sinqia

Conference call and webcast (Portuguese only)
16 May 2019 (Thursday)
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1Q19 Results

São Paulo, May 15, 2019. Sinqia S.A. (B3: SQIA3) (“**Company**”), a technology provider for the financial system, announces today its consolidated results for the first quarter of 2019 (“**1Q19**”).

Recent events:

Acquisition of ADSPrev. On 28 Feb. 2019, we announced the acquisition of ADSPrev – *Administração e Desenvolvimento de Sistemas Ltda*. (“**ADSPrev**”), a provider of software for pension entities. This was the 12th acquisition made by Sinqia and the 4th in this market, consolidating our leadership. The rationale of the deal included the updating of our portfolio and the expansion of our customer base, that now comprises more than 80 entities, that is, accounting for over ¼ of the total operating in Brazil. Due to this acquisition and our capacity to invest in RD&I, Sinqia obtained scale gains in the Sinqia Pension platform to develop a comprehensive and flexible system with the performance that this market deserves. ADSPrev recorded gross revenues of R$ 7.3 million and was acquired at an initial enterprise value of R$ 14.0 million, with an earn-out up to R$ 4.0 million, subject to the achievement of a goal.

Payment of dividends. On 24 Apr. 2019, we announced the payment of dividends for 2018, approved at the Annual Shareholders’ Meeting, in the gross amount of R$ 648,0 thousand, equivalent to **R$ 0.056 per share**. The shareholders are entitled to receive the dividends according to the shareholder base as at 29 Apr. 2019; the shares are traded “ex-dividends” beginning 30 Apr. 2019, inclusive; and the payment will be made beginning 21 May 2019, not adjusted for inflation.

Change of auditors. On 24 Apr. 2019, we announced the hiring of *Deloitte Touche Tohmatsu Auditores Independentes* (“**Deloitte**”), approved at the Board of Directors’ Meeting, to audit the financial statements from the 1Q19, in place of *PricewaterhouseCoopers Auditores Independentes* (“**PwC**”), as set forth in Article 31 of CVM instruction 308/99 and due to commercial conditions.

Financial highlights:

Net revenues. R$ 38.5 million (+18.1% vs. 1Q18), due to substantial organic growth in Services and inorganic growth in Software;

Recurring revenues. R$ 31.7 million (+17.2% vs. 1Q18), substantial growth due to organic growth in Outsourcing and inorganic growth in Subscription;

Adjusted EBITDA. R$ 3.6 million (-20.6% vs. 1Q18), mainly due to higher RD&I investments and M&A expenses with the large number of recent acquisitions;

Adjusted cash earnings. R$ 0.7 million (-78.6% vs. 1Q18), reduction mainly related to the adjusted EBITDA variation and higher expenses with depreciation.

Financial Highlights								
(R$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Net Revenues	38,540	32,632	18.1%	39,680	-2.9%	148,017	135,522	9.2%
Recurring Revenues	32,291	27,023	19.5%	32,215	0.2%	121,006	101,539	19.2%
% of Recurrence	*83.8%*	*82.8%*	*1.0 p.p.*	*81.2%*	*2.6 p.p.*	*81.8%*	*74.9%*	*6.8 p.p.*
EBITDA	123	1,268	-90.3%	4,172	-97.1%	14,123	16,682	-15.3%
EBITDA margin	*0.3%*	*3.9%*	*-3.6 p.p.*	*10.5%*	*-10.2 p.p.*	*9.5%*	*12.3%*	*-2.8 p.p.*
Adjusted EBITDA	3,587	4,515	-20.6%	4,883	-26.5%	18,298	21,993	-16.8%
Adj. EBITDA Margin	*9.3%*	*13.8%*	*-4.5 p.p.*	*12.3%*	*-3.0 p.p.*	*12.4%*	*16.2%*	*-3.9 p.p.*
Adjusted Cash Earnings	746	3,486	-78.6%	1,833	-59.3%	9,531	17,726	-46.2%
Adj. CE Margin	*1.9%*	*10.7%*	*-8.7 p.p.*	*4.6%*	*-2.7 p.p.*	*6.4%*	*13.1%*	*-6.6 p.p.*

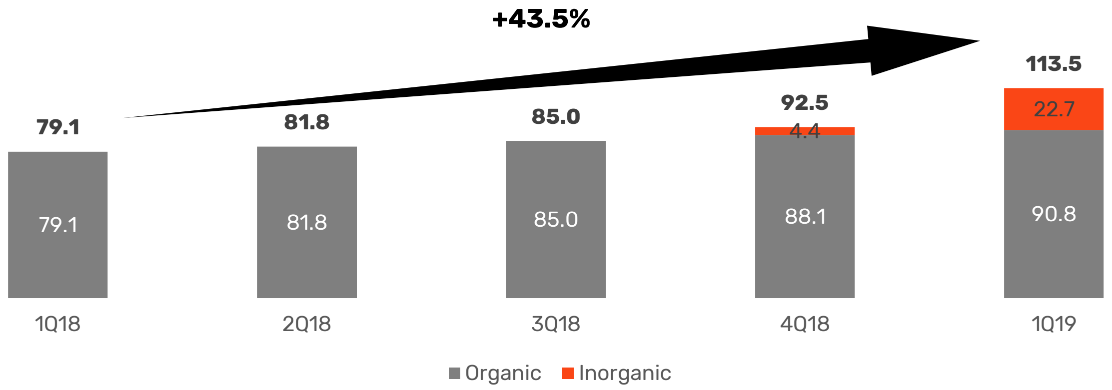
MESSAGEM FROM MANAGEMENT

The first quarter of 2019 represented another step in the consolidation of Sinqia as the largest and best technology provider for the financial system in Brazil, and the financial results reflect such step. As already mentioned in previous releases, upon completion of the integration of attps, management undertook measures to speed up Sinqia's organic and inorganic growth, knowing that these measure would impact its profitability in the short term. However, in our opinion, it is a small price to be paid to add more value to our shareholders.

