sinqia

15 Aug. 2019 (Thursday)
11 am (Brasília) / 10 am (New York)
Phone: +55 (11) 2188-0155
Replay: +55 (11) 2188-0400
Password: Sinqia

Webcast: Click here

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.*

Investor Relations
+55 (11) 3478-4845 / 4788
ri@sinqia.com.br
ri.sinqia.com.br

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!

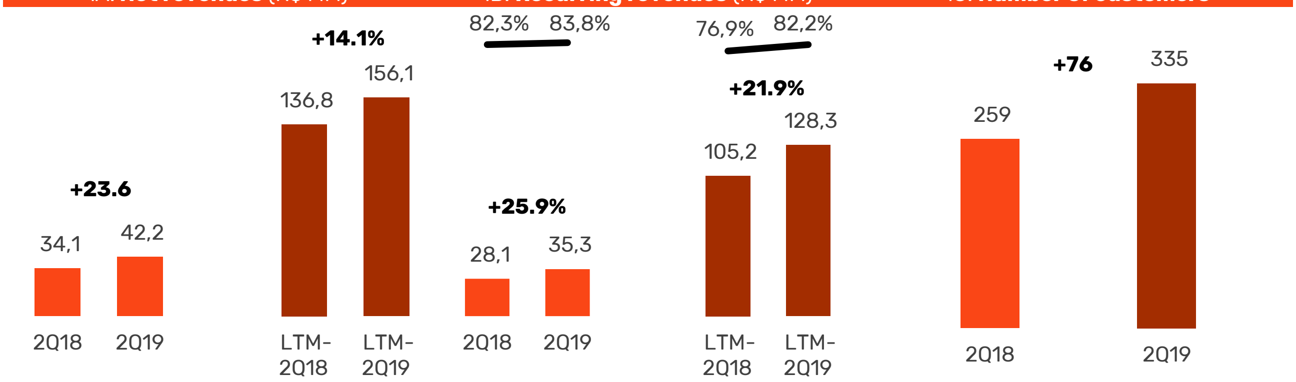
OPERATIING AND FINANCIAL PERFORMANCE

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:

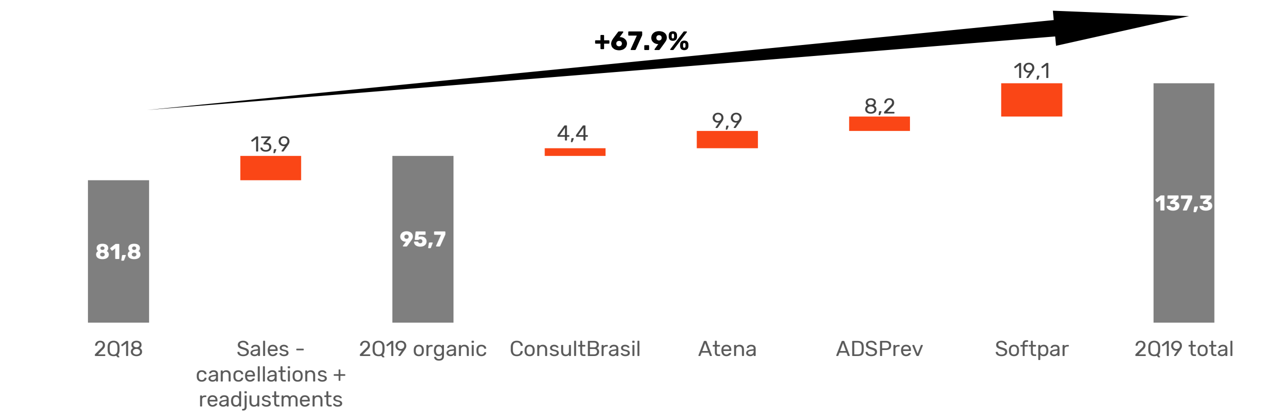
- Net revenues from subscription. Totaled a record of R$ 24.2 million (+35.3% vs. 2Q18), 83% of the unit's total, an increase of R$ 6.3 million, out of which R$ 0.4 million was organic, with inflation adjustments, and R$ 5.9 million was inorganic, with addition from the last four acquisitions. It's worth 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)

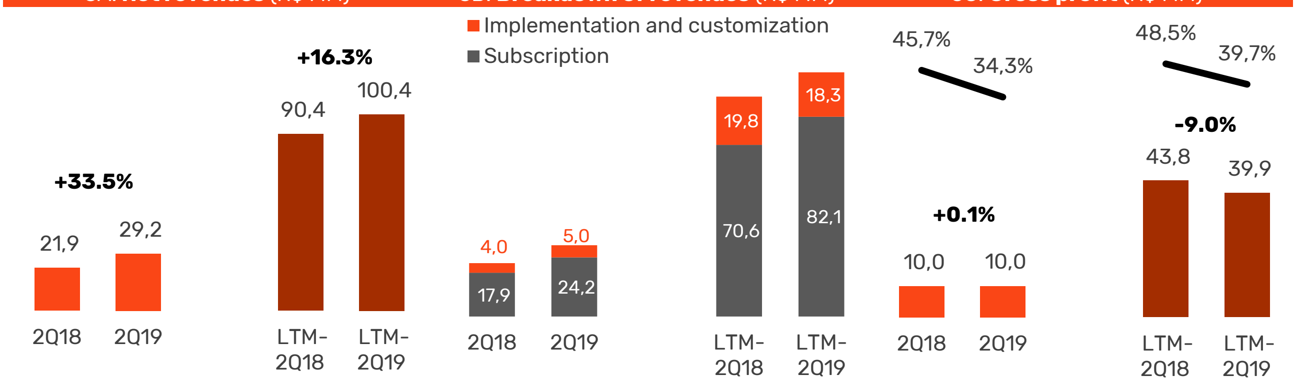


- Net revenues from implementation and customization. Totaled R$ 5.0 million (+25.3% vs. 2Q18), accounting for 17% of the unit's total, an increase of R$ 1.0 million, mainly due to the inorganic increase of R$ 0.7 million from the last four acquisitions, which were acquired with ongoing implementations.

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:

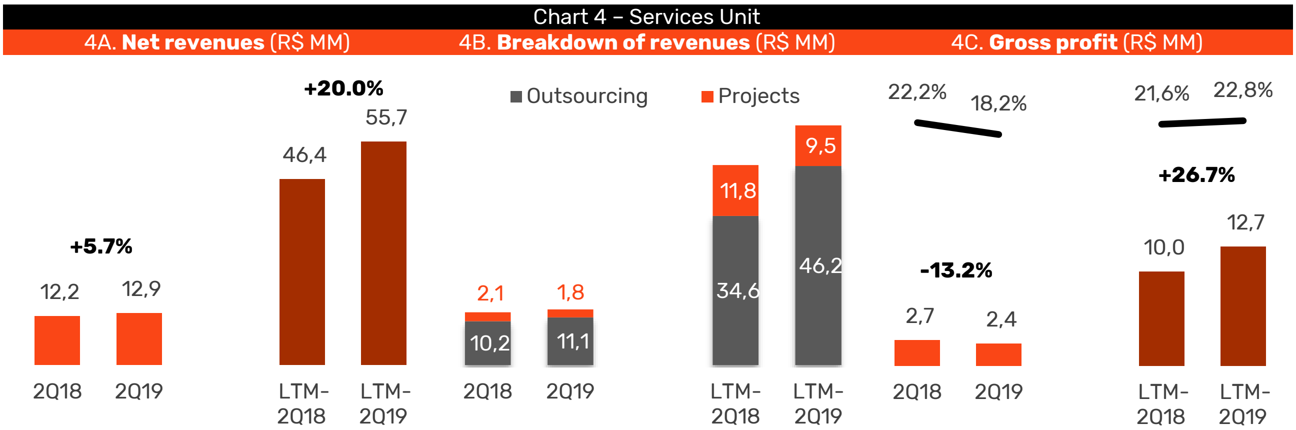
- Net revenues from outsourcing. Totaled R$ 11.1 million (+9.2% vs. 2Q18), 86% of the unit's total, an increase of R$ 0.9 million driven by the demand for outsourcing services and the subsequent increase in the number of professionals allocated in the customers, such as in previous quarter.

- 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).

Chart 4 – Services Unit



Costs, gross profit and expenses

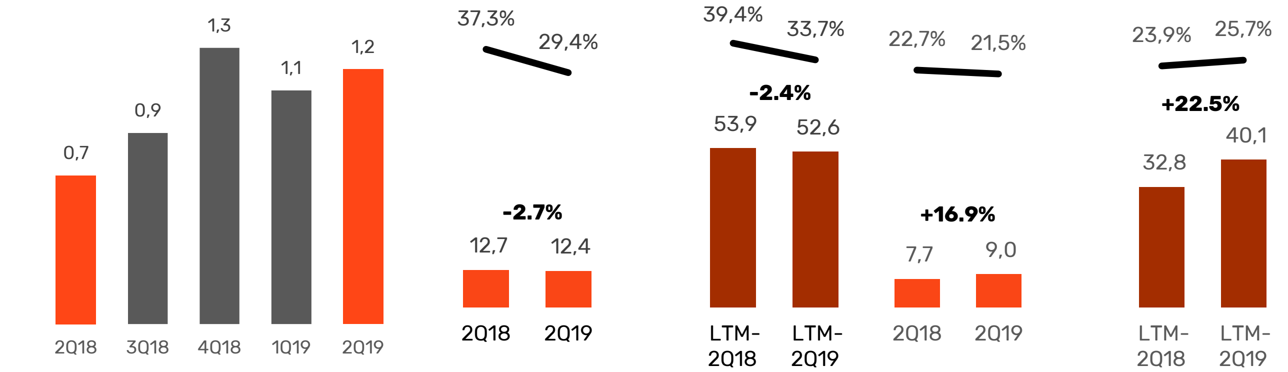
Costs. Totaled R$ 29.8 million (+39.2% vs. 2Q18), an increase of R$ 8.4 million, out of which (i) R$ 3.9 million was organic; and (ii) R$ 4.5 million was inorganic, relating to the last four acquisitions, previously explained, and increase of extraordinary R$ 1.5 million, related to the integration of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

5A. **RD&I costs** (R$ MM) 5B. **Gross profit** (R$ MM) 5C. **SG&A expenses** (R$ MM)



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**	**-**

Sinqia S.A.

