

São Paulo, November 7, 2018. Senior Solution S.A. (B3: SNSL3) (“**Company**”), leader in technology for the financial industry in Brazil, discloses today its consolidated results for the third quarter of 2018 (“**3Q18**”).

3Q18 – EARNINGS RELEASE

- 🔥 **Net Revenues:** R\$ 35.7 million **(+6.6% vs. 3Q17)**, organic growth resulting from record in Services **(+24.0% vs. 3Q17)**, despite a slight reduction in Software **(-2.2% vs. 3Q17)**;
- 🔥 **Recurring Revenues:** Record of R\$ 28.4 million **(+17.1% vs. 3Q17)**, 79.7% of total **(+7.2 p.p. vs. 3Q17)**, with growth mainly in Outsourcing of Services **(+55.1% vs. 3Q17)** with strong demand;
- 🔥 **Adjusted EBITDA:** R\$ 4.8 million **(-19.1% vs. 3Q17)**, with adjusted EBITDA margin of 13.6% **(-4.3 p.p. vs. 3Q17)**, reduction due to increase in RD&I investments and subsidy for new sales setup;
- 🔥 **Adjusted Cash Earnings:** R\$ 2.9 million **(-45.2% vs. 3Q17)**, impacted by reduction in adjusted net income to R\$ 1.4 million and by the lack of deferred income tax and social contribution;
- 🔥 **Investments:** increment of R\$ 0.8 million in RD&I and subsidy of setup of R\$ 0.5 million, which penalized the result and undermined the comparability with the same period of the previous year;
- 🔥 **Acquisition of ConsultBrasil:** R\$ 6.8 million strategic transaction that completes our portfolio and puts us even closer to build the first full-banking platform in Brazil.

FINANCIAL HIGHLIGHTS (R\$ '000)

	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Net Revenues	35,672	33,466	6.6%	34,125	4.5%	139,006	122,537	13.4%
Recurring Revenues	28,432	24,279	17.1%	28,068	1.3%	109,347	93,072	17.5%
% of Recurrence	79.7%	72.5%	7.2 p.p.	82.3%	-2.5 p.p.	78.7%	76.0%	2.7 p.p.
EBITDA	4,840	5,908	-18.1%	4,988	-3.0%	16,797	15,169	10.7%
EBITDA margin	13.6%	17.7%	-4.1 p.p.	14.6%	-1.0 p.p.	12.1%	12.4%	-0.3 p.p.
Adjusted EBITDA	4,840	5,982	-19.1%	4,988	-3.0%	20,044	18,001	11.3%
Adj. EBITDA Margin	13.6%	17.9%	-4.3 p.p.	14.6%	-1.0 p.p.	14.4%	14.7%	-0.3 p.p.
Adjusted Cash Earnings	2,878	5,254	-45.2%	4,074	-29.4%	14,502	15,166	-4.4%
Adj. CE Margin	8.1%	15.7%	-7.6 p.p.	11.9%	-3.9 p.p.	10.4%	12.4%	-1.9 p.p.

About Senior Solution

Senior Solution is the leader in technology for the financial industry in Brazil and a pioneer in the adoption of one-stop-shop approach. The Company has the following business units: Software, offering specialized applications in a subscription model, and Services, providing critical processes Outsourcing, and technology and business Projects. Since 2005 Senior Solution performs a consolidation strategy consolidation that resulted in the acquisition of ten companies and thirteen consecutive years of growth with CAGR of 29.4%.

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RECENT EVENTS

Acquisition of ConsultBrasil

In October, we announced the acquisition of ConsultBrasil, a software provider for banks, non-bank financial institutions, brokers and dealers segments. This is the 10th acquisition made by the Company and the 5th after the IPO.

This is a strategic acquisition because it complements our portfolio for the banking segment with solutions for SPB¹, messaging, Bacen Jud² and CCS³. These solutions are in line with Senior Solution's strategy and put the Company even closer to building Brazil's first full-banking platform. As additional benefits, we highlight the addition of new customers to our portfolio.

Since the acquisition of attps, our customers have presented a strong demand for solutions such as the ones provided by ConsultBrasil, fact which motivated us to acquire them, and research, development and innovation ("RD&I") investments in the immediate updating of these solutions and integration to other solutions. Therefore, we believe in the high potential of cross-selling, which has already started.

ConsultBrasil reported gross revenues of R\$ 4.9 million in the last 12 months and could contribute with an important EBITDA, following the synergies resulting from the integration and the conclusion of RD&I investments. As the company is headquartered in Belo Horizonte, where we have an office since 2016, synergies have already begun to be captured in 4th quarter.

ConsultBrasil was acquired by an Enterprise Value ("EV") of R\$ 6.8 million, resulting in an EV/Gross Revenues multiple of 1.4x. This is an accretive and strategic acquisition reinforces our willingness to boost inorganic growth, while maintaining our financial discipline. The acquisition of ConsultBrasil is the first example – among others to come – that this mindset will be an important catalyst for our growth.

Top 100 Global Fintechs – IDC

In September, we were once again ranked as one of the top 100 global technology providers for financial institutions, climbing 5 positions to the 92nd place, according to the 2018 IDC FinTech Rankings.

International Data Corporation ("IDC") is one of the premier global providers of market intelligence, advisory services, and events for the information technology industry. The 2018 IDC FinTech Rankings categorize and rates the main FinTechs, based on their revenues in US Dollars in the previous year. The full ranking is available at: www.idc.com/prodserv/insights/#financial-fintech_rankings.

¹ **SPB**: Software for integration of the financial institution to the Brazilian Payment System.

² **Bacen Jud**: Software for integration of the financial institution to the Judiciary.

³ **CCS**: Software for integration of the financial institution to the National Financial System's Customer Registry.

