sinqia

Conference call and webcast (Portuguese only)
16 May 2019 (Thursday)
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São Paulo, May 15, 2019. Sinqia S.A. (B3: SQIA3) ("**Company**"), a technology provider for the financial system, announces today its consolidated results for the first quarter of 2019 ("**1Q19**").

Recent events:

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

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

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

Financial highlights:

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

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

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

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

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

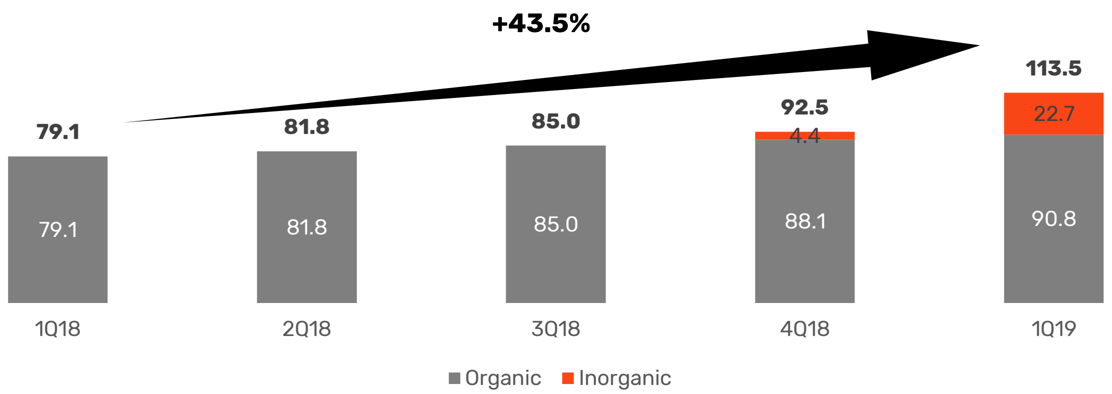
MESSAGEM FROM MANAGEMENT

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

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

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

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



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

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

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

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

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

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

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

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

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

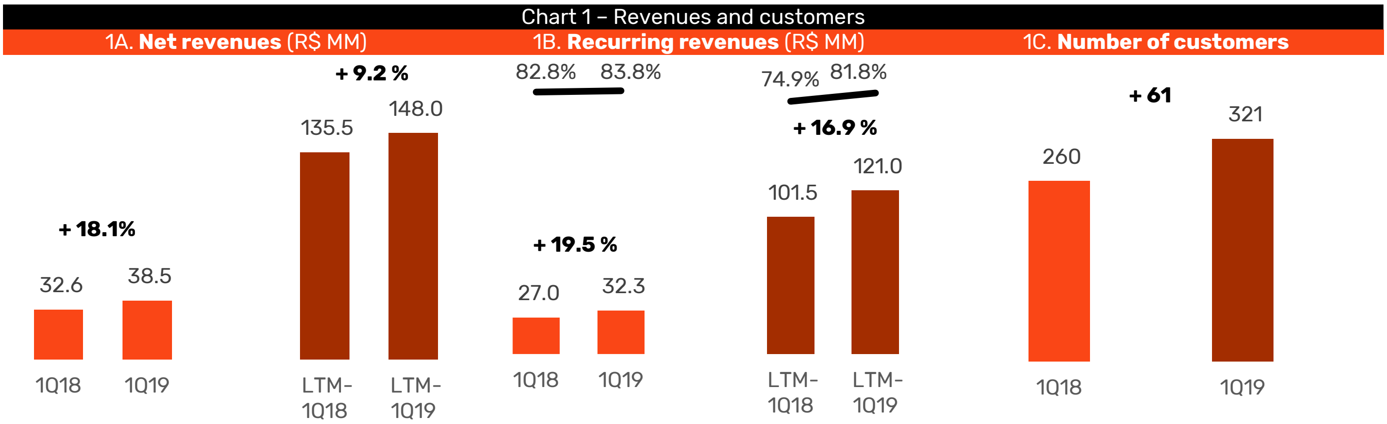
OPERATING AND FINANCIAL PERFORMANCE

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

