Q19), as follows:

- Liabilities arising from investment acquisitions (short and long terms). Totaled R$ 39.6 million (+R$ 17.1 million vs. 1Q19), an increase mainly related to the deferred payment from the acquisition of Softpar, in the amount of R$ 16.5 million.

- Borrowings and financing (short and long terms). Totaled R$ 64.3 million (+R$ 17.0 million vs. 1Q19), an increase resulting almost entirely from the addition of R$ 18.0 million relating to the payment of the remaining portion of the first issuance of debentures.

Net debt. Totaled R$ 78.5 million (+R$ 33.4 million vs. 1Q19), representing 4.3x the adjusted EBITDA for the last 12 months (vs. 2.5x in 1Q19), a temporary increase due to the recent acquisition of Softpar, which shall decrease in the next quarters. It is worth mentioning that the 1st issuance of debentures imposes a 3.0x "Net debt / Adjusted EBITDA" covenant to the Company in the end of 2019, observing the calculation mechanics, which consolidates in the denominator the Adjusted EBITDA of the acquired companies in the last 12 months. Therefore, we consider this limitation comfortable for 2019.

Capital Markets

Stock performance. The Company's shares (Novo Mercado: SQIA3) closed the 2Q19 at R$ 38.60 (+13.5% vs. 1Q19). As the Company's total capital stock comprises 11,787,203 common shares, the Company's market value amounted to R$ 455.0 million as at June 30, 2019.

Average daily trading volume. R$ 1.9 million in 2Q19 (+62.6% vs. 1Q19), a consistent increase in the liquidity of the Company's shares in 2019.

Shareholder base. The shareholder base closed the quarter with 31,7 thousand shareholders (+231.4% vs. 1Q19), a significant number compared to Brazilian companies of similar size, and free float was 75.3%.

Declaration from Management. The Board of Directors of Sinqia S.A., pursuant to items V and VI, Article 25, of CVM Instruction 480/09, hereby declares that it has reviewed, discussed and agreed on (i) the opinions expressed in the independent auditors' report; and (ii) the Financial Statements for the period ended June 30, 2019.

ATTACHMENT – FINANCIAL STATEMENTS

I – Income Statement (Consolidated)