MESSAGE FROM MANAGEMENT

As mentioned in the previous release, this year we are seeking inorganic growth with even greater intensity. The seeds planted in the past began to bear fruits, and the harvest starts with the acquisition of ConsultBrasil, announced in October. This is another important step to build the first full banking platform in Brazil.

We remain loyal to our strategy, looking for companies that enable us, always within the financial sector, to (i) expand the portfolio of solutions, or (ii) expand the customer portfolio. Our latest acquisition fulfills these goals by adding some of the solutions that were our strategic priorities: SPB, messaging, Bacen Jud and CCS.

This year we intensified RD&I investments, which are growing every quarter as we accelerate the projects implementation schedule, causing a costs increment of R\$ 0.8 in 3Q18. Besides that, we subsidized the setup of new sales, replacing variable implementation revenues with recurring subscription revenues, causing an expense increase of R\$ 0.5 million in 3Q18.

These decisions proved to be right and contributed to a significant and continuous improvement in Software subscription commercial indicators, so until September subscription sales less cancellations already totaled R\$ 8.1 million annualized (according to the table below), without considering the readjustment of existing contracts. This number represents 10.2% of the subscription revenue in the last 12 months, a fact that is likely to lead to double-digit real growth and provoke a jump in revenues from 2019, when the implementations are concluded.

COMMERCIAL PERFORMANCE OF SOFTWARE - SUBSCRIPTION (R\$ MM)				
(R\$ MM)	1Q18	2Q18	3Q18	9M18
Sales less cancellations*	2.2	2.7	3.2	8.1
Gross revenues LTM	78.6	79.2	79.3	79.3
Sales less cancellations / Gross revenues LTM	2.8%	3.4%	4.0%	10.2%

*Annualized gross value.

Regarding the 3Q18 results, net revenues was R\$ 35.7 million, the highest ever recorded in a third quarter, growth of 6.6% over the same period last year, 2.1 p.p. above official inflation. This growth is due to a very positive period for Services, which presented a record and increase of 24.0%, despite a slight reduction of 2.2% in Software, still impacted by the cancelations in 2017. Recurring revenues presented a new record of R\$ 28.4 million, an increase of 17.1%.

Costs totaled R\$ 22.4 million, 12.4% increase over the same period of the previous year. The R\$ 2.5 million variation is mainly a consequence of (i) R\$ 1.7 million increase in cost of Services, below the revenues growth; and (ii) R\$ 0.8 million increase in cost of Software, mainly due to the increment in RD&I. The cost of Software "ex-RD&I" was stable, even with slight reduction of revenues, because we started to hire new employees to execute the ongoing implementations. As a result, gross profit reached R\$ 13.3 million, down 2.0%, with a gross margin of 37.2%, decrease of 3.3 p.p.

General and administrative expenses totaled R\$ 8.4 million, 10.3% growth over the same period of the previous year. The R\$ 0.8 million variation reflects basically (i) R\$ 0.5 increase in commercial expenses with the subsidy for setup of new sales and (ii) R\$ 0.2 increase in M&A expenses with the acquisition of ConsultBrasil.

EBITDA achieved R\$ 4.8 million, down 18.1%, with EBITDA margin of 13.6%; net income reached R\$ 1.4 million, down 44.4%, with net margin of 4.0%; and adjusted cash earnings was R\$ 2.9 million, down 45.2%, with margin of 8.1%. All indicators were impacted by the intensification of RD&I and the subsidy of setup, which penalized the result by R\$ 1.3 million and undermined the comparability with the same period of the previous year. We underline that this will help us improve organic growth and the recurrence profile in the future, but for now our results only show the onus of such decisions.

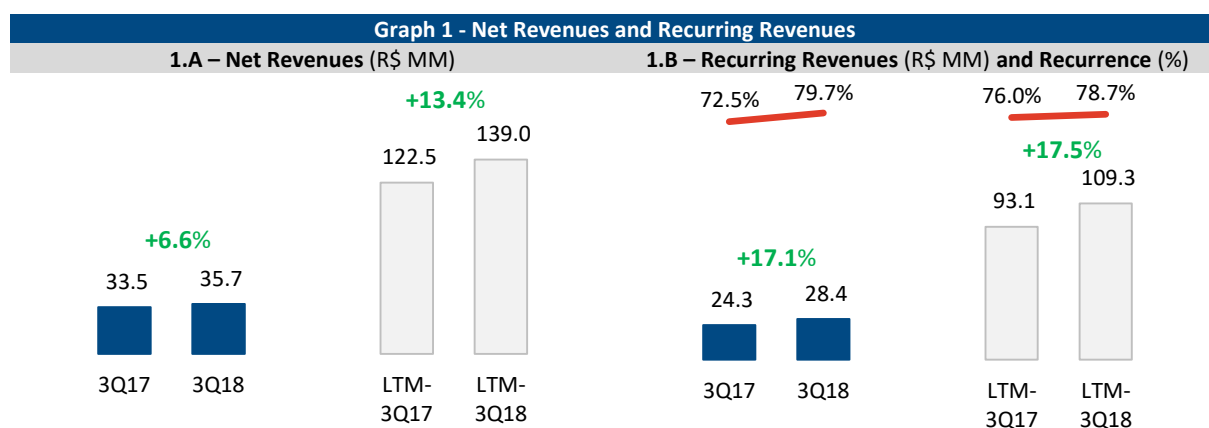
OPERATIONAL AND FINANCIAL PERFORMANCE

Net Revenues

The Company recorded net revenues of R\$ 35.7 million (+6.6% vs. 3Q17), a totally organic variation resulting from the significant growth with record in Services (+24.0% vs. 3Q17), despite the modest contraction in Software (-2.2% vs. 3Q17).

Recurring revenues, including the “Subscription” line of Software and the “Outsourcing” line of Services presented a new record of R\$ 28.4 million, increase of 17.1%. The recurrence rate reached 79.7% of the total (vs. 72.5% in 3Q17), mainly due to the growth in recurring revenues in “Outsourcing”, combined with a reduction in variable revenues (-21.2% vs. 3Q17) in “Projects” and “Implementation and Customization”.