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

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

Chart 1 – Revenues and customers



Software Unit

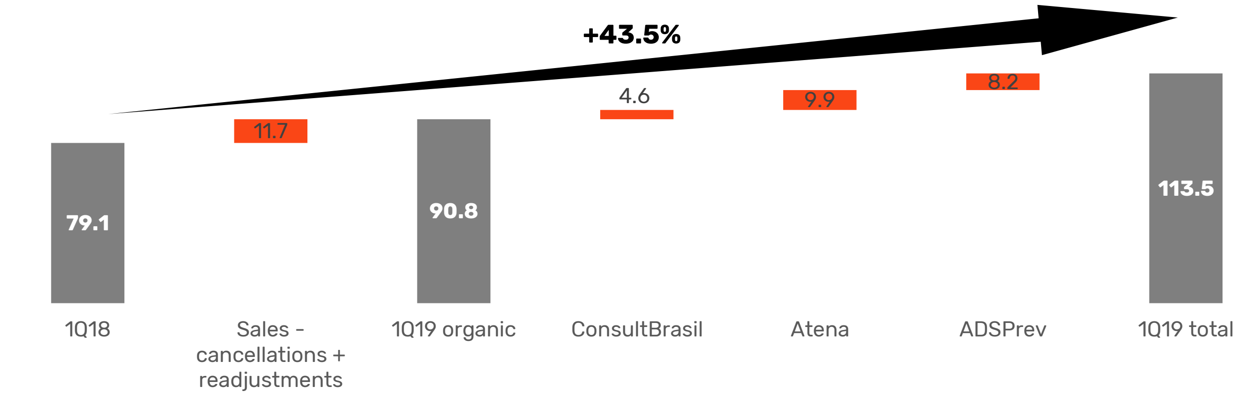
Net revenues from Software. Totaled a record R$ 24.8 million (+12.9% vs. 1Q18), 64% of the total, an increase of R$ 2.8 million, with an organic reduction of R$ 0.1 million and an inorganic increase of 2.9 million due to the consolidation of the last 3 acquisitions, taking into consideration that the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

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

  Portfolio of recurring contracts. The portfolio of recurring contracts[1] totaled R$ 113.5 million (+43.5% vs. 1Q18), out of which R$ 90.8 million organic (+R$ 11.7 million vs. 1Q18), due to the increase in sales for the period arising from setup subsidies, and R$ 22.7 million inorganic (not recorded in the 1Q18), arising from the last three acquisitions, out of which R$ 4.6 million from ConsultBrasil, R$ 9.9 million from Atena and R$ 8.2 million from ADSPrev, confirming the potential of Sinqia to continue growing two digits by combining the commercial model adjustments with increased speed in the execution of the consolidation strategy.

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

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

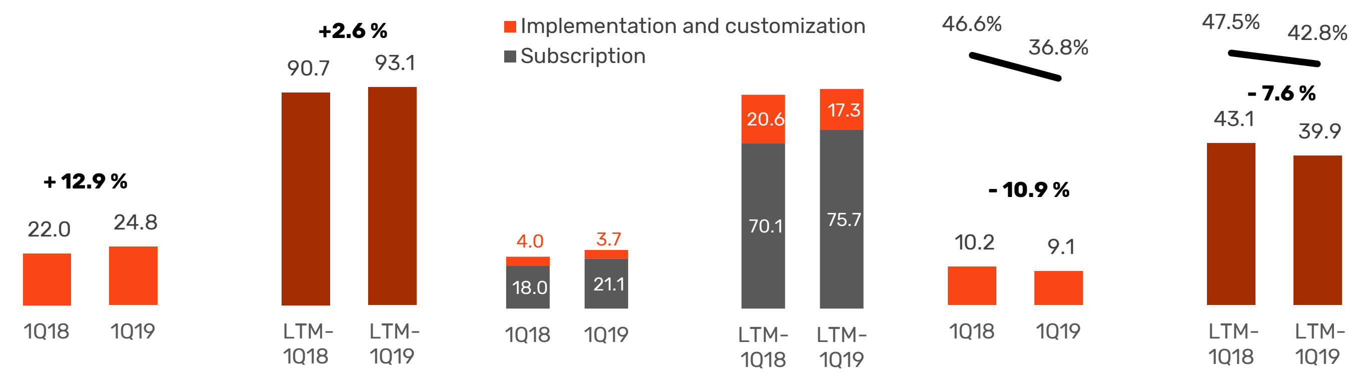


- Net revenues from implementation and customization. Totaled R$ 3.7 million (-6.5% vs. 1Q18), accounting for 15% of the unit's total, a decrease of R$ 0.3 million, out of which R$ 0.4 million was organic, mainly related to the subsidies granted for the implementation projects to reduce our customers'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