The measures to speed up the organic growth in 2018 comprised (i) substantial increase in Research, Development and Innovation ("**RD&I**") investments, in order to take the softwares from the last acquisitions to Sinqia's excellence standard; (ii) adjustments in the commercial model to reduce our customers' switching cost by means of subsidy of implementations; (iii) brand change to expand the Sinqia's recognition and facilitate the understanding of our products portfolio.

These measures reduced our revenues (when we subsidize implementations, giving up of setup revenues) or increased our costs and expenses, which clearly impacted our profitability in the short term. However, the first rewards can already be perceived: according to the chart below, the portfolio of software contracts increased from R$ 79.1 million in the 1Q18 to R$ 113.5 million in the 1Q19, an increase of 43.5%, out of which 14.8% organic and 28.7% inorganic, confirming that we have entered a new path to growth.

Evolution of the portfolio of recurring contracts (R$ MM)



A consequence of such extremely positive performance, is the significant expansion in the number of software implementations in the first quarter. In order to ensure these implementations with quality and in the proper time, we reinforced in 2019 our operational staff, which adds another healthy increase in costs, as the sooner these implementations are concluded, the sooner we will convert the sales performed in revenues.

The measures to speed up the inorganic growth in 2018 also increased the expenditures: we have never performed so many acquisitions in such a short period, 3 acquisitions in 5 months. Accordingly, our M&A expenses and extraordinary integration expenditures increased. To the extent that these acquisitions are absorbed, the extraordinary items will decrease, while the administrative, commercial and operational synergies will increase. And the return on each acquisition will be evident.

In addition, it's important to note the M&A strategy adopted by Sinqia in the Pension vertical, which is expected to significantly increase with the expansion of the private pension. We began our operations in this vertical with the acquisition of Drive (2013), with software for asset control, and reinforced our market share with the acquisition of attps (2016), with software for liability control. Currently, we consolidated our leadership with the acquisition of Atena and ADSPrev, respectively, in January and February this year. Such strategic step is a case for Sinqia: we started from scratch to absolute leadership in the sector after 4 acquisitions in 6 years. A model of serial acquisitions that Sinqia intends to reproduce in other verticals.

Upon explanation of the main pillars of our business, we will now analyze our results for the first quarter of 2019.

Net revenues were the highest in a first quarter R$ 38.5 million, growth of 18.1%, an increase of R$ 5.9 million compared to the 1Q18. Out of this increase, R$ 3.0 million was added organic and R$ 2.9 million added inorganic, as a result of the last 3 acquisitions - ConsultBrasil (Oct/18), Atena (Jan/19) and ADSPrev (Feb/19). It's worth noting that the last two acquisitions were performed in the middle of the quarter; accordingly, the respective results were not consolidated on a quarterly basis.

Gross profit was also the highest value in a first quarter R$ 12.2 million, despite of the abovementioned factors (higher RD&I investments, commercial model adjustments and extraordinary integration costs). We must emphasize that the profitability of the acquired companies follows the "J-curve" pattern after the acquisition, initially being reduced due to the extraordinary items and then continuously increasing each quarter, to the extent that the extraordinary items are reduced and the synergies appear.

General and administrative expenses totaled R$ 12.1 million, an increase of R$ 4.4 million, mainly due to the following: (i) increase of R$ 2.6 million in extraordinary integration expenses; (ii) increase of R$ 0.8 million in the consolidation of the expenses from the last 3 acquisitions in the income statement; (iii) increase of R$ 0.6 million in M&A expenses; and (iv) increase of R$ 0.2 million in extraordinary expenses with the new brand.

Adjusted EBITDA (excluding extraordinary items) totaled R$ 3.6 million, a decrease of R$ 0.9 million compared to the 1Q18. This reduction resulted from the items already explained in relation to gross profit and general and administrative expenses. Accordingly, adjusted EBITDA margin decreased to 9.3% from 13.8% in 1Q18.

We must emphasize that our results are aligned with our strategic planning and we are confident that the benefits, in terms of higher revenues and margins, will be significant. Such expansion will be seen each quarter over this year and in the subsequent years.

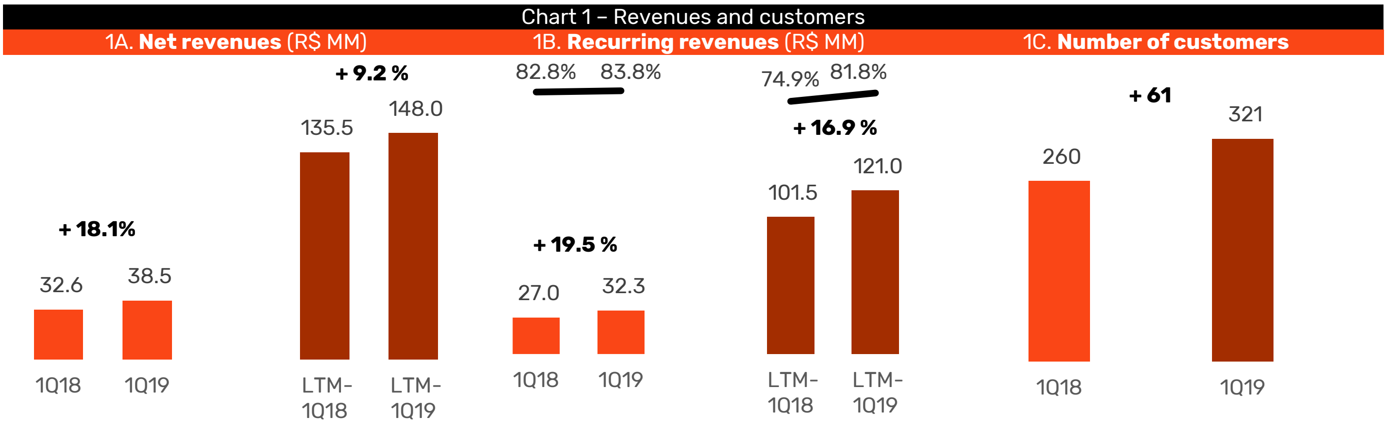
OPERATING AND FINANCIAL PERFORMANCE

Net revenues. Registered R$ 38.5 million (+18.1% vs. 1Q18) the highest value in a first quarter, an increase of R$ 5.9 million, out of which R$ 3.0 million was organic, due to the increase of R$ 3.1 million in the Services business (+28.8% vs. 1Q18) and decrease of R$ 0.1 million in the Software business, and R$ 2.9 million was inorganic, with the addition of Software revenues from the last 3 acquisitions.