The number of customers declined slightly to 265 (vs. 266 in 3Q17), concentrated in small consortium management companies, practically offset by the entry of new banks. The largest customer contributed with 13.1% of net revenues (vs. 7.1% in 3Q17), resulting in an increase in concentration due to the expansion of this customer relationship with Senior Solution on several fronts, with new allocations and subscription revenues.





Performance per Unit

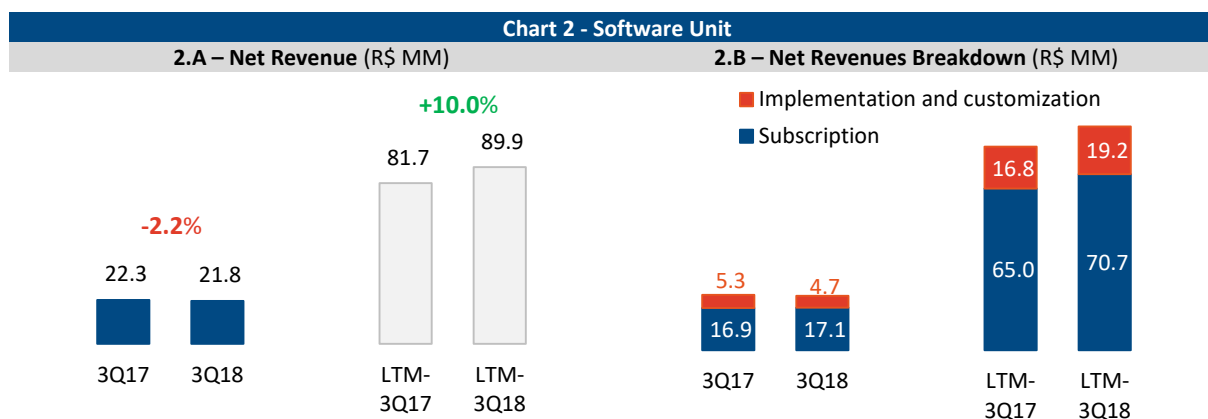


Software

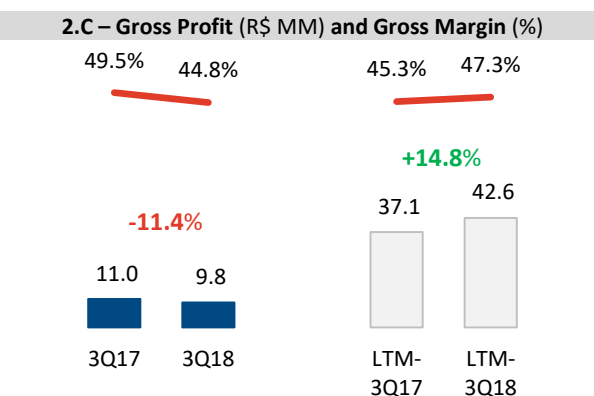
Software net revenues totaled R\$ 21.8 million (-2.2% vs. 3Q17), including the recurring share of “Subscription” and the variable share of “Implementation and Customization”, as follows:

-  **Subscription:** net revenues reached R\$ 17.1 million (+0.7% vs. 3Q17), 78% of the unit’s total. The result reflects a significant growth mainly in the areas of pension plans and investments, due to recent implementations, offsetting a reduction mainly in asset management, still stemming from the loss of revenues from a customer that reduced its operations in Brazil.
-  **Implementation and Customization:** net revenues reached R\$ 4.7 million (-11.2% vs. 3Q17), 22% of the unit’s total. This reduction mainly takes place in pension plans and asset management areas, due to the completion of recent implementations, despite the good performance in core banking and credit that started new implementations in the quarter.

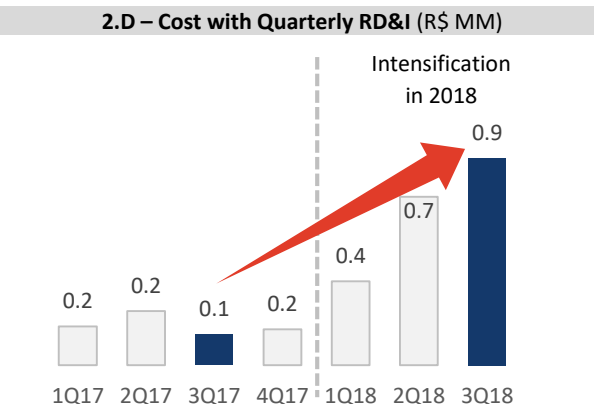
As pointed out in last quarter’s Message from Management, it is important to recall that we adjusted our commercial model to mitigate customer switching costs, subsidizing part of the setup by replacing “Implementation and customization” revenues in the short-term for “Subscription” revenues in the medium-term. This decision may temporarily put pressure on the unit’s revenue and profitability, but it will help us improve organic growth and the recurrence profile in the future.



Costs totaled R\$ 12.0 million (+6.9% vs. 3Q17), and the increase of R\$ 0.8 million over the same period last year was caused mainly by the increment in RD&I of the same amount, which are growing every quarter (as shown in Chart 2.D). Without this increment, cost was stable, even with slight reduction of revenues, because we started to hire new employees to execute the ongoing implementations, many of which are not yet generating revenues.





As a consequence of cost increase, gross profit reached R\$ 9.8 million (-11.4% vs. 3Q17), with a gross margin of 44.8% (-4.7 p.p. vs. 3Q17). We emphasize that the short-term loss of profitability is mainly due to the increase in RD&I investments, demonstrating our orientation for long-term results.