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

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

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



Services Unit

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

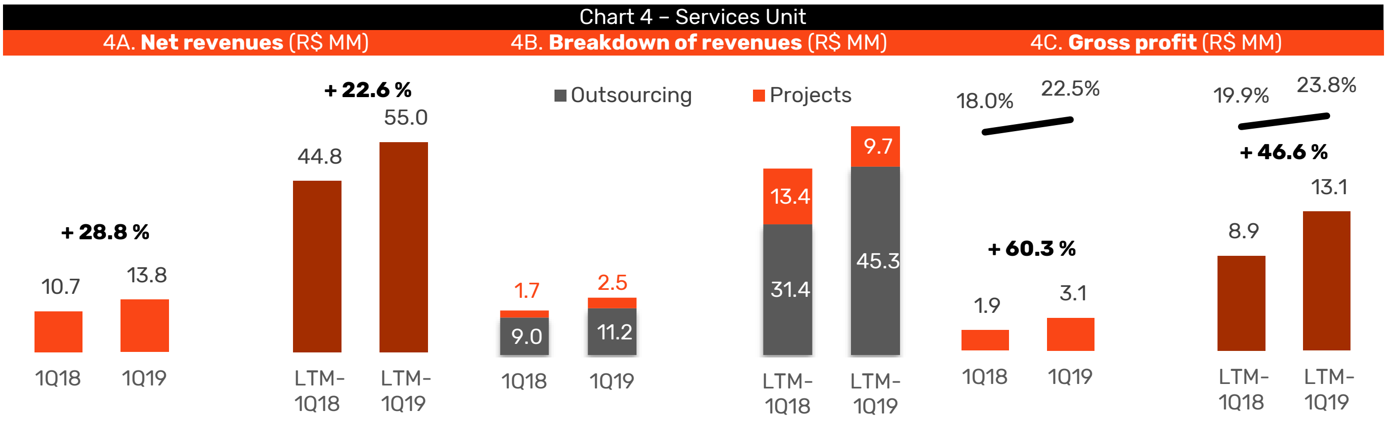
- Net revenues from outsourcing. Totaled R$ 11.2 million (+24.1% vs. 1Q18), 81% of the unit's total, a strong increase of R$ 2.2 million driven by the demand for outsourcing services and the subsequent increase in the number of professionals allocated in the customers.

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

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

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

Chart 4 – Services Unit



Costs, gross profit and expenses

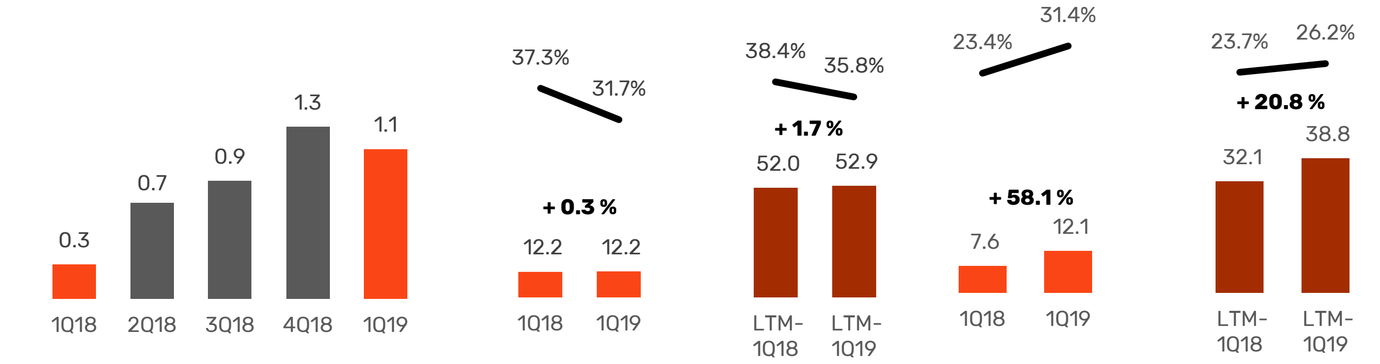
Costs. Costs totaled R$ 26.3 million (+28.7% vs. 1Q18), an increase of R$ 5.9 million, out of which (i) R$ 3.8 million was organic, comprising R$ 1.9 million in Software business due to the higher RD&I investments and layoffs, and R$ 1.9 million in Services business due to the higher business volume,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