(R$ '000)	2Q19	2Q18	Change	1Q19	Change	LTM-2Q19	LTM-2Q18	Change
Gross Revenues	**47,239**	**38,292**	**23.4%**	**43,226**	**9.3%**	**174,956**	**153,988**	**13.6%**
Software	32,680	24,589	32.9%	27,766	17.7%	112,526	101,618	10.7%
Subscription	27,080	20,122	34.6%	23,598	14.8%	91,917	79,174	16.1%
Implementation	5,600	4,467	25.4%	4,168	34.4%	20,609	22,444	-8.2%
Services	14,559	13,703	6.2%	15,460	-5.8%	62,430	52,370	19.2%
Outsourcing	12,461	11,411	9.2%	12,593	-1.0%	51,934	39,295	32.2%
Projects	2,098	2,292	-8.5%	2,867	-26.8%	10,496	13,075	-19.7%
Sales taxes	**(5,073)**	**(4,167)**	**21.7%**	**(4,686)**	**8.3%**	**(18,898)**	**(17,188)**	**9.9%**
Software	(3,449)	(2,696)	27.9%	(2,983)	15.6%	(12,137)	(11,204)	8.3%
Subscription	(2,836)	(2,209)	28.4%	(2,516)	12.7%	(9,866)	(8,595)	14.8%
Implementation	(613)	(487)	25.9%	(467)	31.3%	(2,271)	(2,609)	-13.0%
Services	(1,624)	(1,471)	10.4%	(1,703)	-4.6%	(6,761)	(5,984)	13.0%
Outsourcing	(1,375)	(1,256)	9.5%	(1,384)	-0.7%	(5,717)	(4,680)	22.2%
Projects	(249)	(215)	15.8%	(319)	-21.9%	(1,044)	(1,304)	-19.9%
Net Revenues	**42,166**	**34,125**	**23.6%**	**38,540**	**9.4%**	**156,058**	**136,800**	**14.1%**
Software	29,231	21,893	33.5%	24,783	17.9%	100,389	90,414	11.0%
Subscription	24,244	17,913	35.3%	21,082	15.0%	82,051	70,579	16.3%
Implementation	4,987	3,980	25.3%	3,701	34.7%	18,338	19,835	-7.5%
Services	12,935	12,232	5.7%	13,757	-6.0%	55,669	46,386	20.0%
Outsourcing	11,086	10,155	9.2%	11,209	-1.1%	46,217	34,615	33.5%
Projects	1,849	2,077	-11.0%	2,548	-27.4%	9,452	11,771	-19.7%
Net Revenues	**42,166**	**34,125**	**23.6%**	**38,540**	**9.4%**	**156,058**	**136,800**	**14.1%**
Recurring	35,330	28,068	25.9%	32,291	9.4%	128,268	105,194	21.9%
Variable	6,836	6,057	12.9%	6,249	9.4%	27,790	31,606	-12.1%
% of Recurrence	***83.8%***	***82.3%***	**1.5 p.p.**	***83.8%***	**0.0 p.p.**	***82.2%***	***76.9%***	**5.3 p.p.**
Costs	**(29,782)**	**(21,398)**	**39.2%**	**(26,339)**	**13.1%**	**(103,464)**	**(82,929)**	**24.8%**
Software	(19,202)	(11,879)	61.6%	(15,671)	22.5%	(60,511)	(46,580)	29.9%
Services	(10,580)	(9,519)	11.1%	(10,668)	-0.8%	(42,953)	(36,349)	18.2%
Outsourcing	(8,809)	(7,979)	10.4%	(9,050)	-2.7%	(36,240)	(27,409)	32.2%
Projects	(1,771)	(1,540)	15.0%	(1,618)	9.5%	(6,713)	(8,940)	-24.9%
Gross profit	**12,384**	**12,727**	**-2.7%**	**12,201**	**1.5%**	**52,594**	**53,871**	**-2.4%**
Gross margin	*29.4%*	*37.3%*	-7.9 p.p.	*31.7%*	-2.3 p.p.	*33.7%*	*39.4%*	-5.7 p.p.
Software	10,029	10,014	0.1%	9,112	10.1%	39,878	43,834	-9.0%
Software gross mg.	*34.3%*	*45.7%*	-11.4 p.p.	*36.8%*	-2.5 p.p.	*39.7%*	*48.5%*	-8.8 p.p.
Services	2,355	2,713	-13.2%	3,089	-23.8%	12,716	10,037	26.7%
Services gross mg.	*18.2%*	*22.2%*	-4.0 p.p.	*22.5%*	-4.2 p.p.	*22.8%*	*21.6%*	1.2 p.p.
Outsourcing	2,277	2,176	4.6%	2,159	5.5%	9,977	7,206	38.5%
Outsourcing gross mg.	*20.5%*	*21.4%*	-0.9 p.p.	*19.3%*	1.3 p.p.	*21.6%*	*20.8%*	0.8 p.p.
Projects	78	537	-85.5%	930	-91.6%	2,739	2,831	-3.2%
Projects gross mg.	*4.2%*	*25.9%*	-21.6 p.p.	*36.5%*	-32.3 p.p.	*29.0%*	*24.1%*	4.9 p.p.
Expenses	**(12,530)**	**(9,503)**	**31.9%**	**(14,920)**	**-16.0%**	**(50,154)**	**(42,880)**	**17.0%**
% of net revenues	*29.7%*	*27.8%*	1.9 p.p.	*38.7%*	-9.0 p.p.	*32.1%*	*31.3%*	0.8 p.p.
General/administrative	(9,046)	(7,739)	16.9%	(12,083)	-25.1%	(40,116)	(32,759)	22.5%
% of net revenues	*21.5%*	*22.7%*	-1.2 p.p.	*31.4%*	-9.9 p.p.	*25.7%*	*23.9%*	1.8 p.p.
Other expenses	-	-	-	-	-	-	(3,247)	-
% of net revenues	*0.0%*	*0.0%*	0.0 p.p.	*0.0%*	0.0 p.p.	*0.0%*	*2.4%*	-2.4 p.p.
Depreciation/amort.	(3,484)	(1,764)	97.5%	(2,837)	22.8%	(10,038)	(6,874)	46.0%
% of net revenues	*8.3%*	*5.2%*	3.1 p.p.	*7.4%*	0.9 p.p.	*6.4%*	*5.0%*	1.4 p.p.
EBIT	**(146)**	**3,224**	**-104.5%**	**(2,719)**	**-94.6%**	**2,440**	**10,991**	**-77.8%**
Finance result	**(3,014)**	**(351)**	**758.7%**	**(1,285)**	**134.6%**	**(5,044)**	**(3,286)**	**53.5%**
Finance income	496	476	4.2%	372	33.3%	1,952	1,649	18.4%
Finance costs	(3,510)	(827)	324.4%	(1,657)	111.8%	(6,996)	(4,935)	41.8%
EBT	(3,160)	2,873	-210.0%	(4,004)	-21.1%	(2,604)	7,705	-
Income tax/social contribution	**(412)**	**(863)**	**-52.3%**	**1,658**	**-124.8%**	**(789)**	**(2,054)**	**-61.6%**
Current	**(558)**	**(281)**	**98.6%**	**(216)**	**158.3%**	**(4,236)**	**(1,401)**	**202.4%**
Deferred	146	(582)	-	1,874	-92.2%	3,447	(653)	-
Results after IT and SC	(3,572)	2,010	-	(2,346)	52.3%	(3,393)	5,651	-
Minority interest	(6)		-	5	-	(11)	-	-
Net income	**(3,578)**	**2,010**	**-**	**(2,341)**	**52.8%**	**(3,404)**	**5,651**	**-160.2%**
Net margin	-8.5%	5.9%	-14.4 p.p.	-6.1%	-2.4 p.p.	-2.2%	4.1%	-6.3 p.p.