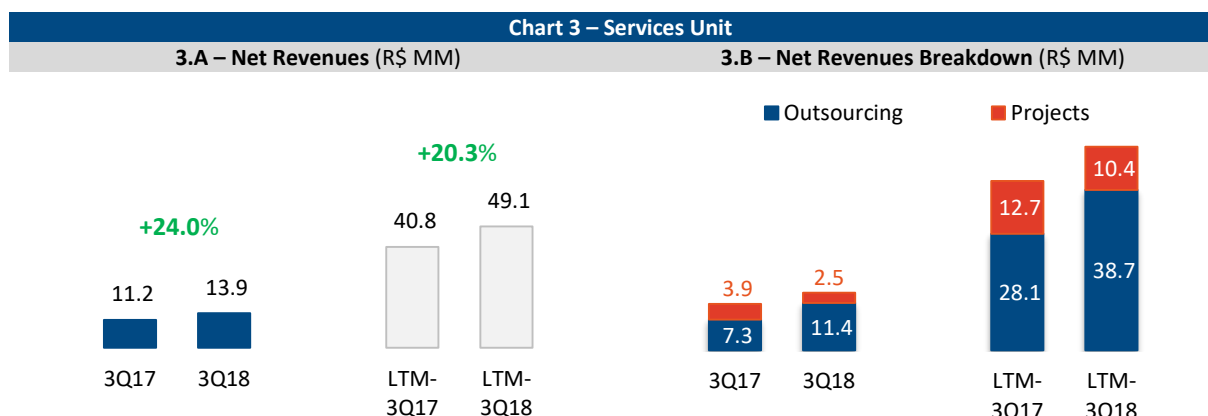


Services

The Services unit, derived from the Outsourcing lines, recurring share, and “Projects”, variable share, had record net revenues of R\$ 13.9 million (+24.0% vs. 3Q17), as follows:

-  **Outsourcing:** net revenues was a record of R\$ 11.4 million (+55.1% vs. 3Q17), 82% of the unit’s total. In the new reporting structure, there was a reclassification of attps revenues from “Projects” to “Outsourcing”, in the amount of R\$ 2.8 million. Excluding the reclassification, the growth of 42.3% is related to the strong demand and consequent portfolio expansion, due to the greater conversion of commercial opportunities and lower employee turnover.
-  **Projects:** net revenues totaled R\$ 2.5 million (-35.1% vs. 3Q17), 18% of the unit’s total. As explained above, there was a reclassification of attps revenues from “Projects” to “Outsourcing”, in the amount of

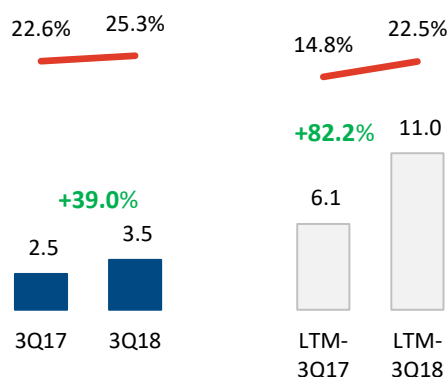
R\$ 2.8 million. Thus, excluding the reclassification, there was a slight increase due to the sale of projects focused on innovation by Torq, a subsidiary launched in April with the aim of transforming business through technology innovation, that contributed to R\$ 0.7 million in revenues.



Unit costs were R\$ 10.4 million (+19.6% vs. 3Q17), significant increase below the revenues growth, of which R\$ 8.9 million from Outsourcing (+57.4% vs. 3Q17), expansion related to hiring for the allocations made in the quarter, and R\$ 1.5 million from Projects (-50.2% vs. 3Q17), of which R\$ 0.4 million corresponds to costs added by Torq. There was also an impact related to the transfer of costs from “Projects” to “Outsourcing” resulting from the reclassification of attps revenues.

Thus, the unit’s gross profit reached R\$ 3.5 million (+39.0% vs. 3Q17), with a gross margin of 25.3% (+2.7 p.p. vs. 3Q17), of which R\$ 2.5 million from Outsourcing (+47.5% vs. 3Q17) and R\$ 1.0 million from Projects (+21.4% vs. 3Q17).

3.C – Gross Profit (R\$ MM) and Gross Margin (%)

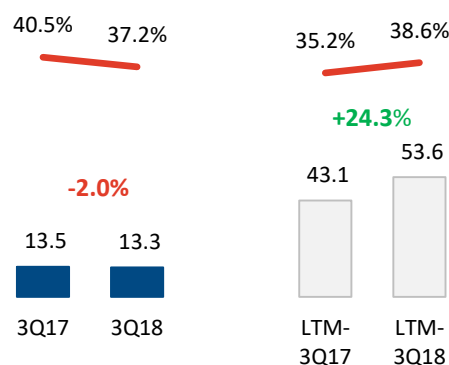


Gross Profit (consolidated)

Costs reached R\$ 22.4 million (+12.4% vs. 3Q17). We highlight that consolidated gross profit was impacted by the increment in RD&I investments of R\$ 0.8 million compared to the same period of the previous year, booked in the Software unit.

The hiring of new employees to perform the implementations started in the quarter led to an increase in costs, of which part corresponds to the subsidy of the setup of new sales and consists in an investment of a commercial nature. This amount totaled R\$ 0.5 million and was booked as general and administrative expenses from costs.

Chart 4 – Gross Profit (R\$ MM) and Gross Margin (%)



Therefore, gross profit reached R\$ 13.3 million (-2.0% vs. 3Q17) and gross margin reached 37.2% (-3.3 p.p. vs. 3Q17), a drop in profitability due to Software performance, as explained above.