Quarterly Financial Report - ITR
June 30, 2019
and independent auditor’s review on
the quarterly financial report

CONTENTS

MESSAGE FROM MANAGEMENT

Dear Shareholders and other Stakeholders,

In compliance with the provisions of Brazilian Corporate Law, SINQIA S.A., the leading Brazilian provider of information technology for the financial market, hereby submits for the consideration of its shareholders and other stakeholders, the Management Report and the related Financial Statements, accompanied by the independent auditor's review report, relating to the year ended June 30, 2019, prepared in accordance with the accounting practices adopted in Brazil and international standard IAS 34 applicable for interim financial reporting as well as instructions issued by the Brazilian Securities Commission (CVM).

RELATIONSHIP WITH THE INDEPENDENT AUDITOR

The Company's policy when contracting services not related to the external audit from the independent auditor is based on principles that safeguard the latter's independence. These principles consist of internationally accepted standards, according to which: (a) the auditors must not audit their own work; (b) the auditors must not perform management functions for their clients; and (c) the auditors must not generate conflicts of interest with their clients.

The procedures adopted by the Company, pursuant to Article 2, item III of Instruction 381/03 of the Brazilian Securities Commission (CVM) are as follows: before contracting professional services other than those related to the external audit, the Company and its subsidiaries consult with the independent auditor and the Board of Directors, in order to ensure that the provision of these other services will not affect the external auditor's independence or the objectivity required for the performance of the audit services, and also to obtain approval from the Board of Directors. In addition, these auditors are required to present formal statements regarding their independence in the performance of non-audit services.

Deloitte Touche Tohmatsu
Dr. Chucri Zaidan Avenue, 1.240 -
4th to 12th floors - Golden Tower
04711-130 - São Paulo - SP
Brazil

Tel.: + 55 (11) 5186-1000
Fax: + 55 (11) 5181-2911
www.deloitte.com.br

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Sinqia S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended June 30, 2019, which comprises the balance sheet as at June 30, 2019 and the income statement and statement of comprehensive income for the three- and six-month periods then ended and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Information and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of the Interim Financial Information (ITR), and presented in accordance with the standards issued by CVM.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added ("DVA") for the six-month period ended June 30, 2019, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by CVM, applicable to the preparation of Interim Financial Information (ITR) and considered supplemental information for International Financial Reporting Standards (IFRS), which do not require the presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Opening balance amounts

The information and amounts for the six-month period ended June 30, 2018, presented for comparison purposes, were previously reviewed by another independent auditor, who issued a report dated August 7, 2018 without modification. The information and amounts corresponding to the year ended December 31, 2018, presented for comparison purposes, were previously audited by another independent auditor, who issued a report dated February 27, 2019 without qualification.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, August 14, 2019

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Fernando A. L. Silva

Fernando Augusto Lopes Silva
Engagement Partner

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SINQIA S.A.
BALANCE SHEETS ON JUNE 30, 2019 AND DECEMBER 31, 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	30.06.2019	**31.12.2018**	**30.06.2019**	**31.12.2018**
ASSETS				
Current				
Cash and cash equivalents (Note 7)	17,490	5,039	25,289	26,037
Trade receivables (Note 8)	14,111	3,206	27,980	22,254
Advanced expenses	539	48	607	79
Taxes and contributions recoverable (Note 9)	2,039	1,037	4,859	2,552
Accounts receivable from related parties	-	-	-	56
Other receivables	501	269	1,104	744
Total current assets	**34,680**	**9,599**	**59,839**	**51,722**
Non-current				
Accounts receivable from related parties (Note 10)	7,106	6,500	-	-
Securities (Note 13)	3´,000	-	3,000	-
Deposits in court (Note 17)	280	58	451	297
Deferred income tax and social contribution (Note 23)	9,697	3,250	18,319	16,297
Other receivables	159	-	159	159
Investments (Note 5)	106,738	78,081	-	-
Property and equipment (Note 11)	30,511	5,284	37,781	6,836
Intangible assets (Note 12)	27,051	23,949	160,616	92,119
Total non-current assets	**184,542**	**117,122**	**220,326**	**115,708**
Total assets	**219,222**	**126,721**	**280,165**	**167,430**

The accompanying notes are an integral part of these interim financial statements.

SINQIA S.A.
BALANCE SHEETS AS AT JUNE 30, 2019 AND DECEMBER 31, 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
LIABILITIES				
Current				
Borrowings (Note 13)	6,362	3,718	6,820	3,958
Leasing (Note 25)	1,328	-	2,195	-
Trade payables	1,733	1,435	2,687	2,134
Advances from customers	1,802	1,319	2,814	4,338
Labor liabilities (Note 14)	8,573	5,506	14,847	13,707
Undistributed dividends (Note 18.2)	-	648	-	648
Tax liabilities (Note 15)	806	283	2,820	2,824
Accounts payable with related parties (Note 10)	512	-	-	-
Liabilities arising from investment acquisition (Note 16)	5,553	5,670	8,614	6,026
Total current liabilities	**26,669**	**18,579**	**40,797**	**33,635**
Non-current				
Borrowings (Note 13)	56,311	10,651	57,481	10,651
Leasing (Note 25)	21,446	-	24,642	-
Tax liabilities (Note 15)	102	17	3,889	3,586
Provisions for legal proceedings (Note 17)	15,215	377	33,680	21,845
Liabilities arising from investment acquisition (Note 16)	10,828	11,747	31,018	12,297
Total non-current liabilities	**103,902**	**22,792**	**150,710**	**48,379**
Equity (Note 18)				
Share capital	50,561	50,561	50,561	50,561
Treasury shares	-	(2,220)	-	(2,220)
Capital reserve	12,578	5,579	12,578	5,579
Revenue reserves	25,512	31,430	25,512	31,430
Total equity of controlling shareholders	**88,651**	**85,350**	**88,651**	**85,350**
Non-controlling interest	**-**	**-**	**7**	**66**
Total equity	**88,651**	**85,350**	**88,658**	**85,416**
Total liabilities	**219,222**	**126,721**	**280,165**	**167,430**

The accompanying notes are an integral part of these interim financial statements.

SINQIA S.A.
STATEMENTS OF PROFIT AND LOSS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	30.06.2019	**30.06.2018**	**30.06.2019**	**30.06.2018**
NET OPERATING INCOME (Note 19)	**41,282**	**16,395**	**80,706**	**66,757**
Cost of services rendered (Note 20)	(28,462)	(9,893)	(56,121)	(41,871)
GROSS PROFIT	**12,820**	**6,502**	**24,585**	**24,886**
Operating income (expenses)				
General, administrative and selling expenses (Note 21)	(14,047)	(4,734)	(27,450)	(18,865)
Equity in the results of subsidiaries (Note 5)	(2,255)	3,063	-	-
Other operating expenses, net	-	(3,247)	-	(3,247)
Total operating expenses, net	**(16,302)**	**(4,918)**	(27,450)	**(22,112)**
Operating income before finance result	**(3,482)**	**1,584**	**(2,865)**	**2,774**
Finance result, net (Note 22)	(4,202)	(2,745)	(4,299)	(2,288)
Loss before income tax and social contribution	**(7,684)**	**(1,161)**	**(7,164)**	**486**
Current income tax and social contribution (Note 23)	-	-	(774)	(487)
Deferred income tax and social contribution (Note 23)	1,765	1,372	2,020	212
Loss after income tax and social contribution	**(5,919)**	**211**	**(5,918)**	**211**
Non-controlling interest	-	-	(1)	-
Net loss for the period	**(5,919)**	**211**	**(5,919)**	**211**
BASIC LOSS PER SHARE - in Reais (Note 24)			**(0.502)**	**0.019**
DILUTED LOSS PER SHARE - in Reais (Note 24)			**(0.499)**	**0.019**

The accompanying notes are an integral part of these interim financial statements.

SINQIA S.A.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS) FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2019	**06.30.2018**	**06.30.2019**	**06.30.2018**
Net loss for the period	(5,919)	211	(5,919)	211
Items that will be subsequently reclassified to the result	-	-	-	-
Items that will not be subsequently reclassified to the result	-	-	-	-
Total comprehensive income (loss) for the period	**(5,919)**	**211**	**(5,919)**	**211**

The accompanying notes are an integral part of these interim financial statements

SINQIA S.A.
STATEMENT OF CHANGES IN EQUITY
(In thousands of reais, unless otherwise indicated)

				Earnings reserves					
	Share capital	Capital reserve	Treasury shares	Expenses on issue of shares	Legal reserve	Retained earnings	Equity	Non-controlling interest	Consolidated equity
As at December 31, 2017	50,561	628	(4,936)	(1,952)	2,151	29,155	75,607	-	75,607
Profit for the period	-	-	-	-	-	211	211	-	211
Share-based compensation (Note 10)	-	(134)	-	-	-	-	(134)	-	(134)
Treasury shares sold	-	5,280	2,716	-	-	-	7,996	-	7,996
As at June 30, 2018	50,561	5,774	(2,220)	(1,952)	2,151	29,366	83,680	-	83,680

				Earnings reserves					
	Share capital	Capital reserve	Treasury shares	Expenses on issue of shares	Legal reserve	Retained earnings	Equity	Non-controlling interest	Consolidated equity
As at December 31, 2018	50,561	5,579	(2,220)	(1,952)	2,285	31,097	85,350	66	85,416
Profit for the period	-	-	-	-	-	(5,918)	(5,918)	(1)	(5,919)
Capital reduction	-	-	-	-	-	-	-	(58)	(58)
Share-based compensation (Note 10)	-	123	-	-	-	-	123	-	123
Treasury shares sold	-	6,876	2,220	-	-	-	9,096	-	9,096
As at June 30, 2019	50,561	12,578	-	(1,952)	2,285	25,179	88,651	7	88,658

The accompanying notes are an integral part of these interim financial statements.