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

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

Chart 5 – Costs, gross profit and expenses

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



EBITDA and adjusted EBITDA[2]

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

Table 1 - Reconciliation of EBITDA and Adjusted EBITDA

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

EBT, net profit and adjusted cash earnings

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

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

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

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

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

factors; in this regard, we recommend the analysis in conjunction with the adjusted cash earnings described below, which exclude the effects from acquisition in profit or loss.

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

Table 2 - Reconciliation of Adjusted Cash Earnings

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

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

Financial position

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

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

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

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

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

Capital Market

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

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

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

Declaration from Management. The Officers of Sinqia S.A., pursuant to items V and VI of Article 25 of CVM Instruction 480/09, hereby declares that it has reviewed, discussed and agreed on (i) the opinions expressed in the independent auditors' report; and (ii) the Financial Statements for the period ended on 31 Mar. 2019.

APPENDIX – FINANCIAL STATEMENTS

I – Income Statement (Consolidated)

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

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

*According to Instruction CVM 527/12.

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

II – Balance Sheet (Consolidated)

(R$ '000)	03.31.2019	12.31.2018	Change	03.31.2018	Change
ASSETS	**228,265**	**167,430**	**36.3%**	**152,721**	**49.5%**
Current	**59,753**	**51,722**	**15.5%**	**49,298**	**21.2%**
Cash and cash equivalents	24,599	26,037	-5.5%	22,869	7.6%
Trade receivables	30,150	22,254	35.5%	23,010	31.0%
Prepaid expences	699	79	784.8%	-	-
Taxes and contributions recoverable	3,499	2,552	37.1%	3,176	10.2%
Other receivables	806	744	8.3%	243	231.7%
Related parties	-	56	-	-	-
Non-current	**168,512**	**115,708**	**45.6%**	**103,423**	**62.9%**
Securities	3,000	-	-	-	-
Deposits in court	375	297	26.3%	583	-35.7%
Deferred income tax and social contrib.	18,170	16,296	11.5%	11,062	64.3%
Other receivables	763	159	379.9%	159	379.9%
Property and equipment	31,975	6,836	367.7%	2,665	1099.8%
Intangible assets	114,229	92,118	24.0%	88,954	28.4%
LIABILITIES AND EQUITY	**228,265**	**167,430**	**36.3%**	**152,721**	**49.5%**
Current	**39,362**	**33,635**	**17.0%**	**31,371**	**25.5%**
Borrowings	5,001	3,958	26.4%	3,704	35.0%
Leasing	2,453	-	-	-	-
Trade payables	2,818	2,134	32.1%	701	302.0%
Advances from customers	3,783	4,338	-12.8%	1,294	192.3%
Labor liabilities	16,298	13,707	18.9%	15,453	5.5%
Undistributed profits	648	648	-	2,086	-68.9%
Tax liabilities	2,352	2,824	-16.7%	1,663	41.4%
Liabilities arising from invest. acquisition	6,009	6,026	-0.3%	6,470	-7.1%
Non-current	**105,988**	**48,379**	**119.1%**	**47,585**	**122.7%**
Borrowings	42,291	10,651	297.1%	13,533	212.5%
Leasing	21,576	-	-	-	-
Tax liabilities	3,576	3,586	-0.3%	100	3476.0%
Provisions for contingencies	21,989	21,845	0.7%	18,464	19.1%
Liabilities arising from invest. acquisition	16,556	12,297	34.6%	15,488	6.9%
Equity	**82,915**	**85,416**	**-2.9%**	**73,765**	**12.4%**
Share capital	50,561	50,561	-	50,561	0.0%
Treasury shares	(2,220)	(2,220)	-	(4,772)	-53.5%
Capital reserve	5,480	5,577	-1.7%	422	1198.6%
Revenue reserves	29,089	31,432	-7.5%	27,554	5.6%
Non-controlling interests	5	66	-92.4%	-	-
Gross debt	**69,857**	**32,932**	**112.1%**	**39,195**	**78.2%**
Borrowings	47,292	14,609	223.7%	17,237	174.4%
Liabilities arising from invest. acquisition	22,565	18,323	23.2%	21,958	2.8%
Cash position (debt), net	**(45,258)**	**(6,895)**	**556.4%**	**(16,326)**	**177.2%**