TABLE 1 – GROSS PROFIT BY UNIT

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Gross profit	13,271	13,545	-2.0%	12,727	4.3%	53,597	43,121	24.3%
<i>Gross margin</i>	<i>37.2%</i>	<i>40.5%</i>	<i>-3.3 p.p.</i>	<i>37.3%</i>	<i>-0.1 p.p.</i>	<i>38.6%</i>	<i>35.2%</i>	<i>3.4 p.p.</i>
Software	9,760	11,020	-11.4%	10,014	-2.5%	42,574	37,071	14.8%
<i>Software gross mg.</i>	<i>44.8%</i>	<i>49.5%</i>	<i>-4.7 p.p.</i>	<i>45.7%</i>	<i>-1.0 p.p.</i>	<i>47.3%</i>	<i>45.3%</i>	<i>2.0 p.p.</i>
Projects	3,511	2,525	39.0%	2,713	29.4%	11,023	6,050	82.2%
<i>Projects gross mg.</i>	<i>25.3%</i>	<i>22.6%</i>	<i>2.7 p.p.</i>	<i>22.2%</i>	<i>3.1 p.p.</i>	<i>22.5%</i>	<i>14.8%</i>	<i>7.6 p.p.</i>
Outsourcing	2,518	1,707	47.5%	2,176	15.7%	8,017	4,472	79.3%
<i>Outsourcing gross mg.</i>	<i>22.1%</i>	<i>23.3%</i>	<i>-1.1 p.p.</i>	<i>21.4%</i>	<i>0.7 p.p.</i>	<i>20.7%</i>	<i>15.9%</i>	<i>4.8 p.p.</i>
Projects	993	818	21.4%	537	84.9%	3,006	1,578	90.5%
<i>Projects gross mg.</i>	<i>39.6%</i>	<i>21.2%</i>	<i>18.4 p.p.</i>	<i>25.9%</i>	<i>13.8 p.p.</i>	<i>28.9%</i>	<i>12.4%</i>	<i>16.4 p.p.</i>

General and Administrative Expenses

As mentioned before, a portion of the costs corresponding to the subsidy of the setup of the new sales, in the amount of R\$ 0.5 million, was transferred from costs to general and administrative expenses in the income statement. After this transference, general and administrative expenses totaled R\$ 8.4 million (+10.3% vs. 3Q17), representing 23.6% (+0.8 p.p. vs. 3Q17) of net revenues.

Of the total variation of R\$ 0.8 million, R\$ 0.5 million correspond to commercial expenses with the subsidy for setup of new sales, and R\$ 0.2 million to extraordinary M&A expenses with the acquisition of ConsultBrasil, both booked as “Administrative and commercial” in the Table 2 below. On the other hand, there was a lower bonuses provision of R\$ 0.7 million, as accelerated provisioning booked in 3Q17 was not necessary in this quarter.

Chart 5 – General and Admin. Expenses (R\$ MM and %RL)

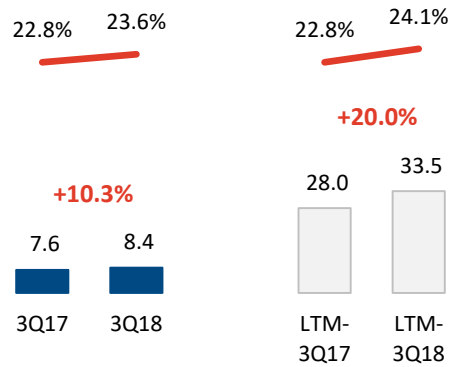


TABLE 2 – SG&A BREAKDOWN

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Administrative and commercial	5,823	4,361	1,462	5,116	707	20,484	18,770	1,714
Building expenses	1,230	1,384	(154)	1,074	156	4,895	5,277	(382)
Commission and events	532	441	91	428	104	1,721	1,301	420
Provision - Bonus	650	1,300	(650)	714	(64)	4,657	727	3,930
Provision - Trade receivables & contingencies	52	(27)	79	239	(187)	1,123	1,288	(165)
Others	135	178	(43)	168	(33)	664	589	75
Total	8,422	7,637	785	7,739	683	33,544	27,952	5,592

Adjusted EBITDA⁴

Adjusted EBITDA totaled R\$4.8 million (-19.1% vs. 3Q17), and Adjusted EBITDA margin was 13.6% (-4.3% p.p. vs. 3Q17).

Of the R\$ 1.1 million reduction, R\$ 0.8 million corresponds to increase in RD&I investments, R\$ 0.5 million to subsidy for setup, and R\$ 0.2 million to extraordinary expenses with acquisitions. On the other hand, there was a lower bonus provision of R\$ 0.7 million, as explained earlier.

Excluding the items that undermine the comparability between 3Q18 vs. 3Q17, the Company presented a relatively stable operational performance.

Chart 6 – Adj. EBITDA (R\$ MM) and Adj. EBITDA Margin (%)

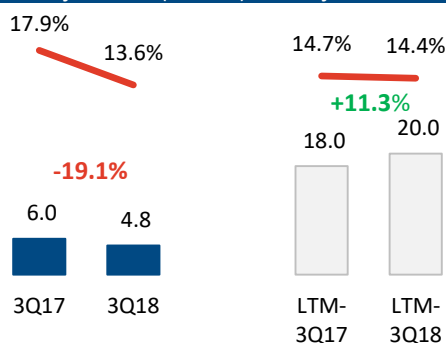


TABLE 3 – RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Net Income	1,418	2,552	-44.4%	2,010	-29.5%	4,517	5,750	-21.4%
(+) Income tax/social contribution	1,218	1,422	-14.3%	863	41.1%	1,850	3,183	-41.9%
(+) Financial result	386	249	55.0%	351	10.0%	3,423	401	-
(+) Depreciation/amort.	1,818	1,685	7.9%	1,764	3.1%	7,007	5,835	20.1%
EBITDA	4,840	5,908	-18.1%	4,988	-3.0%	16,797	15,169	10.7%
(+) Extraordinary expenses - earnout	-	-	-	-	-	3,247	-	-
(+) Extraordinary expenses - integration	-	-	-	-	-	-	1,213	-
(+) Extraordinary costs- integration	-	74	-	-	-	-	1,619	-
Adjusted EBITDA	4,840	5,982	-19.1%	4,988	-3.0%	20,044	18,001	11.3%

Earnings before Taxes

Earnings before income tax and social contribution ("EBT") reached R\$ 2.6 million (-33.4% vs. 3Q17), reduction due to the lower EBITDA, as the financial result remained relatively flat.