SINQIA S.A.
STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2019	**06.03.2018**	**06.30.2019**	**03.06.2018**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the year	**(5,919)**	**211**	**(5,919)**	**211**
Items not affecting cash				
Equity in the results of subsidiaries	2,255	(3,063)	-	-
Share-based compensation plan	123	30	123	(136)
Depreciation and amortization	4,682	2,100	6,321	3,482
Provision (reversal) for legal proceedings	(1,426)	(224)	(1,679)	205
Trade receivable allowance	(1)	55	95	239
Provision for bonuses and profit sharing	520	590	807	1,389
Interest accrued	3,818	-	3,705	-
Deferred income tax and social contribution	(1,766)	(1,372)	(2,022)	(212)
Changes in assets and liabilities				
Trade receivables	(583)	(897)	(3,544)	(4,098)
Judicial deposits	(222)	21	(154)	1.776
Taxes and contributions recoverable	(1,493)	(232)	(2,307)	(1,035)
Other receivables	(391)	(234)	(513)	(303)
Trade payables	298	118	(101)	1
Labor obligations	2,547	(2,849)	(1,100)	(6,170)
Tax liabilities	609	25	5	63
Contingencies paid	(65)	-	(639)	(664)
Advances from customers	483	(235)	(2,170)	(1,079)
Income taxes and social contribution paid	-	-	(1,538)	-
Receivable (payable) with related parties	(94)	(747)	(3)	-
Interests paid	(1,617)	-	(1,617)	-
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**1,758**	**(6,703)**	**(12,250)**	**(6,331)**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of fixed and intangible assets	(5,421)	(1.567)	(6,266)	(1.915)
Acquisition of companies, net of cash acquired	-	(2.000)	(31,884)	-
Capital increase in subsidiary	(35.215)	-	-	-
Amortization of liabilities arising from investment acquisition	(2.204)	-	(3,739)	(2.166)
Increase in liabilities by acquisition	-	4.802	-	4.802
Dividends received	-	4.255	-	-
Securities	(3.000)	-	(3,000)	-
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	**(45.840)**	**5.490**	**(44,889)**	**721**

(In thousands of reais, unless otherwise indicated)

CASH FLOWS FROM FINANCING ACTIVITIES				
Amortization of borrowings	(1,915)	(5,501)	(2,057)	(5,586)
Loan and financing	50,000	-	50,000	-
Payment of dividends	(648)	-	(648)	-
Payment of interest on own capital	-	(2,085)	-	(2,085)
Treasury shares sold	9,096	7,832	9,096	7,996
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**56,533**	**246**	**56,391**	**325**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**12,451**	**(967)**	**(748)**	**(5,285)**
Cash and cash equivalents at the beginning of the period	5,039	11,876	26,037	30,001
Cash and cash equivalents at the end of the period	17,490	10,908	25,289	24,716
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**12,451**	**(967)**	**(748)**	**(5,285)**

The accompanying notes are an integral part of these interim financial statements.

SINQIA S.A.
STATEMENTS OF VALUE ADDED FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.31.2019	**06.31.2018**	**06.31.2019**	**06.31.2018**
1 - REVENUE	**46,317**	**18,365**	**90,569**	**74,657**
1.1 - Sales of products and services	46,318	18,420	90,474	74,896
1.2 - Provision (reversal of provision) for impairment of trade receivables	(1)	(55)	95	(239)
2 - INPUTS ACQUIRED FROM THIRD PARTIES (ICMS, IPI, PIS and COFINS)	**(4,616)**	**(6,082)**	**(10,130)**	**(10,062)**
2.1 - Cost of sales and services	(2,835)	(1,852)	(4,583)	(3,755)
2.2 - Materials, electricity, outsourced services and other	(1,781)	(4,230)	(5,547)	(6,307)
3 - GROSS VALUE ADDED (1-2)	**41,701**	**12,283**	**80,439**	**64,595**
4 - DEPRECIATION AND AMORTIZATION	**(4,682)**	**(2,100)**	**(6,321)**	**(3,482)**
5 - NET VALUE ADDED GENERATED BY THE ENTITY (3-4)	**37,019**	**10,183**	**74,118**	**61,113**
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	**(1,668)**	**3,415**	**867**	**889**
6.1 - Equity in the results of subsidiaries	(2,255)	3,063	-	-
6.2 - Finance income	587	352	867	889
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	**35,351**	**13,598**	**74,985**	**62,002**
8 - DISTRIBUTION OF VALUE ADDED	**35,351**	**13,598**	**74,985**	**62,002**
8.1 - Personnel	**30,476**	**8,713**	**64,026**	**48,635**
8.1.1 - Direct compensation and Government Severance Indemnity Fund for Employees (FGTS)	25,289	7,447	54,882	42,644
8.1.2 - Benefits	5,187	1,266	9,144	5,991
8.2 - Taxes, fees and contributions	**5,037**	**653**	**9,769**	**8,414**
8.2.1 - Federal	3,775	126	6,855	6,250
8.2.2 - Municipal	1,262	527	2,914	2,164
8.3 - Remuneration of third-party capital	**5,757**	**4,021**	**7,109**	**4,742**
8.3.1 - Interest	4,789	3,098	5,163	3,177
8.3.2 - Rentals	968	923	1,946	1,565
8.4 - Remuneration of own capital	**(5,919)**	**211**	**(5,919)**	**211**
8.4.1 - Retained earnings for the year	(5,919)	211	(5,919)	211

The accompanying notes are an integral part of these interim financial statements.

NOTES ON THE QUARTERLY FINANCIAL REPORT AS AT JUNE 30, 2019

Section A - General information

1.1 Operations

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

The Company was incorporated in 1996, with the main purpose of supplying IT technology products and services, aiming at the financial market. It was the first Brazilian company to seek the development of a system with the One-Stop-Shop concept in its applications, implementing in the national market standards of international companies, developing comprehensive solutions integrated in technology and business.

On July 11, 2017, the Company was approved by B3 to migrate from Bovespa Mais to Novo Mercado, a special listing segment with the highest standards of corporate governance.

The Company is the Controller of Senior Solution Serviços em Informática Ltda., Senior Solution Consultoria em Informática Ltda., ConsultBrasil Tecnologia e Negócios Ltda., Controlpart Consultoria e Participações Ltda., Atena Tecnologia Ltda., ADSPrev – Administração e Desenvolvimento de Sistemas Ltda., Partec Ltda., . and Torq Inovação Digital Ltda., companies whose purpose is to act in an additional way to the Company's activities.

The issue of these financial statements was approved by the Board of Directors on August 13, 2019.

Any non-financial data that may be included in this report, such as number of clients and scope, market share, among others, were not subject to review by our independent auditors.

1.2 Basis of preparation

The quarterly earnings release has been prepared in accordance with CPC 21 (R1) – *Demonstrações Intermediárias* and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and according to CVM Resolution 739/15, and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

There were no changes in accounting policies in relation to those described in Note 27 to the Financial Statements for the year ended December 31, 2018, except for the effects from the adoption of IFRS 16 (CPC 6 (R2)) – Leases, disclosed in Note 2.3.

The quarterly earnings release was prepared considering historical cost except for the valuation of certain assets and liabilities such as those arising from business combinations, which are measured at fair value.

The preparation of the quarterly earnings release requires the use of certain critical accounting estimates. It also requires the Company's management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Both the parent company and consolidated statements of value added are mandatory under the Brazilian Corporate Law and the accounting practices adopted in Brazil for publicly held companies.

(In thousands of reais, unless otherwise indicated)

The statement of value added was prepared in accordance with the criteria defined in Accounting Pronouncement CPC 09 – “Statement of Value Added”. IFRS does not require the presentation of this statement. The presentation of this statement is not required under the IFRS, which consider it supplementary information, and not part of the set of financial statements.

1.3 Consolidation

The Company consolidates all entities over which it holds control, i.e., when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The subsidiaries included in the consolidation are disclosed in Note 5(b).

Section B - Risks

2 Critical accounting estimates and judgments

Estimates and accounting judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances.

2.1 Critical accounting estimates and assumptions

There were no changes in critical accounting estimates and assumptions in relation to that described in Note 27 to the Financial Statements as at December 31, 2018.

2.2 Critical judgments in applying the Company's accounting policies

There was no change in the critical judgments of the application of the accounting policies in relation to that described in Note 27 to the Financial Statements as at December 31, 2018.

2.3 New standards, changes and interpretations of accounting pronouncements of mandatory application as at January 1, 2019

In preparing these interim financial statements, the Company’s Management considered, when applicable, new revisions and interpretations to the IFRS and the following technical pronouncements, issued by the IASB and the CPC, respectively, which were mandatory for accounting periods beginning on or after January 1, 2019.

Pronouncement	Description
IFRS 16 (CPC 6 (R2)) - Leases	Establishes principles for the recognition, measurement, presentation and disclosure of leases for both parties to the transaction.
IFRIC 23 (ICPC 22) – Uncertainty over Income Tax Treatments	Clarify the accounting of tax positions that have not yet been accepted by the tax authorities.

The impacts of adopting these standards are as follows:

IFRS 16/CPC 06 (R2) – Leases
The new standard replaces IAS 17 – Leasing Operations and related interpretations, bringing significant changes to tenants by requiring them to recognize the liability for future payments and the

right to use leased assets for virtually all lease agreements. Certain short-term or low-value agreements may fall outside the scope of this new standard.