Recurring revenues. Comprising "Subscription" in the Software business and "Outsourcing" in the Services business, totaled a record R$ 32.3 million (+19.5% vs. 1Q18), an increase of R$ 5.3 million, out of which R$ 2.5 million was organic, R$ 2.2 million in revenues from "Outsourcing" (+24.1% vs. 1Q18) and R$ 0.3 million from "Subscription", and R$ 2.8 million was inorganic as a result of the "Subscription" from the last 3 acquisitions. The recurrence percentage totaled a record 83.8% of total (vs. 82.8% in 1Q18).

Number of customers. Increased to 321 (+61 vs. 1Q18), due to the addition of customers from the last 3 acquisitions. The largest customer accounted for 9.6% of net revenues (vs. 9.3% in 1Q18), due to the increase of the relationship between this customer and Sinqia in the Software and Services.

Chart 1 – Revenues and customers



Software Unit

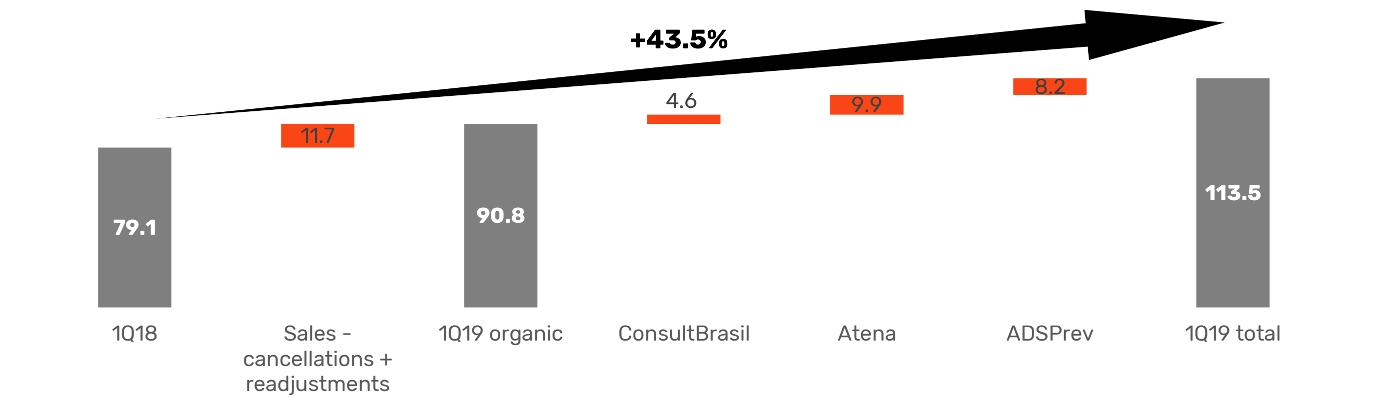
Net revenues from Software. Totaled a record R$ 24.8 million (+12.9% vs. 1Q18), 64% of the total, an increase of R$ 2.8 million, with an organic reduction of R$ 0.1 million and an inorganic increase of 2.9 million due to the consolidation of the last 3 acquisitions, taking into consideration that the last 2 were performed in the middle of the quarter, therefore, are 2 months of Atena and 1 month of ADSPrev in this result. We present below a breakdown between the recurring "Subscription" portion and the variable "Implementation and Customization" portion:

- Net revenues from subscription. Totaled a record R$ 20.5 million (+13.7% vs. 1Q18), 85% of the unit's total, an increase of R$ 3.1 million, out of which R$ 0.3 million was organic, with inflation adjustments, and R$ 2.8 million was inorganic, with addition from the last 3 acquisitions.

  Portfolio of recurring contracts. The portfolio of recurring contracts[1] totaled R$ 113.5 million (+43.5% vs. 1Q18), out of which R$ 90.8 million organic (+R$ 11.7 million vs. 1Q18), due to the increase in sales for the period arising from setup subsidies, and R$ 22.7 million inorganic (not recorded in the 1Q18), arising from the last three acquisitions, out of which R$ 4.6 million from ConsultBrasil, R$ 9.9 million from Atena and R$ 8.2 million from ADSPrev, confirming 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.

[1] Signed contracts with annualized gross values, that will generate revenues after the conclusion of the implementation.