- 🔴 **Financial result:** was a negative R\$ 0.4 million (-R\$ 0.1 million vs. 3Q17), a variation resulting from the R\$ 0.3 million increase in financial revenues, mainly due to interest from acquisitions, despite the R\$ 0.1 million increase in financial revenues.
- 🔴 **Depreciation and amortization ("D&A"):** totaled R\$ 1.8 million (+7.9% vs. 3Q17), a slight increase resulting from higher amortization with the acquisition of new software licenses for internal use

⁴ EBITDA is a non-accounting measurement calculated by the Company in accordance with CVM Instruction 527/12, which consists of the net profit for the period, plus income taxes, financial expenses net of financial income, and depreciation and amortization. Adjusted EBITDA corresponds to EBITDA, plus extraordinary effects with acquisitions. The line "Extraordinary expenses - earnout" represents the complement in the earn-out provision of attps; the line "Extraordinary expenses - integration" represents the extraordinary layoff expenses in the corporate areas; and the line "Extraordinary costs - integration" represents the extraordinary layoff expenses in the Software and Services units.

Net Income

Net income reached R\$ 1.4 million (-44.4% vs. 3Q17), with a net margin of 4.0% (-3.7 p.p. vs. 3Q17), basically due to the lower EBT of R\$ 2.6 million (-33.4% vs. 3Q17), despite lower income tax and social contribution of negative R\$ 1.2 million (vs. negative R\$ 1.4 million in 3Q17). We highlight that the net income is an accounting measure influenced by factors with no economic effect on the Company, which is why we recommend its analysis together with the adjusted cash earnings, described below.

Adjusted Cash Earnings⁵

Adjusted cash earnings was R\$ 2.9 million (-45.2% vs. 3Q17), with a margin of 8.1% (-7.6 p.p. vs. 3Q17). This decrease is mainly due to the lack of deferred income tax and social contribution credit, practically null in this quarter (vs. positive R\$ 1.2 million in 3Q17), besides reduction of adjusted net income to R\$ 1.4 million (-46.0% vs. 3Q17).

TABLE 4 – RECONCILIATION OF ADJUSTED CASH EARNINGS

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Net income	1,418	2,552	-44.4%	2,010	-29.5%	4,517	5,750	-21.4%
(+) Extraordinary effects	-	74	-	-	-	4,609	2,832	62.7%
Adjusted net income	1,418	2,626	-46.0%	2,010	-29.5%	9,126	8,582	6.3%
(+) Acquisitions amortization	1,488	1,470	1.2%	1,482	0.4%	5,909	5,017	17.8%
(+) Def. income tax/Social Contr.	(28)	1,158	-	582	-	(533)	1,567	-
Adjusted Cash Earnings	2,878	5,254	-45.2%	4,074	-29.4%	14,502	15,166	-4.4%
<i>Adj. CE Margin</i>	<i>8.1%</i>	<i>15.7%</i>	<i>-7.6 p.p.</i>	<i>11.9%</i>	<i>-3.9 p.p.</i>	<i>10.4%</i>	<i>12.4%</i>	<i>-1.9 p.p.</i>

The complete historical series in Excel is available at www.seniorsolution.com.br/ri, on the menu Financial Information > Results.

Financial Position

The gross cash balance closed 3Q18 at R\$ 25.4 million (+R\$ 0.7 million vs. 2Q18). The increase is mainly due to the results generated in the operation. Gross debt had a balance of R\$ 34.7 million (-R\$ 2.3 million vs. 2Q18):

- 🔴 **Liabilities arising from investment acquisitions:** R\$ 19.4 million (-R\$1.3 million vs. 2Q18), mainly due to the amortization of installments resulting from the acquisition of attps.
- 🔴 **Borrowings:** R\$ 15.3 million (-R\$0.9 million vs. 2Q18), a reduction compared to the previous quarter resulting from the payment of financing installments to BNDES (Brazilian Development Bank).

Thus, the net debt balance decreased to R\$ 9.3 million (vs. R\$ 12.3 million in 2Q18), representing only 0.5x adjusted EBITDA in the last 12 months (vs. 0.6x in 2Q18), remaining at a comfortable level. Even after the acquisition of ConsultBrasil in October, there is room to increase leverage could in order to continue the acquisitions.

⁵ Equivalent to net income adjusted by extraordinary layoff effects, added to (i) acquisitions amortization (own softwares, value of the customer portfolio, non-competition agreement and trademarks and patents) and (ii) deferred income tax and social contribution.

CAPITAL MARKETS

Share Performance

The Company's shares (Novo Mercado: SNRL3) closed 3Q18 at R\$ 21.45 (-3.6% vs. 2Q18). As the total capital stock is represented by 11,787,203 common shares, the Company's market value was of R\$ 252.8 million on September 30, 2018.

The average daily trading volume was of R\$ 209.8 thousand (-50.5% vs. 2Q18) and the average daily number of trades was 47 (vs. 67 in 2Q18).

The shareholding structure ended the quarter with 5,191 shareholders (vs. 4,823 in 2Q18), a significant number in comparison with Brazilian companies of similar size, and the free float⁶ was of 73.1%.

DECLARATION FROM MANAGEMENT

The Management of Senior Solution SA, in compliance with the provisions of items V and VI of Art. 25 of CVM Instruction 480/09, declares that it reviewed, discussed and agreed with (i) the opinions expressed in the independent auditors' report and (ii) the Financial Statements for the period ended September 30, 2018.