In this scenario, the leases contracted impacted the financial information as follows:

- Recognition of rights of use assets and lease liabilities in the individual and consolidated balance sheet, initially measured at the present value of future minimum lease payments;
- Recognition of depreciation expenses of right of use assets and interest expenses on lease liabilities in the individual and consolidated statement of profit and loss; and
- Separation of the total amount of cash paid in these operations between principal (presented within financing activities) and interest (presented in operating activities) in the individual and consolidated statement of cash flows.

Short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture) will maintain the recognition of their lease expenses on a straight-line basis in the statement of profit and loss for the year, as permitted by IFRS 16. The Company will also adopt the practical case, when applicable, that allows not to separate existing non-lease components into contracts that also have lease components, and instead count them together as a single component within the scope of the new pronouncement.

As a method of transition to the new pronouncement, Management opted for the modified retrospective approach, with the cumulative effect of the initial application recorded as an adjustment to the opening balance of shareholders' equity and without the restatement of comparative periods. Accordingly, all balances related to the year ended December 31, 2018 are presented in accordance with the assumptions existing in accounting policies previously in force (IAS 17).

In the transition process, it was decided not to use the practical file that does not allow to re-evaluate if a contract is or has a lease. Consequently, the new lease definitions contained in IFRS 16 were applied to all contracts in effect at the transition date. The change in the definition of a lease refers mainly to the concept of control, where IFRS 16 determines that the evaluation if a lease contract is to be performed based on the fact that the customer has the right to control the use of an asset identified for a period of time in exchange for consideration.

For this purpose, the Company's Management has identified the contracts, whether or not they contain a lease in accordance with IFRS 16/CPC 06 (R2). This analysis identified impacts related to the lease of real estate leased from third parties, and less representative amounts arising from other operations where we identified the existence of leased assets individually or combined in service contracts.

Additionally, the following practical records were used to transition to new lease accounting requirements:

- Use of a single discount rate for each portfolio of leases with fairly similar characteristics. In this sense, we obtained the incremental funding rate, measured on January 1, 2019, applicable to each of the leased asset portfolios. Through this methodology, the Company obtained a weighted average rate of 7.38% p.a.;
- The accounting recognition of those agreements with a closing period within the period of 12 months from the date of the initial application of the new standard was not carried out;
- Exclusion of initial direct costs from the measurement of the initial balance of the right of use asset;
- Use of late perception to determine the lease term, in those cases where the contract contains options for extension or termination.

As a result of the above, the Company recognized the following adjustments to the opening balance of the consolidated balance sheet:

(In thousands of reais, unless otherwise indicated)

	Financial Statements as at December 31, 2018	Impacts related to adoption of IFRS 16	Financial Statements as at January 1, 2019
ASSETS			
Current assets	51,722	-	51,722
Other non-current assets	108,872	-	108,872
Property, plant and equipment	6,836	24,914	31,750
Total assets	167,430	24,914	192,344
LIABILITIES			
Leases – current	-	(1,719)	(1,719)
Other current liabilities	(33,635)	-	(33,635)
Leases – non-current	-	(23,195)	(23,195)
Other non-current liabilities	(48,379)	-	(48,379)
Equity	(85,416)	-	(85,416)
Total liabilities	(167,430)	(24,914)	(192,344)

(In thousands of reais, unless otherwise indicated)

Additionally, the table below summarizes the accounting impacts of the adoption of this new accounting pronouncement to the statement of profit and loss for the six-month period ended June 30, 2019:

	Financial Statements as at June 30, 2019	**Impacts related to adoption of IFRS 16**	**Financial statements without the impacts of IFRS 16 as at June 30, 2019**
NET OPERATING REVENUE	**80,706**	**-**	**80,706**
Cost of services provided	(56,121)	-	(56,121)
GROSS PROFIT	**24,585**	**-**	**24,585**
General, administrative and selling expenses	(27,450)	739	(26,711)
Operating income (loss) before finance income (costs)	**(2,865)**	**739**	**(2,126)**
Finance income (costs), net	(4,299)	904	(3,395)
Profit (loss) before income tax and social contribution	**(7,164)**	**1,643**	**(5,521)**
Current income tax and social contribution	(774)	-	(774)
Deferred income tax and social contribution	2,020	-	2,020
Profit after income tax and social contribution	**(5,918)**	**1,643**	**(4,275)**
Non-controlling interests	(1)	-	(1)
Net loss for the period	**(5,919)**	**1,643**	**(4,276)**

IFRIC 23 (ICPC 22) – Uncertainty over Income Tax Treatments
IFRIC 23 (ICPC 22) describes how to determine the tax and accounting position when there is uncertainty about the treatment of income tax. The interpretation requires the entity to:

- Determine whether uncertain fiscal positions are assessed separately or as a group; and
- Assess whether it is likely that the tax authority will accept the use of an uncertain tax treatment, or proposed use, by an entity in its income tax returns:
  - If so, the entity should determine its tax and accounting position in line with the tax treatment used or to be used in its income tax returns.
  - If not, the entity should reflect the effect of uncertainty in determining its tax and accounting position.

Entities may apply interpretation based on full retrospective application or modified retrospective application without retrospective or prospective comparative information restatement.

This pronouncement had no impact on the Company's individual and consolidated financial statements.

3 Financial risk management

3.1 Financial risk factors

There was no change in financial risk factors and in the risk management policy in relation to that described in the Standardized Financial Statements as at December 31, 2018.

3.2 Capital management

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

(In thousands of reais, unless otherwise indicated)

The Company controls its capital structure by making adjustments and adjusting to current economic conditions. To maintain this structure, the Company may pay dividends, return capital to shareholders, raise new loans, issue promissory notes and contract derivative transactions.

3.3 Fair value estimation

The were no changes with respect to the criteria or techniques for fair value measurement, as well as to the classification of the financial instruments in relation to those disclosed in the Financial Statements as at December 31, 2018.

3.4 Offsetting of financial instruments

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

Section C – Segment reporting

4 Segment reporting

The business purpose of the Group companies is to supply information technology products and services, in addition to related consulting services, intended to assist the financial market. Although the products are destined for various segments of financial institutions, they are not controlled and administered by Management as independent segments, as the Group's results are monitored and assessed in an integrated manner.

Section D – Group structure

5 Investments

(a) Changes in investments

	Senior Solution Serviços em Informática Ltda.	Senior Solution Consultoria em Informática Ltda.	Controlpart Consultoria e Participações Ltda.	Consult Brasil Ltda.	Intellectual Capital Ltda.	att/PS Informática Ltda.	Torq Inovação Digital Ltda.	Total
As at December 31,	**3,507**	**21,960**	**4,346**	**-**	**3,454**	**44,220**	**594**	**78,081**
Capital increase	**-**	34,674	**-**	**-**	**-**	-	541	35,215
Equity in the results of subsidiaries	(711)	(3,609)	1,084	982	-	-	(1)	(2,255)
Corporate reorganization (i)	-	-	-	(88)	-	(4,215)	-	(4,303)
As at June 30, 2019	**2,796**	**53,025**	**5,430**	**894**	**3,454**	**40,005**	**1,134**	**106,738**

(i) In 2019, att/PS Informática Ltda. was merged into Sinqia S.A.. Consult Brasil Ltda. was an investment of att/OS Informática Ltda. in December 2018 and became a direct investment of Sinqia S.A. in 2019.

(In thousands of reais, unless otherwise indicated)

(b) Information on subsidiaries

Direct investment	Equity	Ownership interest (%)	Goodwill on acquisition	Profit or loss for the year/period	Total investment		Equity in the results of subsidiaries	
					06.30.2019	12.31.2018	06.30.2019	06.30.2018
Senior Solution Serviços em Informática Ltda.	2,796	100%	-	(711)	2,796	3,507	(711)	(838)
Senior Solution Consultoria em Informática Ltda.	35,025	100%	-	(3,609)	53,025	21,960	(3,609)	(651)
Controlpart Consultoria e Participações Ltda.	2,706	100%	2,724	1,084	5,430	4,346	1,084	1,541
Consult Brasil. Ltda.	(1,665)	100%	2,559	982	894	-	982	-
Intellectual Capital Ltda.	N/A	N/A	3,454	-	3,454	3,454	-	-
att/PS Informática Ltda.	N/A	N/A	40,005	-	40,005	44,220	-	3,011
Torq Inovação Digital Ltda.	1,147	90%	-	(1)	1,134	594	(1)	-
					106,738	**78,081**	**(2,255)**	**3,063**

(c) Indirect investments (direct subsidiary of Senior Solution Consultoria em Informática Ltda.)

Indirect investment	Equity	Indirect ownership interest (%)	Profit or loss for the year/period	Total investment		Equity in the results of subsidiaries	
				06.30.2019	12.31.2018	06.30.2019	06.30.2018
Aquarius Tecnologia e Informática Ltda. (i)	-	100%	-	-	2.950	-	443
Atena Tecnologia Ltda.(ii)	926	100%	2,294	926	-	2.294	-
ADSPrev Ltda. (ii)	(1,912)	100%	738	(1,912)	-	738	-
SoftPar (ii)	(12,108)	100%	(316)	(12,108)	-	(316)	-

(i) Aquarius Tecnologia e Informática Ltda. was incorporated by Senior Solution Consultoria em Informática Ltda. ConsultBrasil Ltda

(ii) Atena Tecnologia Ltda., ADSPrev Ltda. And Softpar were acquired in the first half of 2019, as detailed on Note 6

(In thousands of reais, unless otherwise indicated)

6 Business combinations

Business combinations and new investment acquisitions are in line with the Company's strategy to specialize and consolidate its position in different market segments, as well as to offer new solutions to Sinqia S.A.'s customers through a diversified portfolio that includes niche-specific solutions. The purchase price calculation and the respective allocation to assets were disclosed as the best current estimate of the transaction, as such it can be subject to change in the future.

a) Acquisition of ADSPrev – Administração e Desenvolvimento de Sistemas Ltda.