Chart 2 – Software Unit
Portfolio of recurring contracts (R$ MM)

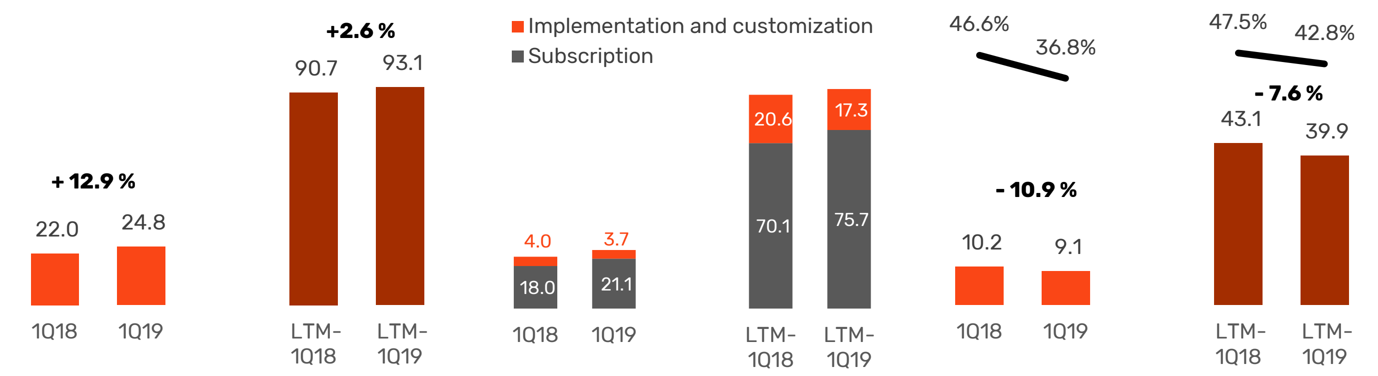


- Net revenues from implementation and customization. Totaled R$ 3.7 million (-6.5% vs. 1Q18), accounting for 15% of the unit's total, a decrease of R$ 0.3 million, out of which R$ 0.4 million was organic, mainly related to the subsidies granted for the implementation projects to reduce our customers' switching cost, and an inorganic increase of R$ 0.1 million from the last 3 acquisitions.

Software costs. Totaled R$ 15.7 million (+33.7% vs. 1Q18), an increase of R$ 4.0 million, out of which (i) R$ 1.9 million was organic, mainly due to the increase of R$ 0.8 million in the RD&I investments, R$ 0.6 million in extraordinary integration costs, and increase in implementation costs to convert sales in revenues, and (ii) R$ 2.1 million was inorganic, added by the last 3 acquisitions.

Gross profit from Software. Totaled R$ 9.1 million (-10.9% vs. 1Q18), with gross margin of 36.8% (-9.8 p.p. vs. 1Q18). The loss of profitability is explained by the cost increase already mentioned, besides consolidation of 3 companies which still present gross margins below the organic average. However, similarly to attps, such factor is temporary and the gross margin of these companies will increase as the integrations are concluded.

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$ 13.8 million (+28.8% vs. 1Q18), 36% of the total, an organic increase of R$ 3.1 million, with growth both in the recurring portion "Outsourcing" and the variable portion "Projects", as below:

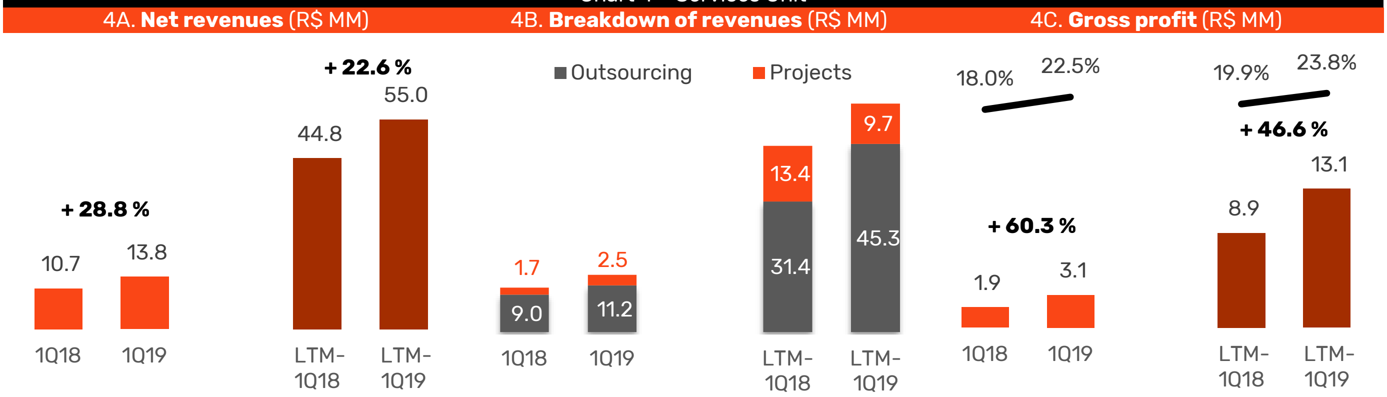
- Net revenues from outsourcing. Totaled R$ 11.2 million (+24.1% vs. 1Q18), 81% of the unit's total, a strong increase of R$ 2.2 million driven by the demand for outsourcing services and the subsequent increase in the number of professionals allocated in the customers.

- Net revenues from projects. Totaled R$ 2.6 million (+54.3% vs. 1Q18), 19% of the unit's total, an increase of R$ 0.9 million, mainly related to the innovation projects by Torq, a subsidiary in operation since the 3Q18, which contributed with R$ 0.8 million in the 1Q19.

Services costs. Totaled R$ 10.7 million (+21.9% vs. 1Q18), out of which R$ 9.1 million from Outsourcing (+17.4% vs. 1Q18), expansion of R$ 1.3 million relating to the engagements to meet the allocations and R$ 1.6 million from Projects (+54.7% vs. 1Q18), mainly due to the contribution of R$ 0.4 million by Torq.

Gross profit from Services. Totaled R$ 3.1 million (+60.3% vs. 1Q18), with gross margin of 22.5% (+4.4 p.p. vs. 1Q18), out of which R$ 2.2 million from Outsourcing (+63.3% vs. 1Q18) and R$ 0.9 million from Projects (+53.7% vs. 1Q18).