⁶ Excluding shares held by the Management (Board of Directors and Statutory Board) and those held in treasury.

ATTACHMENT – FINANCIAL STATEMENTS

I - Income Statement (Consolidated)

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Gross Revenues	40,014	37,776	5.9%	38,292	4.5%	156,226	138,358	12.9%
Software	24,482	25,054	-2.3%	24,589	-0.4%	101,046	91,982	9.9%
Subscription	19,155	18,995	0.8%	20,122	-4.8%	79,334	72,928	8.8%
Implementation	5,327	6,059	-12.1%	4,467	19.3%	21,712	19,054	13.9%
Services	15,532	12,722	22.1%	13,703	13.3%	55,180	46,376	19.0%
Outsourcing	12,782	8,414	51.9%	11,411	12.0%	43,663	32,178	35.7%
Projects	2,750	4,308	-36.2%	2,292	20.0%	11,517	14,198	-18.9%
Sales taxes	(4,342)	(4,310)	0.7%	(4,167)	4.2%	(17,220)	(15,821)	8.8%
Software	(2,691)	(2,781)	-3.2%	(2,696)	-0.2%	(11,114)	(10,236)	8.6%
Subscription	(2,099)	(2,052)	2.3%	(2,209)	-5.0%	(8,642)	(7,942)	8.8%
Implementation	(592)	(729)	-18.8%	(487)	21.6%	(2,472)	(2,294)	7.8%
Services	(1,651)	(1,529)	8.0%	(1,471)	12.2%	(6,106)	(5,585)	9.3%
Outsourcing	(1,406)	(1,078)	30.4%	(1,256)	11.9%	(5,008)	(4,092)	22.4%
Projects	(245)	(451)	-45.7%	(215)	14.0%	(1,098)	(1,493)	-26.5%
Net Revenues	35,672	33,466	6.6%	34,125	4.5%	139,006	122,537	13.4%
Software	21,791	22,273	-2.2%	21,893	-0.5%	89,932	81,746	10.0%
Subscription	17,056	16,943	0.7%	17,913	-4.8%	70,692	64,986	8.8%
Implementation	4,735	5,330	-11.2%	3,980	19.0%	19,240	16,760	14.8%
Services	13,881	11,193	24.0%	12,232	13.5%	49,074	40,791	20.3%
Outsourcing	11,376	7,336	55.1%	10,155	12.0%	38,655	28,086	37.6%
Projects	2,505	3,857	-35.1%	2,077	20.6%	10,419	12,705	-18.0%
Net Revenues	35,672	33,466	6.6%	34,125	4.5%	139,006	122,537	13.4%
Recurring	28,432	24,279	17.1%	28,068	1.3%	109,347	93,072	17.5%
Variable	7,240	9,187	-21.2%	6,057	19.5%	29,659	29,465	0.7%
% of Recurrence	79.7%	72.5%	7.2 p.p.	82.3%	-2.5 p.p.	78.7%	76.0%	2.7 p.p.
Costs	(22,401)	(19,921)	12.4%	(21,398)	4.7%	(85,409)	(79,416)	7.5%
Software	(12,031)	(11,253)	6.9%	(11,879)	1.3%	(47,358)	(44,675)	6.0%
Services	(10,370)	(8,668)	19.6%	(9,519)	8.9%	(38,051)	(34,741)	9.5%
Outsourcing	(8,858)	(5,629)	57.4%	(7,979)	11.0%	(30,638)	(23,614)	29.7%
Projects	(1,512)	(3,039)	-50.2%	(1,540)	-1.8%	(7,413)	(11,127)	-33.4%
Gross profit	13,271	13,545	-2.0%	12,727	4.3%	53,597	43,121	24.3%
Gross margin	37.2%	40.5%	-3.3 p.p.	37.3%	-0.1 p.p.	38.6%	35.2%	3.4 p.p.
Software	9,760	11,020	-11.4%	10,014	-2.5%	42,574	37,071	14.8%
Software gross mg.	44.8%	49.5%	-4.7 p.p.	45.7%	-1.0 p.p.	47.3%	45.3%	2.0 p.p.
Services	3,511	2,525	39.0%	2,713	29.4%	11,023	6,050	82.2%
Services gross mg.	25.3%	22.6%	2.7 p.p.	22.2%	3.1 p.p.	22.5%	14.8%	7.6 p.p.
Outsourcing	2,518	1,707	47.5%	2,176	15.7%	8,017	4,472	79.3%
Outsourcing gross mg.	22.1%	23.3%	-1.1 p.p.	21.4%	0.7 p.p.	20.7%	15.9%	4.8 p.p.
Projects	993	818	21.4%	537	84.9%	3,006	1,578	90.5%
Projects gross mg.	39.6%	21.2%	18.4 p.p.	25.9%	13.8 p.p.	28.9%	12.4%	16.4 p.p.
Expenses	(10,240)	(9,322)	9.8%	(9,503)	7.8%	(43,798)	(33,787)	29.6%
% of net revenues	28.7%	27.9%	0.9 p.p.	27.8%	0.9 p.p.	31.5%	27.6%	3.9 p.p.
General/administrative	(8,422)	(7,637)	10.3%	(7,739)	8.8%	(33,544)	(27,952)	20.0%
% of net revenues	23.6%	22.8%	0.8 p.p.	22.7%	0.9 p.p.	24.1%	22.8%	1.3 p.p.
Other expenses	-	-	-	-	-	(3,247)	-	-
% of net revenues	-	-	-	-	-	2.3%	-	2.3 p.p.
Depreciation/amort.	(1,818)	(1,685)	7.9%	(1,764)	3.1%	(7,007)	(5,835)	20.1%
% of net revenues	5.1%	5.0%	0.1 p.p.	5.2%	-0.1 p.p.	5.0%	4.8%	0.3 p.p.
EBIT	3,031	4,223	-28.2%	3,224	-6.0%	9,799	9,334	5.0%
Financial result	(386)	(249)	55.0%	(351)	10.0%	(3,423)	(401)	753.6%
Financial income	498	368	35.3%	476	4.6%	1,779	2,761	-35.6%
Financial expenses	(884)	(617)	43.3%	(827)	6.9%	(5,202)	(3,162)	64.5%
EBT	2,645	3,974	-33.4%	2,873	-7.9%	6,376	8,933	-28.6%
Income tax/social contribution	(1,218)	(1,422)	-14.3%	(863)	41.1%	(1,850)	(3,183)	-41.9%
Current	(1,246)	(264)	372.0%	(281)	343.4%	(2,383)	(1,616)	47.5%
Deferred	28	(1,158)	-	(582)	-	533	(1,567)	-
Results after IT and SC	1,427	2,552	-44.1%	2,010	-29.0%	4,526	5,750	-21.3%
Minority interest	(9)	-	-	-	-	(9)	-	-
Net income	1,418	2,552	-44.4%	2,010	-29.5%	4,517	5,750	-21.4%
Net margin	4.0%	7.6%	-3.7 p.p.	5.9%	-1.9 p.p.	3.2%	4.7%	-1.4 p.p.