On February 28, 2019, the Company entered into a Share Purchase and Sale Agreement and Other Covenants ("Agreement") whereby the Company acquired ADSPrev – Administração e Desenvolvimento de Sistemas Ltda. ("ADSPrev"). The transaction involved the initial amount of R$12,044 comprised of (a) cash installment of R$10,274, disbursed on the acquisition date; and (b) R$1,429 to be paid in five yearly installments.

The main motivations for the acquisition of ADSPrev were: updating the product portfolio, expanding the customer portfolio and adding new employees to the team. With this, Sinqia is now scaled to build a system with breadth, flexibility and performance.

The final purchase price, under the agreement, is composed of an additional installment of up to R$4,000 linked to the achievement of a net revenue target in 2020. Accordingly, in March 2019, based on the calculation made by Management, of the cross-selling involving Sinqia and ADS, a supplementary estimate of R$341 was added as an additional installment, resulting in a total amount of R$12,044. The additional amount calculated will be paid in April 2021.

a.1) Compensation transferred:

Payment in cash	10,274
Payment in installments	1,429
Payment of variable installment	341
Total	**12,044**

(In thousands of reais, unless otherwise indicated)

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

INVESTEE'S BALANCE SHEET

	02/28/2019		**02/28/2019**
Current assets		Current liabilities	
Availabilities	322	Trade payables	158
Trade receivables	635	Advances from customers	405
Advanced expenses	54	Salaries, social charges and labor provisions	18
		Tax liabilities	158
Total current assets	1,011		
		Total current liabilities	739
Non-current assets			
		Non-current liabilities	
Property and equipment	157		
Intangible assets	13,657	Borrowings and financing	1,531
		Provision for legal proceedings	511
Total non-current assets	13,814	Total non-current liabilities	2,042
		Total equity	12,044
Total assets	14,825	Total liabilities	14,825

a.3) Goodwill on acquisition

Compensation transferred	12,044
(-) Fair value of assets acquired:	
Non-competition clause	(564)
Software	(1,134)
Customer portfolio	(2,784)
(+) Fair value of liabilities acquired:	
Provision for legal proceedings	511
(-) Equity on the acquisition date	(8,073)
Goodwill on acquisition	9,036

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

Intangible assets	Amount	Useful life	Amortization method
Non-competition clause	564	5 years	Straight-line basis
Software	1,134	5 years	Straight-line basis
Customer portfolio	2,784	10 years	Straight-line Basis

(In thousands of reais, unless otherwise indicated)

b) Acquisition of Atena Tecnologia Ltda.

On January 30, 2019, the Company entered into a Share Purchase and Sale Agreement and Other Covenants ("Agreement") whereby the Company acquired Atena Tecnologia Ltda. ("Athena"). The transaction involved the initial amount of R$5,000 in cash, disbursed on the acquisition date, and R$2,241 to be paid in five yearly installments.

With the acquisition of Atena, Sinqia is now offering an even more comprehensive web platform, with a solution for established plans.

The final purchase price, under the agreement, is composed of an additional installment of up to R$4,000 linked to the achievement of a net revenue target in 2018. Accordingly, in March 2019, based on the calculation made by Management, of the cross-selling involving Sinqia and Atena, a supplementary estimate of R$1,539 was added as an additional installment, resulting in a total amount of R$8,780. The additional amount calculated will be paid in April 2021.

b.1) Compensation transferred:

Payment in cash	5,000
Payment in installments	2,874
Payment of variable installment	2,244
Total	**10,118**

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

INVESTEE'S BALANCE SHEET

	01/31/2019		**01/31/2019**
Current assets		Current liabilities	
Availabilities	324	Trade payables	241
Trade receivables	330	Advances from customers	241
Advanced expenses	38	Salaries, social charges and labor provisions	418
		Tax liabilities	101
Total current assets	691		
		Total current liabilities	1,001
Non-current assets			
		Non-current liabilities	
Property and equipment	475		
Intangible assets	10,330	Provision for contingencies	377
Total non-current assets	10,805	Total non-current liabilities	377
		Total equity	10,118
Total assets	11,496	Total liabilities	11,496

(In thousands of reais, unless otherwise indicated)

b.3) Goodwill on acquisition

Compensation transferred	10,118
(-) Fair value of assets acquired:	
Non-competition clause	(517)
Software	(1,330)
Customer portfolio	(2,232)
(+) Fair value of liabilities acquired:	
Provision for legal proceedings	377
(-) Equity on the acquisition date	(537)
Goodwill on acquisition	5,876

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

Intangible assets	Amount	Useful life	Amortization method
Non-competition clause	517	5 years	Straight-line basis
Software	1,330	5 years	Straight-line basis
Customer portfolio	2,206	10 years	Straight-line Basis

(In thousands of reais, unless otherwise indicated)

c) Acquisition of Softpar

On May 20, 2019, the Company entered into a Share Purchase and Sale Agreement and Other Covenants ("Agreement") whereby the Company acquired Partec and its subsidiary NVA (collectively, "Softpar"). The transaction involved the initial amount of R$18,000 in cash, disbursed on the acquisition date, and R$11,329 to be paid in five yearly installments.

With the acquisition of Softpar, Sinqia is now offering an even more comprehensive web platform, with a solution for banks, financial institutions and development agencies.

The final purchase price, under the agreement, is composed of an additional installment of up to R$6,000 linked to the achievement of a net revenue target in 2019. Accordingly, in June 2019, based on the calculation made by Management, of the cross-selling involving Sinqia and Softpar, a supplementary estimate of R$5,212 was added as an additional installment. The additional amount calculated will be paid in April 2021.

c.1) Compensation transferred:

Payment in cash	18,000
Payment in installments	11,329
Payment of variable installment	5,213
Total	**34,542**

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

INVESTEE'S BALANCE SHEET

	05/31/2019		05/31/2019
Current assets		Current liabilities	
Availabilities	744	Trade payables	255
Trade receivables	1,312	Leases	539
Advanced expenses	284	Salaries, social charges and labor provisions	997
		Tax liabilities	936
Total current assets	2,340	Total current liabilities	2,728
Non-current assets		Non-current liabilities	
Property and equipment	2,955	Leases	1,088
Intangible assets	46,965	Non-current tax liabilities	638
		Provision for contingencies	13,264
Total non-current assets	49,920	Total non-current liabilities	14,991
		Total equity	(34,542)
Total assets	52,260	Total liabilities	52,260

(In thousands of reais, unless otherwise indicated)

c.3) Goodwill on acquisition

Compensation transferred	34,542
(-) Fair value of assets acquired:	
Non-competition clause	(2,231)
Software	(1,287)
Customer portfolio	(15,807)
(+)Valor justo dos passivos assumidos:	
Provisão para demandas judiciais	13,265
(-) Equity on the acquisition date	(842)
Goodwill on acquisition	27,640

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

Intangible assets	Amount	Useful life	Amortization method
Non-competition clause	2,231	5 years	Straight-line basis
Software	1,287	5 years	Straight-line basis
Customer portfolio	15,807	10 years	Straight-line Basis

(In thousands of reais, unless otherwise indicated)

Section E – Selected significant notes

7 CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
Cash	1	-	2	-
Banks	198	823	1,506	2,316
Financial investments (i)	17,291	4,216	23,781	23,721
	17,490	**5,039**	**25,289**	**26,037**

(i) According to the Company's investments policies, financial investments are substantially concentrated on low-risk securities and earn interest based on percentages of the Interbank Deposit Certificate (CDI) rate. Therefore, the Company's financial investments consist of investments in fixed-income funds and Bank Deposit Certificates (CDBs), earning average interest from 94% to 102.15% of the CDI, with immediate liquidity, i.e., without a grace period for redemption.

8 TRADE RECEIVABLES

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
Invoiced amounts	6,622	1,175	16,547	11,766
Unbilled services (i)	8,030	2,162	12,282	11,432
(-) Estimated impairment losses on trade receivables (ii)	(541)	(131)	(849)	(944)
	14,111	**3,206**	**27,980**	**22,254**

(i) Unbilled services refer to revenue from services effectively provided but not billed by the end of the reporting period.

(ii) Changes in the provision for impairment losses on trade receivables were as follows:

	Parent Company		Consolidated	
As at December 31, 2018 and 2017	**(131)**	**(66)**	**(944)**	**(609)**
Additions for corporate reorganization (i)	(409)	-	-	-
Additions	(1)	(55)	(1)	(239)
Write-offs	-	-	96	-
As at June 30, 2019 and 2018	**(541)**	**(121)**	**(849)**	**(848)**

(i) The increase in estimated impairment losses on trade receivables in the Parent Company occurred due to the merger of att/PS. Accordingly, there was no significant impact on the Consolidated.

(In thousands of reais, unless otherwise indicated)

The aging analysis of trade receivables is as follows:

	Parent company		**Consolidated**	
	06.30.2019	**30.12.2018**	**06.30.2019**	**12.31.2018**
Unbilled services	8,031	2,163	12,282	11,432
Not yet due	3,936	847	8,943	9,893
Overdue from 1 to 90 days	1,545	307	5,565	1,752
Overdue from 91 to 180 days	480	-	1,028	92
Overdue from 181 to 270 days	149	-	157	3
Overdue from 271 to 360 days	20	20	89	26
Overdue accounts - more than 360 days	491	-	765	-
	14,652	**3,337**	**28,829**	**23,198**

9 TAXES AND CONTRIBUTIONS RECOVERABLE

	Parent company		**Consolidated**	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
IRRF and IRPJ/CSLL to be offset (i)	1,371	507	3,742	1,418
PIS, COFINS and CS withheld at source (ii)	340	428	741	968
Other taxes to offset	328	102	376	166
	2,039	**1,037**	**4,859**	**2,552**

(i) Refers to income tax withheld at source and advanced income tax and social contribution.