Sinqia S.A.
Quarterly Financial Report - ITR
March 31, 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 March 31, 2019, prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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 shall not audit their own work; (b) the auditors shall not perform management functions for their clients; and (c) the auditors shall 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.

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REPORT ON THE REVIEW OF THE
INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders, Board Members and Management
Sinqia S.A.

Introduction

We have reviewed the individual and consolidated interim financial statements of Sinqia S.A. ("Company"), identified as the parent company and consolidated, respectively, contained in the Quarterly Financial Report (ITR) for the quarter ended March 31, 2019, which comprise the balance sheet equity and consolidated financial statements as of March 31, 2019 and the respective individual and consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the related explanatory notes.

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

Scope of the Review

We conducted our review in accordance with Brazilian and international standards for the review of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Entity's Auditor 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 inquiries, mainly to persons responsible for financial and accounting matters, and the application of analytical procedures and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and therefore has not enabled us to obtain assurance that we are aware of all material matters that could be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the interim financial statements

Based on our review, we are not aware of any fact that would lead us to believe that the individual and consolidated interim financial statements included in the quarterly financial report referred to above were not prepared, in all material respects, in accordance with Technical Pronouncement CPC 21 (R1) and the international standard IAS 34, applicable to the preparation of the ITR, and presented in a manner consistent with the standards issued by the CVM.

Other subjects

Statements of added value

We have also reviewed the individual and consolidated statements of value added ("DVA") for the three-month period ended March 31, 2019, prepared under the responsibility of the Company's Management, whose presentation in the interim financial statements is required according to the standards issued by the CVM, applicable to the preparation of Quarterly Financial Report (ITR). These statements were subject to the same review procedures described above and, based on our review, we are not aware of any facts that may lead us to believe that they have not been prepared, in all material respects, in a manner consistent with the interim financial statements taken together.

Amounts corresponding to the previous period

The information and figures for the three-month period ended March 31, 2018 presented for comparison purposes were previously reviewed by another independent auditor, who issued a report of May 8, 2018, without changes. 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.

São Paulo, May 15, 2019

DELOITTE TOUCHE TOHMATSU
Auditores Independentes
CRC Nr. 2 SP 011609/O-8

Fernando Augusto Lopes Silva
Accountant
CRC Nr. 1 SP 250631 / O-7

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

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
ASSETS				
Current				
Cash and cash equivalents (Note 7)	16,123	5,039	24,599	26,037
Trade receivables (Note 8)	17,723	3,206	30,150	22,254
Advanced expenses	642	48	699	79
Taxes and contributions recoverable (Note 9)	1,376	1,037	3,499	2,552
Accounts receivable from related parties	-	-	-	56
Other receivables	363	269	806	744
Total current assets	**36,227**	**9,599**	**59,753**	**51,722**
Non-current				
Accounts receivable from related parties (note 10)	5,805	6,500	-	-
Securities (Note 13)	3,000	-	3,000	-
Deposits in court (Note 17)	239	58	375	297
Deferred income tax and social contribution (Note 23)	9,719	3,250	18,170	16,297
Other receivables	763	-	763	159
Investments (Note 5)	94,513	78,081	-	-
Property and equipment (Note 11)	27,921	5,284	31,975	6,836
Intangible assets (Note 12)	27,934	23,949	114,229	92,119
Total non-current assets	**169,894**	**117,122**	**168,512**	**115,708**
Total assets	**206,121**	**126,721**	**228,265**	**167,430**