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
EBITDA*	4,840	5,908	-18.1%	4,988	-3.0%	16,797	15,169	10.7%
EBITDA mg.	13.6%	17.7%	-4.1 p.p.	14.6%	-1.0 p.p.	12.1%	12.4%	-0.3 p.p.
(+) Extraordinary expenses	-	-	-	-	-	3,247	1,213	167.7%
(+) Extraordinary costs	-	74	-	-	-	-	1,619	-
Adjusted EBITDA	4,840	5,982	-19.1%	4,988	-3.0%	20,044	18,001	11.3%
Adj. EBITDA Margin	13.6%	17.9%	-4.3 p.p.	14.6%	-1.0 p.p.	14.4%	14.7%	-0.3 p.p.

*According to Instruction CVM 527/12.

(R\$ '000)	3Q18	3Q17	Change	2Q18	Change	LTM-3Q18	LTM-3Q17	Change
Net income	1,418	2,552	-44.4%	2,010	-29.5%	4,517	5,750	-21.4%
(+) Extraordinary effects	-	74	-	-	-	4,609	2,832	62.7%
Adjusted net income	1,418	2,626	-46.0%	2,010	-29.5%	9,126	8,582	6.3%
(+) Acquisitions amortization	1,488	1,470	1.2%	1,482	0.4%	5,909	5,017	17.8%
(+) Deferred income tax/Social cont.	(28)	1,158	-	582	-	(533)	1,567	-
Adjusted Cash Earnings	2,878	5,254	-45.2%	4,074	-29.4%	14,502	15,166	-4.4%
Adj. CE Margin	8.1%	15.7%	-7.6 p.p.	11.9%	-3.9 p.p.	10.4%	12.4%	-1.9 p.p.

II - Balance Sheet (Consolidated)

(R\$ '000)	09.30.2018	06.31.2018	Change	12.31.2017	Change
ASSETS	157,100	154,286	1.8%	157,501	-0.3%
Current	55,013	51,987	5.8%	52,075	5.6%
Cash and cash equivalents	25,394	24,716	2.7%	30,001	-15.4%
Trade receivables	25,670	22,686	13.2%	18,827	36.3%
Taxes and contributions recoverable	3,570	3,845	-7.2%	2,810	27.0%
Other receivables	323	740	-56.4%	437	-26.1%
Related parties	56	-	-	-	-
Non-current	102,087	102,299	-0.2%	105,426	-3.2%
Deposits in court	403	375	7.5%	2,151	-81.3%
Deferred income tax and social contrib.	10,508	10,480	0.3%	10,268	2.3%
Other credits	159	159	0.0%	159	0.0%
Property and equipment	3,800	2,608	45.7%	2,597	46.3%
Intangible assets	87,217	88,677	-1.6%	90,251	-3.4%
LIABILITIES AND EQUITY	157,100	154,286	1.8%	157,501	-0.3%
Current	28,519	24,605	15.9%	34,172	-16.5%
Borrowings	3,700	3,718	-0.5%	6,529	-43.3%
Trade payables	1,021	600	70.2%	601	69.9%
Advances from customers	1,235	1,159	6.6%	2,239	-44.8%
Salaries, social charges and labor prov.	13,836	11,513	20.2%	16,294	-15.1%
Dividends payable	-	-	-	2,085	-
Tax liabilities	3,058	1,880	62.7%	1,583	93.2%
Liabilities arising from invest. acquisition	5,669	5,735	-1.2%	4,841	17.1%
Non-current	43,519	46,001	-5.4%	47,722	-8.8%
Borrowings	11,638	12,555	-7.3%	15,327	-24.1%
Tax liabilities	98	100	-2.0%	334	-
Provisions for contingencies	18,064	18,360	-1.6%	18,819	-4.0%
Liabilities arising from invest. acquisition	13,719	14,986	-8.5%	13,242	3.6%
Non-controlling interests	63	-	-	-	-
Equity	84,999	83,680	1.6%	75,607	12.4%
Share capital	50,561	50,561	0.0%	50,561	0.0%
Treasury shares	(2,220)	(2,220)	0.0%	(4,772)	-53.5%
Capital reserve	5,677	5,776	-1.7%	464	1123.5%
Revenue reserves	30,981	29,563	4.8%	29,354	5.5%

Gross debt	34,726	36,994	-6.1%	39,939	-13.1%
Borrowings	15,338	16,273	-5.7%	21,856	-29.8%
Liabilities arising from invest. acquisition	19,388	20,721	-6.4%	18,083	7.2%
Cash position (debt), net	(9,332)	(12,278)	-24.0%	(9,938)	-6.1%