(ii) Refers to PIS, COFINS and social contribution withheld at source on amounts received in connection with invoices issued for services rendered or software licenses contracted.

(In thousands of reais, unless otherwise indicated)

10 INFORMATION ON RELATED PARTIES

a) INTERCOMPANY TRANSACTIONS

The table below presents information on the outstanding balances between the parent company, its subsidiaries and the Company's owners as at on June 30, 2019 and December 31, 2018:

	Parent company					
	Receivables from related parties (assets)	**Payables to related parties (liabilities)**	**Related parties (profit or loss)**	**Receivables from related parties (assets)**	**Payables to related parties (liabilities)**	**Related parties (profit or loss)**
Related parties		**06.30.2019**			**12.31.2018**	
Sinqia Serviços em Informática Ltda.	2,741	-	1,989	1,750	-	2,745
ConsultBrasil Ltda.	-	(512)	-	-	-	-
Sinqia Consultoria em Informática Ltda.	4,365	-	2,447	2,303	-	3,027
Aquarius Tecnologia e Informática Ltda.	-	-	-	-	-	267
ATT/Ps Informática LTDA	-	-	-	2,447	-	6,102
Non-current assets	**7,106**	**-**	**-**	**6,500**	**-**	**-**
Current liabilities	**-**	**(512)**	**-**	**-**	**-**	**-**
Profit or loss	**-**	**-**	**4,436**	**-**	**-**	**12,141**

Intercompany transactions relate to the sharing of expenses, mainly administrative, and are carried out based on agreements signed between the parties. There are no purchases and sales of products or services between the Group companies. The transactions are settled within an average term of 360 days.

b) MANAGEMENT COMPENSATION

The Company does not offer additional post-employment benefits, or other long-term benefits, such as leave, and other benefits based on length of service. The Company does not offer other termination benefits to its senior management members, in addition to those required by the Brazilian labor legislation in force.

Short-term benefits

Short-term benefits include fixed compensation (management fees), social charges (social security contributions and other), private pension fund and variable compensation, such as profit sharing and bonuses, based on each employment contract individually tailored. Expenses related to the compensation paid to the main senior executives and management of the Company and its subsidiaries are as follows:

	Parent company and Consolidated	
	06.30.2019	**12.31.2018**
Salaries, fees and related charges	1,514	2,431
Benefits	223	239
Variable bonuses	452	1,111
	2,189	**3,781**

(In thousands of reais, unless otherwise indicated)

c) SHARE-BASED COMPENSATION PLAN

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

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

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

The shares acquired will vest as follows: 40% of the total shares acquired, after 12 months from acquisition; 30% of the total, after 24 months from acquisition; and the remaining 30%, after 36 months from acquisition. The acquisition date will be considered as that on which the Company receives from the Beneficiary the amounts related to the sale, and the Share Purchase Agreement is signed.

d) PLAN FOR STOCK OPTIONS OR SUBSCRIPTION OF SHARES

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

Number of shares included in the Plan: the Options granted under the Plan, including those already exercised or not, and discounted those canceled due to situations of termination, death, permanent disability or retirement (see Items 10 and 11 below), may grant rights on common shares representing up to 3% of the Company’s capital on the date of approval of the Plan.

Exercise of Options: the Options granted may be exercised provided that the terms and conditions set forth in this Plan and by the Board of Directors are observed, in addition to the terms and conditions set forth in the respective Option Agreements. The Beneficiary may exercise all or part of the exercisable Options, established that the Beneficiary must exercise at least 25% of the Options held and that are exercisable in each partial exercise of the Options. The exercise of part of the Options by the Beneficiary must not affect the exercise of the other Options held.

The fair value of the Options granted is estimated on the grant date based on the Black-Scholes option pricing model. For restricted shares, the fair value is the market value on the date of the granting of each restricted share. The main events relating to the effective plans, variables adopted in the calculations and results are as follows:

				Fair value assumptions			
Grants				Expected:		Interest rate, free of risk	Maturity
Date	Number of options/shares	Exercise price in Brazilian reais	Fair value of shares in Brazilian reais	Dividends	Volatility		
08/01/2018	64,243	28.73	38.2	0.23%	37.57%	6.50%	5 years

(In thousands of reais, unless otherwise indicated)

The Options are broken down as follows:

	Parent company and Consolidated	
	Number (in units)	**Average price (in Brazilian reais)**
As at December 31, 2018	**3,168**	**7.23**
Granted	4,015	18.14
Cancelled/expired	-	-
As at June 30, 2019	**7,183**	**13.33**

11 PROPERTY AND EQUIPMENT

a) Breakdown of property and equipment

				Parent company	
				06.30.2019	12.31.2018
	Useful life (years)	**Cost**	**Accumulated depreciation**	**Net**	**Net**
Facilities and improvements	9 – 10	5,379	(578)	4,801	2,758
Appliances and electrical materials	9 – 12	666	(263)	403	129
Furniture and fittings	9 – 12	2,404	(937)	1,467	441
Property – right of use	2-10	22,348	(1,155)	21,193	-
Computers and peripherals	4 – 5	5,708	(3,061)	2,647	1,956
		36,505	**(5,994)**	**30,511**	**5,284**

				Consolidated	
				06.30.2019	12.31.2018
	Useful life (years)	**Cost**	**Accumulated depreciation**	**Net**	**Net**
Facilities	9 – 10	7,336	(1,333)	6,003	3,567
Appliances and electrical materials	9 – 12	1,087	(312)	775	200
Furniture and fittings	9 – 12	3,222	(1,542)	1,680	695
Property – right of use	2-10	26,656	(1,398)	25,258	-
Computers and peripherals	4 – 5	9,308	(5,243)	4,065	2,374
		47,609	**(9,828)**	**37,781**	**6,836**

(In thousands of reais, unless otherwise indicated)

b) Changes in property and equipment – Parent company

	Facilities and improvements	Appliances and electrical materials	Furniture and fittings	Property – right of use	Computers and peripherals	Total
As at December 31, 2018	**2,758**	**129**	**441**	**-**	**1.956**	**5,284**
Additions	2,042	274	1,026	-	689	4,031
Additions for corporate reorganization	344	22	70	-	207	643
Additions due to IFRS16	-	-	-	22,348		22,348
Reductions	(81)	-	-	-	-	(81)
Depreciation	(262)	(22)	(70)	(1,155)	(205)	(1,714)
As at June 30, 2019	**4,801**	**403**	**1,467**	**21,193**	**2,647**	**30,511**

c) Changes in property and equipment – Consolidated

	Facilities and improvements	Appliances and electrical materials	Furniture and fittings	Property – right of use	Computers and peripherals	Total
As at December 31, 2018	**3,567**	**200**	**695**	**-**	**2,374**	**6,836**
Additions	2,779	274	1,026	-	777	4,856
Additions for corporate reorganization (i)	349	326	55	-	1,200	1,930
Additions due to IFRS16	-	-	-	26,656	-	26,656
Reductions	(81)	-	-	-	-	(81)
Depreciation	(611)	(25)	(96)	(1,398)	(286)	(2,416)
As at June 30, 2019	**6,003**	**775**	**1,680**	**25,258**	**4,065**	**37,781**

(In thousands of reais, unless otherwise indicated)

12 INTANGIBLE ASSETS

a) Breakdown of intangible assets

					Parent company
				06.30.2019	12.31.2018
	Useful life (years)	Cost	Accumulated amortization and/or impairment	Net	Net
Software use rights	5	4,396	(2,589)	1,807	436
Trademarks and patents	5-10	2,277	(832)	1,445	1.611
Software acquired	5	6,860	(3,220)	3,640	3,696
Customer portfolio	10	20,413	(3,178)	17,235	14,730
Non-competition agreements	5	4,576	(2,860)	1,716	2,287
Development of new products (i)	5	6,299	(5,091)	1,208	1,189
		44,821	**(17,770)**	**27,051**	**23,949**

(i) Refers to investments intended for the innovation laboratory, Torq.

					Consolidated
				06.30.2019	12.31.2018
	Useful life (years)	Cost	Accumulated amortization and/or impairment	Net	Net
Goodwill on acquisitions of subsidiaries	-	99,671	(2,860)	96,811	54,209
Software acquired	5	16,014	(8,334)	7,680	4,979
Software use rights	5	6,515	(4,033)	2,482	1,002
Customer portfolio	10	49,707	(7,964)	41,743	22,520
Non-competition agreements	5	8,128	(3,179)	4,949	2,289
Trademarks and patents	5-10	7,126	(1,384)	5,742	5,909
Development of new products (i)	5	6,300	(5,091)	1,209	1,211
		193,461	**(32,845)**	**160,616**	**92,119**

(In thousands of reais, unless otherwise indicated)

b) Changes in intangible assets – Parent company

	Software use rights	Development of new products (Torq)	Trademarks and patents	Acquired software	Customer portfolio	Non-competition agreements	Total
As at December 31, 2018	**436**	**1,189**	**1,611**	**3,696**	**14,730**	**2,287**	**23,949**
Additions	1,371	19	-	-	-	-	1,390
Additions for corporate reorganization	450	-	114	700	3,416	-	4,680
Amortization	(450)	-	(280)	(756)	(911)	(571)	(2,968)
As at June 30, 2019	**1,807**	**1,208**	**1,445**	**3,640**	**17,235**	**1,716**	**27,051**

c) Changes in intangible assets – Consolidated

	Goodwill on acquisitions of subsidiaries	Software use rights	Development of new products (Torq)	Trademarks and patents	Acquired software	Customer portfolio	Non-competition agreements	Total
As at December 31, 2018	**54,209**	**1,002**	**1,211**	**5,909**	**4,979**	**22,520**	**2,289**	**92.119**
Additions	-	1,405	-	-	-	-	-	1,405
Additions due to acquisitions	42,602	511	-	-	3,751	20,823	3,312	70,999
Reductions	-	-	(2)	-	-	-	-	(2)
Amortizations	-	(436)	-	(167)	(1,050)	(1,600)	(652)	(3,905)
As at June 30, 2019	**96,811**	**2,482**	**1,209**	**5,742**	**7,680**	**41,743**	**4,949**	**160,616**