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

	Parent company		Consolidated	
	March 31, 2019	**December 31, 2018**	**March 31, 2019**	**December 31, 2018**
LIABILITIES				
Current				
Borrowings (Note 13)	4,760	3,718	5,001	3,958
Leasing (Note 25)	2,205	-	2,453	-
Trade payables	2,278	1,435	2,818	2,134
Advances from customers	2,474	1,319	3,783	4,338
Labor liabilities (Note 14)	9,456	5,506	16,298	13,707
Undistributed profits (Note 18.2)	648	648	648	648
Tax liabilities (Note 15)	1,052	283	2,352	2,824
Accounts payable with related parties (note 10)	573	-	-	-
Liabilities arising from investment acquisition (Note 16)	5,552	5,670	6,009	6,026
Total current liabilities	**28,998**	**18,579**	**39,362**	**33,635**
Non-current				
Borrowings (Note 13)	40,782	10,651	42,291	10,651
Leasing (Note 25)	19,313		21,576	
Accounts payable with related parties (note 10)	11	-	-	-
Tax liabilities (Note 15)	103	17	3,576	3,586
Provisions for legal proceedings (Note 17)	16,849	377	21,989	21,845
Liabilities arising from investment acquisition (Note 16)	11,386	11,747	16,556	12,297
Provision for losses on investments (note 5)	5,769	-	-	-
Total non-current liabilities	**94,213**	**22,792**	**105,988**	**48,379**
Equity (Note 18)				
Share capital	50,561	50,561	50,561	50,561
Treasury shares	(2,220)	(2,220)	(2,220)	(2,220)
Capital reserve	5,480	5,579	5,480	5,579
Revenue reserves	29,089	31,430	29,089	31,430
Total equity of controlling shareholders	**82,910**	**85,350**	**82,910**	**85,350**
Non-controlling interest	**-**	**-**	**5**	**66**
Total equity	**82,910**	**85,350**	**82,915**	**85,416**
Total liabilities	**206,121**	**126,721**	**228,265**	**167,430**

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

SINQIA S.A.
STATEMENTS OF INCOME FOR THE THREE-MONTH PERIODS ENDED ON MARCH 31, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
NET OPERATING INCOME (Note 19)	**20,302**	**7,995**	**38,540**	**32,632**
Cost of services rendered (Note 20)	(13,674)	(5,043)	(26,339)	(20,473)
GROSS PROFIT	**6,628**	**2,952**	**12,201**	**12,159**
Operating income (expenses)				
General, administrative and selling expenses (Note 21)	(7,838)	(3,208)	(14,920)	(9,362)
Equity in the results of subsidiaries (Note 5)	(1,676)	2,257	-	-
Other operating expenses, net	-	(3,247)	-	(3,247)
Total operating expenses, net	**(9,514)**	**(4,198)**	**(14,920)**	**(12,609)**
Operating income before finance result	**(2,886)**	**(1,246)**	**(2,719)**	**(450)**
Finance result, net (Note 22)	(1,243)	(2,135)	(1,285)	(1,937)
Loss before income tax and social contribution	**(4,129)**	**(3,381)**	**(4,004)**	**(2,387)**
Current income tax and social contribution (Note 23)	-	-	(216)	(206)
Deferred income tax and social contribution (Note 23)	1,788	1,582	1,874	794
Loss after income tax and social contribution	**(2,341)**	**(1,799)**	**(2,346)**	**(1,799)**
Non-controlling interest	-	-	5	-
Net loss for the year	**(2,341)**	**(1,799)**	**(2,341)**	**(1,799)**
BASIC LOSSES PER SHARE - in Reais (Note 24)	**(0.203)**	**(0.160)**	**(0.203)**	**(0.160)**
LOSS DILUTED PER SHARE - in reais (Note 24)	**(0.203)**	**(0.160)**	**(0.203)**	**(0.160)**

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

SINQIA S.A.
STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED ON MARCH 31, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Net loss for the year	(2,341)	(1,799)	(2,341)	(1,799)
Items that will be subsequently be reclassified to the result	-	-	-	-
Items that will not be subsequently be reclassified to the result	-	-	-	-
Total comprehensive income for the period	**(2,341)**	**(1,799)**	**(2,341)**	**(1,799)**