Chart 4 – Services Unit



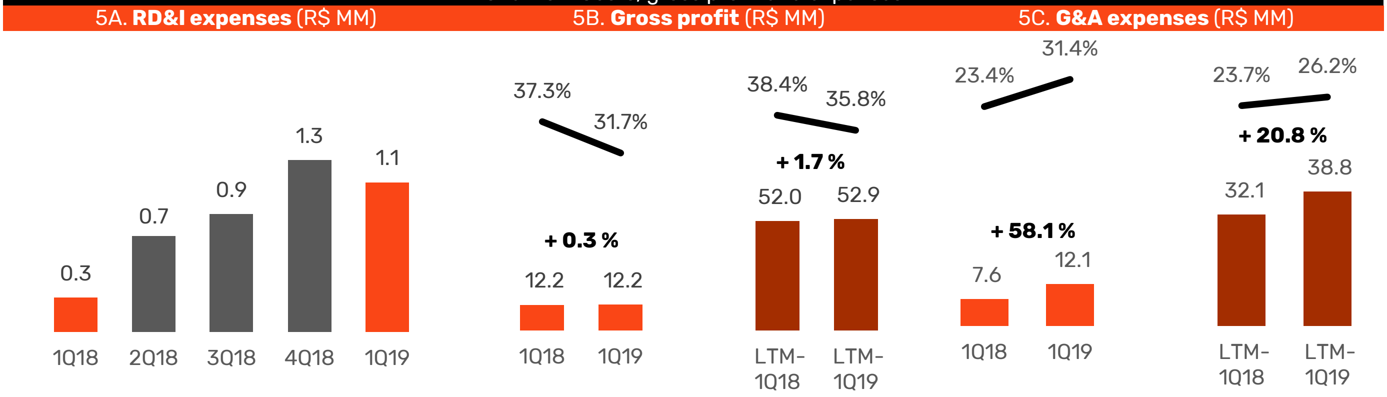
Costs, gross profit and expenses

Costs. Costs totaled R$ 26.3 million (+28.7% vs. 1Q18), an increase of R$ 5.9 million, out of which (i) R$ 3.8 million was organic, comprising R$ 1.9 million in Software business due to the higher RD&I investments and layoffs, and R$ 1.9 million in Services business due to the higher business volume, and (ii) R$ 2.1 million was inorganic relating to the last 3 acquisitions.

Gross profit. Totaled R$ 12.2 million (+0.3% vs. 1Q18), out of which R$ 11.3 million was organic and R$ 0.9 million was inorganic. Gross margin reached 31.7% (-5.6 p.p. vs. 1Q18), mainly due to the higher costs, as previously explained, being 31.8% the organic gross margin and 29.7% the inorganic, we recall that the profitability of the acquired companies follows the "J-curve" pattern after the acquisition, initially being reduced due to the extraordinary items and then increasing as the extraordinary items are reduced and the synergies appear.

General and administrative ("G&A") expenses. Totaled R$ 12.1 million (+58.1% vs. 1Q18), accounting for 31.4% of the total net revenues (+7.9 p.p. vs. 1Q18), an increase of R$ 4.4 million, out of which (i) R$ 3.6 million was organic, mainly due to R$ 2.6 million in extraordinary integration expenses, R$ 0.6 million in M&A expenses and extraordinary R$ 0.2 million to strengthen the brand, and (ii) R$ 0.8 million was inorganic, upon consolidation of the expenses from the last 3 acquisitions. In addition, under the IFRS 16, we did not recognize the amount of R$ 0.3 million in rental expenses in this quarter.

Chart 5 – Costs, gross profit and expenses



EBITDA and adjusted EBITDA[2]

Adjusted EBITDA. Totaled R$ 3.6 million (-20.6% vs. 1Q18), a decrease of R$ 0.9 million, and adjusted EBITDA margin reached 9.3% (-4.5 p.p. vs. 1Q18). The reduction resulted mainly from the higher RD&I costs of R$ 0.8 million, and M&A expenses of R$ 0.6 million, and we note that IFRS 16 represents a positive impact of R$ 0.3 million. By excluding these 3 items, the adjusted EBITDA would have totaled R$ 4.7 million, an increase of 3.6% compared to the 1Q18.

Table 1 - Reconciliation of EBITDA and Adjusted EBITDA

(R$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Net Income	**(2,341)**	**(1,799)**	**30.1%**	**1,097**	**-**	**2,184**	**5,048**	**-56.7%**
(+) Income tax/social contribution	(1,658)	(588)	182.0%	817	-	1,240	1,347	7.9%
(+) Financial result	1,285	1,937	-33.7%	359	257.9%	2,381	3,511	32.2%
(+) Depreciation/amort.	2,837	1,718	65.1%	1,899	49.4%	8,318	6,776	-22.8%
EBITDA	**123**	**1,268**	**-90.3%**	**4,172**	**-97.1%**	**14,123**	**16,682**	**-15.3%**
(+) Extraordinary expenses - earnout	-	3,247	-	-	-	-	3,247	-
(+) Extraordinary expenses - integration	2,619	-	-	8	-	2,627	445	490.3%
(+) Extraordinary expenses - new brand	244	-	-	627	-61.1%	871	-	-
(+) Extraordinary costs - integration	601	-	-	76	-	677	1,619	-58.2%
Adjusted EBITDA	**3,587**	**4,515**	**-20.6%**	**4,883**	**-26.5%**	**18,298**	**21,993**	**-16.8%**
Adj. EBITDA Margin	***9.3%***	***13.8%***	***-4.5 p.p.***	***12.3%***	***-3.0 p.p.***	***12.4%***	***16.2%***	***-3.9 p.p.***

EBT, net profit and adjusted cash earnings

EBT. In the quarter, earnings before income tax and social contribution ("EBT") totaled negative R$ 4.0 million (vs. negative R$ 2.4 million in the 1Q18), as follows:

- Finance result, net. Totaled negative R$ 1.3 million (vs. negative R$ 1.9 million in the 1Q18), mainly due to the reduction of R$ 0.7 million in finance expenses. Contributed (i) to reduction of finance expenses the absence of adjustment to the additional installment relating to the acquisition of attps, in the amount of R$ 1.4 million and (ii) to the increase in finance expenses, the adjustment to present value, in the amount of R$ 0.5 million, under the IFRS 16, and interest on debentures in the amount of R$ 0.2 million.