(In thousands of reais, unless otherwise indicated)

13 BORROWINGS AND FINANCING

	Financial charges	Maturity	Parent company 06.30.2019	Parent company 12.31.2018	Consolidated 06.30.2019	Consolidated 12.31.2018
BNDES – 14209211 (i)	TJLP + 1.1% p.a.	12/15/2020	5,536	7,339	5,536	7,339
BNDES – 17203411018 (i)	TJLP + 2.0% p.a.	03/15/2024	7,263	7,030	7,263	7,030
Debentures (ii)	CDI + 1.75%	12/22/2024	49,874	-	49,874	-
Working capital	CDI + 2.90%	04/15/2019	-	-	-	46
BDGM	TJLP + 5.0% p.a.	12/15/2024	-	-	1,429	-
Loans	Selic	10/11/2019	-	-	199	194
Total			**62,673**	**14,369**	**64,301**	**14,609**
Current			**6,362**	**3,718**	**6,820**	**3,958**
Non-current			**56,311**	**10,651**	**57,481**	**10,651**

(i) This contract is backed by surety for the same amount, issued by a financial institution, in compliance with the criteria and requirements of BNDES.

(ii) The first issue of simple debentures, non-convertible into shares, has as collateral future receivables arising from receivables. Additionally, Sinqia S.A. was required to maintain deposited R$3,000 in a securities account in 2019.

Changes in borrowings and financing were as follows:

	Parent company	Consolidated
Saldo em 31 de dezembro de 2018	**14,369**	**14,609**
New loans and financing	50,000	50,000
Additions due to aquisitions	-	1,531
Interest accrued	1,835	1,861
Intrest paid	(1,616)	(1,643)
Amortization of borrowings	(1,915)	(2,057)
Saldo em 30 de junho de 2019	**62,673**	**64,301**

Below we detailed the expected payment schedule for borrowing and financing:

	Parent company	Consolidated
2019	6,852	7,180
2020	2,630	2,887
2021	2,630	2,887
2022	2,630	2,887
After 2023	47,931	48,460
Total	**62,673**	**64,301**

(In thousands of reais, unless otherwise indicated)

(a) COVENANTS

The BNDES financing contracts No. 14209211 and No. 17203411018 are not subject to covenant clauses related to the compliance with economic and financial ratios.

The debentures have financial covenants that must be evaluated in December 31 of the previous year, based on the Net Debt indicator divided by EBITDA (resulting in an index lower than 3 in the first year; 2.5 in the second and third year; 1.9 in the fourth year; and 1.8 in the fifth year) and based on the EBITDA/Financial Result ratio (resulting in an index higher than 3). At the present date the Company expects to be in compliance with all covenants.

14 LABOR OBLIGATIONS

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
INSS/FGTS payable	1,479	770	2,822	2,674
IRRF on payroll	548	572	383	1,658
Provision for vacation pay	5,054	2,101	8,810	7,178
Bonuses, commissions and profit sharing (i)	970	2,054	1,996	2,159
Other	521	9	836	38
	8,573	**5,506**	**14,847**	**13,707**

(i) The provision for bonuses and profit sharing is recorded monthly, and depends on the achievement, by the employees, of corporate and individual goals. These amounts are always paid in April of the year subsequent to that in which profit or loss was computed. In April 2019, R$1,928 was paid as bonus for the year 2018.

15 TAX LIABILITIES

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
IR and CSLL payable	-	-	972	956
ISS payable	384	198	829	817
PIS/COFINS payable	390	31	548	490
Tax installments	-	-	4,252	3,951
Other taxes payable	135	71	108	196
Total	**909**	**300**	**6,709**	**6,410**
Current	806	283	2,820	2,824
Non-current	103	17	3,889	3,586

16 LIABILITIES ARISING FROM INVESTMENT ACQUISITION

Refer to installments payable for investment acquisitions made by the Company and its subsidiaries, recorded in current and non-current liabilities, as follows:

(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
Acquisition of Controlpart Consultoria e Participações Ltda.	351	366	351	366
Acquisition of ConsultBrasil	356	-	356	356
Acquisition of att/PS Informática Ltda.	4,849	5,310	4,849	5,310
Acquisition of Atena Tecnologia Ltda.	-	-	100	-
Acquisition of ADSPrev Ltda.	-	-	357	-
Acquisition of Partec Ltda.	-	-	2,604	-
Adjustment to present value	(3)	(6)	(3)	(6)
Current liabilities	**5,553**	**5,670**	**8,614**	**6,026**
Acquisition of Controlpart Consultoria e Participações Ltda.	-	126	-	126
Acquisition of ConsultBrasil	593	-	593	550
Acquisition of att/PS Informática Ltda.	10,235	11,623	10,235	11,623
Acquisition of Atena Tecnologia Ltda.	-	-	4,801	-
Acquisition of ADSPrev Ltda.	-	-	1,451	-
Acquisition of Partec Ltda.	-	-	13,938	-
Adjustment to present value	-	(2)	-	(2)
Non-current liabilities	**10,828**	**11,747**	**31,018**	**12,297**
Liabilities arising from investment acquisition	**16,381**	**17,417**	**39,632**	**18,323**

17 PROVISION FOR JUDICIAL DEMANDS

In the normal course of its activities, the Company is subject to tax, civil and labor lawsuits. Management, supported by the opinion of its legal advisors, assesses the expected outcome of the lawsuits in progress, and determines the need for recording provisions for contingencies at amounts deemed sufficient to cover the expected losses.

The table below shows the provisions for probable losses as at December 31, 2018 and June 30, 2019:

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
Civil	11,769	-	11,840	12,186
Labor	1,722	377	9,870	4,658
Tax	1,724	-	11,970	5,000
	15,215	377	**33,680**	21,845

Changes in provision for legal proceedings were as follows:

	Parent company	Consolidated
As at December 31, 2018	**377**	**21,845**
Additions	59	100
Additions for corporate reorganization (i)	16,429	-
Additions for acquisition of companies	-	14,153
Payments	(165)	(639)
Reversals	(1,485)	(1,779)

(In thousands of reais, unless otherwise indicated)

As at June 30, 2019	**15,215**	**33,680**

(i) The increase in the balance of provision for lawsuits in the Parent Company occurred due to the merger of att/PS. There was no significant impact on the Consolidated.

The Company and its subsidiaries are also party to labor and tax lawsuits whose risk of loss, according to their legal advisors and the Company's Management, is classified as possible, for which no provision was recognized. The total adjusted value of these lawsuits corresponds to R$24,432 as at June 30, 2019 (as at December 31, 2018 – R$24,013). In addition, the Company has escrow deposits, in the amount of R$451, as at June 30, 2019 (as at December 31, 2018 – R$297).

a) Labor

Labor claims generally relate to overtime, health hazard allowances, salary equalization, vacation pay, moral damages resulting from occupational accident, occupational disease, and secondary liability involving service providers, among other situations.

b) Tax

Tax lawsuits refer to legal disputes involving municipal and federal taxes, especially to requests for compensation and / or refund not approved, as well as tax risks identified in the acquisition processes.

c) Civil

The civil lawsuits relate mainly to suits filed under the allegation of certain problems in the provision of services offered and reimbursement of securities.

18 EQUITY

18.1 Capital

The Company's capital is R$50,561, represented by 11,787,203 registered common shares with no par value. The holders of common shares are entitled to one vote per share at the Shareholders' Meetings.

The table below shows the ownership interest (in number of shares) of holders of 5% or more of the Company's common shares, in addition to treasury shares.

	06.30.2019		12.31.2018	
Shareholders	**Shares**	**%**	**Shares**	**%**
HIX Investimentos Ltda.	1,883,199	15.98%	1,810,399	15.36%
BNDES Participações S.A.	-	0.00%	1,297,260	11.01%
Bernardo Francisco Pereira Gomes	1,333,736	11.32%	1,327,827	11.26%
Antonio Luciano de Camargo Filho	1,331,803	11.30%	1,327,753	11.26%
SFA Investimentos Ltda.	1,343,300	11.40%	602,700	5.11%
Una Capital Ltda.	-	-	618,520	5.25%
Treasury shares	-	-	269,640	2.29%
Other shareholders	5,895,165	50.00%	4,533,104	38.46%
Total	**11,787,203**	**100%**	**11,787,203**	**100%**

18.2 Earnings reserve

The Earnings reserve is composed of the accumulated balance of profit and losses allocations approved at the Annual General Meetings.

a) Share-based compensation plan

As at December 31, 2018, the Company accrued dividends equivalent to 25% of net profit for the year, recorded in current liabilities. There was no distribution of dividends or interest on capital in the period.

18.3 Capital reserve

The balances of capital reserves at June 30, 2019 and December 31, 2018 were composed of the effects of the stock compensation plan and the result of treasury stock sale transactions.

b) Share-based compensation plan

As foreseen in the Share-based Compensation Plan, in April 2018, the beneficiaries exercised the options of the second vesting period. In 2018 and through March 31, 2019, no treasury shares were repurchased under the program. The plan expenses in the period were of R$123

c) Sale of treasury shares

At the meeting held on April 6, 2018, the Board of Directors, in compliance with the provisions of Article 5, paragraph 7, of the Company's Bylaws, and Article 30, paragraph 1, subitem "c", of Law 6404/76, approved the sale of up to 289.494 shares of the Company, representing 50% of its 578.988 treasury shares, through transactions to be carried out on B3 S.A. - Brasil, Bolsa, Balcão ("B3"), in conformity with CVM Instruction 567/15.