EBITDA*	**3,332**	**4,988**	**-33.2%**	**123**	**-**	**12,467**	**17,865**	**-30.2%**
EBITDA mg.	7.9%	14.6%	-6.7 p.p.	0.3%	7.6 p.p.	8.0%	13.1%	-5.1 p.p.
(+) Extraordinary expenses	288	-	-	2,863	-89.9%	3,786	3,247	16.6%
(+) Extraordinary costs	1,472	-	-	601	144.9%	2,149	74	-
Adjusted EBITDA	**5,092**	**4,988**	**2.1%**	**3,587**	**42.0%**	**18,402**	**21,186**	**-13.1%**
Adj. EBITDA Margin	*12.1%*	*14.6%*	-2.5 p.p.	*9.3%*	2.8 p.p.	*11.8%*	*15.5%*	-3.7 p.p.

*According to Instruction CVM 527/12.

Net income	**(3,578)**	**2,010**	**-**	**(2,341)**	**52.8%**	**(3,404)**	**5,651**	**-160.2%**
(+) Extraordinary effects	1,760	-	-	3,464	-49.2%	5,935	4,683	26.7%
Adjusted net income	**(1,818)**	**2,010**	**-**	**1,123**	**-**	**2,531**	**10,334**	**-75.5%**
(+) Acquisitions amortization	1,972	1,482	33.1%	1,497	31.7%	6,381	5,891	8.3%
(+) Deferred income tax/Social cont.	(146)	582	-	(1,874)	-92.2%	(3,447)	653	-627.9%
Adjusted Cash Earnings	**8**	**4,074**	**-99.8%**	**746**	**-98.9%**	**5,465**	**16,878**	**-67.6%**
Adj. CE Margin	*0.0%*	*11.9%*	*-11.9 p.p.*	*1.9%*	*-1.9 p.p.*	*3.5%*	*12.3%*	-8.8 p.p.

II – Balance Sheet (Consolidated)

(R$ '000)	06.30.2019	03.31.2018	Change	12.31.2018	Change
ASSETS	**280,165**	**228,265**	**22.7%**	**167,430**	**67.3%**
Current	**59,839**	**59,753**	**0.1%**	**51,722**	**15.7%**
Cash and cash equivalents	25,289	24,599	2.8%	26,037	-2.9%
Trade receivables	27,980	30,150	-7.2%	22,254	25.7%
Prepaid expences	607	699	-13.2%	79	-
Taxes and contributions recoverable	4,859	3,499	38.9%	2,552	90.4%
Other receivables	1,104	806	37.0%	744	48.4%
Related parties	-	-	-	56	-
Non-current	**220,326**	**168,512**	**30.7%**	**115,708**	**90.4%**
Securities	3,000	3,000	-	-	-
Deposits in court	451	375	20.3%	297	51.9%
Deferred income tax and social contrib.	18,319	18,170	0.8%	16,296	12.4%
Other receivables	159	763	-79.2%	159	0.0%
Property and equipment	37,781	31,975	18.2%	6,836	452.7%
Intangible assets	160,616	114,229	40.6%	92,118	74.4%
LIABILITIES AND EQUITY	**280,165**	**228,265**	**22.7%**	**167,430**	**67.3%**
Current	**40,797**	**39,362**	**3.6%**	**33,635**	**21.3%**
Borrowings	6,820	5,001	36.4%	3,958	72.3%
Leasing	2,195	2,453	-	-	-
Trade payables	2,687	2,818	-4.6%	2,134	25.9%
Advances from customers	2,814	3,783	-25.6%	4,338	-35.1%
Labor liabilities	14,847	16,298	-8.9%	13,707	8.3%
Undistributed profits	-	648	-	648	-
Tax liabilities	2,820	2,352	19.9%	2,824	-0.1%
Liabilities arising from invest. acquisition	8,614	6,009	43.4%	6,026	42.9%
Non-current	**150,710**	**105,988**	**42.2%**	**48,379**	**211.5%**
Borrowings	57,481	42,291	35.9%	10,651	439.7%
Leasing	24,642	21,576	-	-	-
Tax liabilities	3,889	3,576	8.8%	3,586	8.4%
Provisions for contingencies	33,680	21,989	53.2%	21,845	54.2%
Liabilities arising from invest. acquisition	31,018	16,556	87.4%	12,297	152.2%
Equity	**88,658**	**82,915**	**6.9%**	**85,416**	**3.8%**
Share capital	50,561	50,561	-	50,561	0.0%
Treasury shares	-	(2,220)	-	(2,220)	-
Capital reserve	12,578	5,480	129.5%	5,577	125.5%
Revenue reserves	25,512	29,089	-12.3%	31,432	-18.8%
Non-controlling interests	7	5	40.0%	66	-

Gross debt	**103,933**	**69,857**	**48.8%**	**32,932**	**215.6%**
Borrowings	64,301	47,292	36.0%	14,609	340.1%
Liabilities arising from invest. acquisition	39,632	22,565	75.6%	18,323	116.3%
Net debt (cash) position	**78,644**	**45,258**	**73.8%**	**6,895**	**-**