- Depreciation and amortization. Totaled R$ 2.8 million (+65.1% vs. 1Q18), an increase resulting from the amortization of acquisitions' goodwill and the increase of R$ 0.6 million in the amortization of the use right under the IFRS 16.

Net Income (loss). Totaled negative R$ 2.3 million (vs. negative R$ 1.8 million in the 1Q18), strongly impacted by extraordinary factors, as explained above. However, such accounting measure is impacted by non-economic

[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 of 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.

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$ 0.7 million (-78.6% vs. 1Q18), with margin of 1.9% (-8.7 p.p. vs. 1Q18), a decrease of R$ 2.7 million due to the lower adjusted net income (decrease of R$ 1.7 million vs. 1Q18) and higher depreciation.

Table 2 - Reconciliation of Adjusted Cash Earnings

(R$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Net income	**(2,341)**	**(1,799)**	**30.1%**	**1,097**	**-**	**2,184**	**5,048**	**-56.7%**
(+) Extraordinary effects	3,464	4,609	-24.8%	711	387.2%	4,175	6,673	-37.4%
Adjusted net income	**1,123**	**2,810**	**-60.0%**	**1,808**	**-37.9%**	**6,359**	**11,721**	**-45.7%**
(+) Acquisitions amortization	1,497	1,470	1.8%	1,424	5.1%	5,891	5,879	0.2%
(+) Def. income tax/Social Contr.	(1,874)	(794)	136.0%	(1,399)	34.0%	(2,719)	126	-
Adjusted Cash Earnings	**746**	**3,486**	**-78.6%**	**1,833**	**-59.3%**	**9,531**	**17,726**	**-46.2%**
Adj. CE Margin	***1.9%***	***10.7%***	***-8.7 p.p.***	***4.6%***	***-2.7 p.p.***	***6.4%***	***13.1%***	***-6.6 p.p.***

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

Financial position

Gross cash. Totaled R$ 24.6 million (-R$ 1.4 million vs. 4Q18), decrease mainly due to the cash payment of Atena and ADSPrev acquisitions (R$ 15.3 million), increase in the accounts receivable balance (R$ 7.9 million), acquisition of intangible and property and equipment (R$ 5.1 million), amortization of installments (R$ 3.1 million) and warranties related to the debentures (R$ 3.0 million), even with the addition of R$ 32.0 million in cash from the debentures.

Gross debt. Gross balance totaled R$ 69.9 million (+R$ 36.9 million vs. 4Q18), as follows:

- Liabilities arising from investment acquisitions (short and long terms). Totaled R$ 22.6 million (+R$ 4.2 million vs. 4Q18), an increase of R$ 5.6 million arising from the installments of the acquisition of ADSPrev and Atena, in the amount of R$ 5.6 million, and reduction of R$ 1.3 million after the payment of the installments of attps.

- Borrowings and financing (short and long terms). Totaled R$ 47.3 million (+R$ 32.7 million vs. 4Q18), an increase that basically resulted from the R$ 32.0 million settlement part of the 1st debentures issuance.

Net debt. Totaled R$ 45.3 million (+R$ 38.4 million vs. 4Q18), representing 2.5x the adjusted EBITDA for the last 12 months (vs. 0.4x in 4Q18), a temporary increase due to the acquisitions, a level considered adequate for the Company.

Capital Market

Stock performance. The Company's shares (Novo Mercado: SQIA3) closed the 1Q19 at R$ 34.00 (+34.3% vs. 4Q18). As the Company's total capital stock comprises 11,787,203 common shares, the Company's market value amounted to R$ 400.8 million as at 31 Mar. 2019.

Average daily trading volume. Was R$ 1.2 million in the 1Q19 (+192.5% vs. 4Q18), a significant increase after the removal of one of the largest institutional investors, increasing the dispersion of the shareholders' base and liquidity.

Shareholder base. The shareholder base closed the quarter with 9,563 shareholders (+52.0% vs. 4Q18), a significant number in comparison with Brazilian companies of similar size, and free float was 73.1%.

Declaration from Management. The Officers of Sinqia S.A., pursuant to items V and VI of 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 on 31 Mar. 2019.

APPENDIX – FINANCIAL STATEMENTS

I – Income Statement (Consolidated)