At a meeting held on May 20, 2019, the Board of Directors authorized the Company to sell up to 240,701 shares issued by it, representing all the shares held in treasury, pursuant to CVM Instruction 567/15. On June 26, 2019, the Company announced that it sold the total amount authorized in B3 trading sessions, for the gross amount of R $ 9.096, with the purpose of reinforcing the cash balance to finance new acquisitions and expanding the free float to favor the liquidity in the secondary market

(In thousands of reais, unless otherwise indicated)

19 NET OPERATING REVENUE

	Parent company		Consolidated	
	06.30.2019	**06.30.2018**	**06.30.2019**	**06.30.2018**
Consulting and projects	492	1,007	4,965	4,096
Outsourcing	10,442	5,311	25,054	21,595
Software	35,384	12,102	60,446	49,205
Gross service revenue	**46,318**	**1,420**	**90,465**	**74,896**
ISS	(1,261)	(527)	(2,913)	(2,164)
PIS and COFINS	(1,690)	(667)	(3,321)	(2,728)
Employer's INSS	(2,084)	(831)	(3,525)	(3,247)
Taxes on sales	**(5,035)**	**(2,025)**	**(9,759)**	**(8,139)**
Consulting and projects	234	916	4,397	3,728
Outsourcing	9,303	4,712	22,295	19,186
Software	31,745	10,767	54,014	43,843
Net operating revenue	**41,282**	**16,395**	**80,706**	**66,757**

The average tax rate levied on sales in the period was 10.8% in the Consolidated, comprising PIS/PASEP, COFINS, Tax on Services of Any Kind (ISSQN) and employer's INSS.

(In thousands of reais, unless otherwise indicated)

20 COST OF SERVICES

Cost of services provided

	Parent company		Consolidated	
	06.30.2019	**06.30.2018**	**06.30.2019**	**06.30.2018**
Third-party services	2,009	1,460	4,074	2,141
Personnel, charges and benefits	24,875	8,040	49,795	38,116
Other costs	1.578	393	2,252	1,614
	28,462	**9,893**	**56,121**	**41,871**

21 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent company		Consolidated	
	06.30.2019	**06.30.2018**	**06.30.2019**	**06.30.2018**
Third-party services	895	136	1,813	830
Personnel, charges and benefits	5.119	1.397	12,818	8,210
Commissions	512	89	855	715
Rentals, insurance, condominium fees and other	968	923	1.946	1,565
Addition to (reversal of) provision for bonuses and profit sharing	520	(590)	807	1,389
Addition to (reversal of) provision for lawsuits	(1,426)	(224)	(1,679)	205
Energy, communications and other	407	434	583	733
Consultants, lawyers and auditors	1,168	147	1,989	647
Publicity and advertising	621	145	738	176
Transportation and lodging	267	37	641	317
Other expenditures	314	140	618	591
Depreciation and amortization	4,682	2,100	6,321	3,487
	14,047	**4,734**	**27,450**	**18,865**

22 FINANCE INCOME (COSTS), NET

	Parent company		Consolidated	
	06.30.2019	**06.30.2018**	**06.30.2019**	**06.30.2018**
Financial costs:				
Interest from investment acquisition	(827)	(812)	(1,048)	(850)
Interest on loans	(1,854)	(888)	(1,835)	(888)
Bank expenses	(128)	(6)	(168)	(36)
Adjustment to present value	(808)	(7)	(935)	(8)
Tax on Financial Operations (IOF)	(26)	(13)	(52)	(21)
Adjustment to additional M&A installment (i)	-	(1,362)	-	(1,362)
Interest on debentures	(1,084)	-	(1,084)	-
Other finance costs	(63)	(9)	(45)	(12)
Finance income:				
Income from financial investments	502	305	721	734
Interest income	2	38	5	100
Other financial income	84	9	142	55
	(4,202)	**(2,745)**	**(4,299)**	**(2,288)**

(In thousands of reais, unless otherwise indicated)

(i) Refers to the adjustment (provision) to the additional installment to be paid for the acquisition of att/PS Informática S.A.

23 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

Current income tax and social contribution are calculated in accordance with the current rates, and the deferred income tax and social contribution are calculated on temporary differences and accumulated tax losses.

a) Current and deferred income tax

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

	Parent company	
	06.30.2019	**06.30.2018**
Loss before taxes	**(7,684)**	**(1,161)**
Income tax at the statutory rate (34%)	(2,612)	(395)
Adjustments for calculation at the effective rate:		
Equity in the results of subsidiaries	766	(1,041)
Non-deductible capital amortization	164	544
Interest on own capital	-	(709)
Other permanent differences	(83)	229
Income tax at effective rate	**(1,765)**	**(1,372)**
Deferred income tax and social contribution	**1.765**	**1,372**

	Consolidated	
	06.31.2019	**06.31.2018**
Profit (loss) before taxes	**(7,164)**	**486**
Income tax at the statutory rate (34%)	(2,435)	165
Adjustments for calculation at the effective rate:		
Non-deductible capital amortization	319	593
Interest on own capital	-	(709)
Deemed profit from subsidiaries (i)	151	(381)
Non-deductible provisions	873	677
Compensations of income tax and social contribution losses	(15)	(147)
Other permanent differences	(139)	77
Income tax at effective rate	**(1,246)**	**275**
Current income tax and social contribution	**(774)**	**(487)**
Deferred income tax and social contribution	**2,020**	**212**

(i) The subsidiary Controlpart Consultoria e Participações Ltda. computes the income tax and social contribution based on the deemed profit method.

(In thousands of reais, unless otherwise indicated)

b) Deferred income tax and social contribution assets

Breakdown of deferred income tax and social contribution:

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**06.30.2019**	**12.31.2018**
Non-current assets				
Income tax and social contribution losses	7,018	2,542	15,011	9,537
Allowance for doubtful accounts	184	45	281	281
Accrued bonus	173	597	245	646
Provision for contingencies and other liabilities	5,244	128	6,695	7,413
Goodwill arising from business combination	(1,030)	-	(1,048)	209
Other provisions	176	193	157	282
Unbilled services	(2,068)	(255)	(3,022)	(2,071)
Total deferred income tax and social contribution assets	**9,697**	**3,250**	**18,319**	**16,297**

24 EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share is made by dividing the net profit for the period, attributed to the parent's holders of common shares, by the weighted average number of common shares outstanding during the period.

The calculation of diluted earnings per share is made by dividing the profit for the period, attributed to the parent's holders of common shares, by the weighted average number of common shares outstanding during the period, plus the weighted average number of common shares that would be issued on the conversion of all potentially dilutive common shares into common shares.

The following tables present data on the result and shares, used in the calculation of basic and diluted earnings per share:

	Parent company and Consolidated	
	06.30.2019	**06.30.2018**
Basic earnings (loss) per share		
Numerator		
Loss for the period attributed to the Company's shareholders	(5,919)	211
Denominator		
Outstanding common shares	11,787,203	11,187,803
Basic and diluted earnings (loss) per share (in R$)	**(0.502)**	**0.019**

	Parent company and Consolidated	
	06.30.2019	**06.30.2018**
Diluted earnings (loss) per share		
Numerator		
Loss for the period attributed to the Company's shareholders	(5,919)	211
Denominator		
Weighted average number of outstanding common shares	11,787,203	11,187,803
Potential increase from stock options and restricted shares plan	78,444	70,932
Basic and diluted earnings (loss) per share (in R$)	**(0.499)**	**0.019**

(In thousands of reais, unless otherwise indicated)

25 LEASES

The lease liability was recognized in accordance with the new accounting standard IFRS 16/CPC 06 (R2), which requires that the liability for future payments and the right to use the leased assets be registered for all contracts contained in the scope of the standard. Currently, the only relevant lease agreements that Sinqia S.A. has relate to rental of real estate. For all current leases the discount rate of 7.38% was used.

			Parent company		Consolidated	
	Discount rate	**Maturity**	**06.30.2019**	**12.31.2018**	**06.30.2019**	**12.31.2018**
Belo Horizonte office	7.38%	12/31/2028	4,420	-	4,420	-
São Paulo office 1	7.38%	07/01/2028	13,213	-	13,213	-
São Paulo office 2	7.38%	10/11/2028	5,141	-	5,141	-
Rio de Janeiro office	7.38%	03/31/2029	-	-	2,487	-
Curitiba office	7.38%	09/02/2021	-	-	1,576	-
Total			**22.774**	**-**	**26,837**	**-**
Current			**1,328**	**-**	**2,195**	**-**
Non-current			**21,446**	**-**	**24,642**	**-**

26 NON-CASH TRANSACTIONS

Investment and financing transactions that do not involve the use of cash or cash equivalents were excluded from the statement of cash flows. The Company performed the following non-cash investment and financing activities:

	Parent company		Consolidated	
	06.30.2019	**12.31.2018**	**03.30.2019**	**12.31.2018**
Recognition of leasing assets	22.348	-	26.642	-
Recognition of leasing liabilities	(22.348)	-	(26.642)	-
Recognition of liabilities arising from investment acquisition	-	-	(23.251)	-
Assets acquired in business combination	-	-	8.140	
Liabilities acquired in business combination	-	-	(8.140)	-

27 SUBSEQUENT EVENTS

On August 2, 2019. Sinqia S.A. informed that, pursuant to CVM Instruction 358, the merger by Senior Solution Consultoria em Informática Ltda. of its wholly owned subsidiary ADSPrev - Administração e Desenvolvimento de Sistemas Ltda., without changing the Company's shareholders' equity, in order to eliminate the need for separate companies with common activities and, consequently, to reduce operating expenses to the benefit of shareholders.