(R$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Gross Revenues	**43,226**	**36,604**	**18.1%**	**44,477**	**-2.8%**	**166,009**	**152,771**	**8.7%**
Software	27,766	24,616	12.8%	27,598	0.6%	104,435	101,976	2.4%
Subscription	23,598	20,169	17.0%	22,084	6.9%	84,959	78,605	8.1%
Implementation	4,168	4,447	-6.3%	5,514	-24.4%	19,476	23,371	-16.7%
Services	15,460	11,988	29.0%	16,879	-8.4%	61,574	50,795	21.2%
Outsourcing	12,593	10,184	23.7%	14,098	-10.7%	50,884	35,891	41.8%
Projects	2,867	1,804	58.9%	2,781	3.1%	10,690	14,904	-28.3%
Sales taxes	**(4,686)**	**(3,972)**	**18.0%**	**(4,797)**	**-2.3%**	**(17,992)**	**(17,249)**	**4.3%**
Software	(2,983)	(2,666)	11.9%	(3,014)	-1.0%	(11,384)	(11,273)	1.0%
Subscription	(2,516)	(2,177)	15.6%	(2,415)	4.2%	(9,239)	(8,506)	8.6%
Implementation	(467)	(489)	-4.5%	(599)	-22.0%	(2,145)	(2,767)	-22.5%
Services	(1,703)	(1,306)	30.4%	(1,783)	-4.5%	(6,608)	(5,976)	10.6%
Outsourcing	(1,384)	(1,153)	20.0%	(1,552)	-10.8%	(5,598)	(4,451)	25.8%
Projects	(319)	(153)	108.5%	(231)	38.1%	(1,010)	(1,525)	-33.8%
Net Revenues	**38,540**	**32,632**	**18.1%**	**39,680**	**-2.9%**	**148,017**	**135,522**	**9.2%**
Software	24,783	21,950	12.9%	24,584	0.8%	93,051	90,703	2.6%
Subscription	21,082	17,992	17.2%	19,669	7.2%	75,720	70,099	8.0%
Implementation	3,701	3,958	-6.5%	4,915	-24.7%	17,331	20,604	-15.9%
Services	13,757	10,682	28.8%	15,096	-8.9%	54,966	44,819	22.6%
Outsourcing	11,209	9,031	24.1%	12,546	-10.7%	45,286	31,440	44.0%
Projects	2,548	1,651	54.3%	2,550	-0.1%	9,680	13,379	-27.6%
Net Revenues	**38,540**	**32,632**	**18.1%**	**39,680**	**-2.9%**	**148,017**	**135,522**	**9.2%**
Recurring	32,291	27,023	19.5%	32,215	0.2%	121,006	101,539	19.2%
Variable	6,249	5,609	11.4%	7,465	-16.3%	27,011	33,983	-20.5%
% of Recurrence	***83.8%***	***82.8%***	**1.0 p.p.**	***81.2%***	**2.6 p.p.**	***81.8%***	***74.9%***	**6.8 p.p.**
Costs	**(26,339)**	**(20,473)**	**28.7%**	**(24,942)**	**5.6%**	**(95,080)**	**(83,479)**	**13.9%**
Software	(15,671)	(11,718)	33.7%	(13,607)	15.2%	(53,188)	(47,581)	11.8%
Services	(10,668)	(8,755)	21.9%	(11,335)	-5.9%	(41,892)	(35,898)	16.7%
Outsourcing	(9,050)	(7,709)	17.4%	(9,523)	-5.0%	(35,410)	(25,284)	40.0%
Projects	(1,618)	(1,046)	54.7%	(1,812)	-10.7%	(6,482)	(10,614)	-38.9%
Gross profit	**12,201**	**12,159**	**0.3%**	**14,738**	**-17.2%**	**52,937**	**52,043**	**1.7%**
Gross margin	*31.7%*	*37.3%*	-5.6 p.p.	*37.1%*	-5.5 p.p.	*35.8%*	*38.4%*	-2.6 p.p.
Software	9,112	10,232	-10.9%	10,977	-17.0%	39,863	43,122	-7.6%
Software gross mg.	*36.8%*	*46.6%*	-9.8 p.p.	*44.7%*	-7.9 p.p.	*42.8%*	*47.5%*	-4.7 p.p.
Services	3,089	1,927	60.3%	3,761	-17.9%	13,074	8,921	46.6%
Services gross mg.	*22.5%*	*18.0%*	4.4 p.p.	*24.9%*	-2.5 p.p.	*23.8%*	*19.9%*	3.9 p.p.
Outsourcing	2,159	1,322	63.3%	3,023	-28.6%	9,876	6,156	60.4%
Outsourcing gross mg.	*19.3%*	*14.6%*	4.6 p.p.	*24.1%*	-4.8 p.p.	*21.8%*	*19.6%*	2.2 p.p.
Projects	930	605	53.7%	738	26.0%	3,198	2,765	15.7%
Projects gross mg.	*36.5%*	*36.6%*	-0.1 p.p.	*28.9%*	7.6 p.p.	*33.0%*	*20.7%*	12.4 p.p.
Expenses	**(14,920)**	**(12,609)**	**18.3%**	**(12,464)**	**19.7%**	**(47,127)**	**(42,137)**	**11.8%**
% of net revenues	*38.7%*	*38.6%*	0.1 p.p.	*31.4%*	7.3 p.p.	*31.8%*	*31.1%*	0.7 p.p.
General/administrative	(12,083)	(7,644)	58.1%	(10,565)	14.4%	(38,809)	(32,114)	20.8%
% of net revenues	*31.4%*	*23.4%*	7.9 p.p.	*26.6%*	4.7 p.p.	*26.2%*	*23.7%*	2.5 p.p.
Other expenses	-	(3,247)	-	-	-	-	(3,247)	-
% of net revenues	*0.0%*	*10.0%*	-10.0 p.p.	*0.0%*	0.0 p.p.	*0.0%*	*2.4%*	-2.4 p.p.
Depreciation/amort.	(2,837)	(1,718)	65.1%	(1,899)	49.4%	(8,318)	(6,776)	22.8%
% of net revenues	*7.4%*	*5.3%*	2.1 p.p.	*4.8%*	2.6 p.p.	*5.6%*	*5.0%*	0.6 p.p.
EBIT	**(2,719)**	**(450)**	**504.2%**	**2,274**	**-**	**5,810**	**9,906**	**-41.3%**
Finance result	**(1,285)**	**(1,937)**	**-33.7%**	**(359)**	**257.9%**	**(2,381)**	**(3,511)**	**-32.2%**
Finance income	372	413	-9.9%	586	-36.5%	1,932	1,495	29.2%
Finance costs	(1,657)	(2,350)	-29.5%	(945)	75.3%	(4,313)	(5,006)	-13.8%
EBT	(4,004)	(2,387)	67.7%	1,915	-	3,429	6,395	-46.4%
Income tax/social contribution	**1,658**	**588**	**182.0%**	**(817)**	**-**	**(1,240)**	**(1,347)**	**-7.9%**
Current	**(216)**	**(206)**	**4.9%**	**(2,216)**	**-90.3%**	**(3,959)**	**(1,221)**	**224.2%**
Deferred	1,874	794	136.0%	1,399	34.0%	2,719	(126)	-
Results after IT and SC	(2,346)	(1,799)	30.4%	1,098	-	2,189	5,048	-56.6%
Minority interest	5	-	-	(1)	-	(5)	-	-
Net income	**(2,341)**	**(1,799)**	**30.1%**	**1,097**	**-**	**2,184**	**5,048**	**-56.7%**
Net margin	-6.1%	-5.5%	-0.6 p.p.	2.8%	-8.8 p.p.	1.5%	3.7%	-2.2 p.p.

EBITDA*	**123**	**1,268**	**-90.3%**	**4,172**	**-97.1%**	**14,123**	**16,682**	**-15.3%**
EBITDA mg.	0.3%	3.9%	-3.6 p.p.	10.5%	-10.2 p.p.	9.5%	12.3%	-2.8 p.p.
(+) Extraordinary expenses	2,863	3,247	-11.8%	635	350.9%	3,498	3,692	-5.3%
(+) Extraordinary costs	601	-	-	76	690.8%	677	1,619	-58.2%
Adjusted EBITDA	**3,587**	**4,515**	**-20.6%**	**4,883**	**-26.5%**	**18,298**	**21,993**	**-16.8%**
Adj. EBITDA Margin	*9.3%*	*13.8%*	-4.5 p.p.	*12.3%*	-3.0 p.p.	*12.4%*	*16.2%*	-3.9 p.p.

*According to Instruction CVM 527/12.

(R$ '000)	1Q19	1Q18	Change	4Q18	Change	LTM-1Q19	LTM-1Q18	Change
Net income	**(2,341)**	**(1,799)**	**30.1%**	**1,097**	**-313.4%**	**2,184**	**5,048**	**-56.7%**
(+) Extraordinary effects	3,464	4,609	-24.8%	711	387.2%	4,175	6,673	-37.4%
Adjusted net income	**1,123**	**2,810**	**-60.0%**	**1,808**	**-37.9%**	**6,359**	**11,721**	**-45.7%**
(+) Acquisitions amortization	1,497	1,470	1.8%	1,424	5.1%	5,891	5,879	0.2%
(+) Deferred income tax/Social cont.	(1,874)	(794)	136.0%	(1,399)	34.0%	(2,719)	126	-
Adjusted Cash Earnings	**746**	**3,486**	**-78.6%**	**1,833**	**-59.3%**	**9,531**	**17,726**	**-46.2%**
Adj. CE Margin	*1.9%*	*10.7%*	*-8.7 p.p.*	*4.6%*	*-2.7 p.p.*	*6.4%*	*13.1%*	-6.6 p.p.

II – Balance Sheet (Consolidated)

(R$ '000)	03.31.2019	12.31.2018	Change	03.31.2018	Change
ASSETS	**228,265**	**167,430**	**36.3%**	**152,721**	**49.5%**
Current	**59,753**	**51,722**	**15.5%**	**49,298**	**21.2%**
Cash and cash equivalents	24,599	26,037	-5.5%	22,869	7.6%
Trade receivables	30,150	22,254	35.5%	23,010	31.0%
Prepaid expences	699	79	784.8%	-	-
Taxes and contributions recoverable	3,499	2,552	37.1%	3,176	10.2%
Other receivables	806	744	8.3%	243	231.7%
Related parties	-	56	-	-	-
Non-current	**168,512**	**115,708**	**45.6%**	**103,423**	**62.9%**
Securities	3,000	-	-	-	-
Deposits in court	375	297	26.3%	583	-35.7%
Deferred income tax and social contrib.	18,170	16,296	11.5%	11,062	64.3%
Other receivables	763	159	379.9%	159	379.9%
Property and equipment	31,975	6,836	367.7%	2,665	1099.8%
Intangible assets	114,229	92,118	24.0%	88,954	28.4%
LIABILITIES AND EQUITY	**228,265**	**167,430**	**36.3%**	**152,721**	**49.5%**
Current	**39,362**	**33,635**	**17.0%**	**31,371**	**25.5%**
Borrowings	5,001	3,958	26.4%	3,704	35.0%
Leasing	2,453	-	-	-	-
Trade payables	2,818	2,134	32.1%	701	302.0%
Advances from customers	3,783	4,338	-12.8%	1,294	192.3%
Labor liabilities	16,298	13,707	18.9%	15,453	5.5%
Undistributed profits	648	648	-	2,086	-68.9%
Tax liabilities	2,352	2,824	-16.7%	1,663	41.4%
Liabilities arising from invest. acquisition	6,009	6,026	-0.3%	6,470	-7.1%
Non-current	**105,988**	**48,379**	**119.1%**	**47,585**	**122.7%**
Borrowings	42,291	10,651	297.1%	13,533	212.5%
Leasing	21,576	-	-	-	-
Tax liabilities	3,576	3,586	-0.3%	100	3476.0%
Provisions for contingencies	21,989	21,845	0.7%	18,464	19.1%
Liabilities arising from invest. acquisition	16,556	12,297	34.6%	15,488	6.9%
Equity	**82,915**	**85,416**	**-2.9%**	**73,765**	**12.4%**
Share capital	50,561	50,561	-	50,561	0.0%
Treasury shares	(2,220)	(2,220)	-	(4,772)	-53.5%
Capital reserve	5,480	5,577	-1.7%	422	1198.6%
Revenue reserves	29,089	31,432	-7.5%	27,554	5.6%
Non-controlling interests	5	66	-92.4%	-	-

Gross debt	**69,857**	**32,932**	**112.1%**	**39,195**	**78.2%**
Borrowings	47,292	14,609	223.7%	17,237	174.4%
Liabilities arising from invest. acquisition	22,565	18,323	23.2%	21,958	2.8%
Cash position (debt), net	**(45,258)**	**(6,895)**	**556.4%**	**(16,326)**	**177.2%**