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

	Share capital	Capital reserve	Treasury shares	Expenses on issue of shares	Legal reserve	Retained earnings	Equity	Non-Controlling interest	Consolidated equity
At December 31, 2018	50,561	5,579	(2,220)	(1,952)	2,285	31,097	85,350	66	85,416
Loss of the period	-	-	-	-	-	(2,341)	(2,341)	(61)	(2,402)
Share-based compensation (note 10 (c))	-	(99)	-	-	-	-	(99)		(99)
Balances on March 31, 2019	50,561	5,480	(2,220)	(1,952)	2,285	28,756	82,910	5	82,915

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

SINQIA S.A.
STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED ON MARCH 31, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the year	**(2,341)**	**(1,799)**	**(2,341)**	**(1,799)**
Items not affecting cash				
Equity in the results of subsidiaries	1,676	(2,257)	-	-
Share-based compensation plan	(99)	(44)	(99)	(44)
Depreciation and amortization	2,240	1,030	2,837	1,718
Provision (reversal) for contingencies	43	(224)	144	205
Provision for bonuses and profit sharing	372	671	1,282	675
Interest accrued	414	498	422	498
Deferred income tax and social contribution	(1,788)	(1,582)	(1,874)	(794)
Changes in assets and liabilities				
Trade receivables	(1,539)	(1,958)	(7,896)	(4,183)
Judicial deposits	(181)	-	(78)	1,568
Taxes and contributions recoverable	(339)	(25)	(947)	(366)
Other receivables	(1,451)	259	(1,286)	194
Trade payables	843	197	684	100
Labor obligations	3,578	224	1,309	(1,515)
Tax liabilities	855	54	(482)	(154)
Contingencies paid	-	-	-	(560)
Advances from customers	1,155	(320)	(554)	(945)
Interests paid	(440)	-	(444)	-
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	**2,998**	**(5,276)**	**(9,323)**	**(5,402)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of fixed and intangible assets	(4,834)	(399)	(5,145)	(489)
Related parties	1,279	(1,653)	(5)	-
Acquisition of companies	(15,274)	-	(15,274)	-
Cash and cash equivalents from acquired companies	903	-	903	-
Capital increase in subsidiary	(2,187)	-	-	-
Amortization of liabilities arising from investment acquisition	-	(760)	(2,299)	(925)
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	**(23,113)**	**6,245**	**(24,820)**	**3,388**
CASH FLOWS FROM FINANCING ACTIVITIES				
Amortization of borrowings	(813)	(5,090)	(801)	(5,118)
Loan and financing	32,012	-	33,506	-

(In thousands of reais, unless otherwise indicated)

NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	**31,199**	**(5,090)**	**32,705**	**(5,118)**
INCREASE IN CASH AND CASH EQUIVALENTS	**11,084**	**(4,121)**	**(1,438)**	**(7,132)**
Cash and cash equivalents at the beginning of the year	5,039	11,876	26,037	30,001
Cash and cash equivalents at the end of the year	16,123	7,755	24,599	22,869
INCREASE IN CASH AND CASH EQUIVALENTS	**11,084**	**(4,121)**	**(1,438)**	**(7,132)**

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

SINQIA S.A.
STATEMENTS OF VALUE ADDED FOR THE THREE-MONTH PERIODS ENDED ON MARCH 31, 2019 AND 2018
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1 – REVENUE	**22,777**	**8,977**	**43,226**	**36,604**
1.1 - Sales of products and services	22,777	8,977	43,226	36,604
1.2 – Provision (reversal of provision) for impairment of trade receivables	-	-	-	-
2 - INPUTS ACQUIRED FROM THIRD PARTIES (ICMS, IPI, PIS and COFINS)	**(3,640)**	**(1,314)**	**(8,120)**	**(3,161)**
2.1 - Cost of sales and services	(1,373)	(808)	(2,326)	(1,643)
2.2 - Materials, electricity, outsourced services and other	(2,267)	(506)	(5,794)	(1,518)
3 - GROSS VALUE ADDED (1-2)	**19,137**	**7,662**	**35,106**	**33,443**
4 - DEPRECIATION AND AMORTIZATION	**(2,240)**	**(1,030)**	**(2,837)**	**(1,718)**
5 - NET VALUE ADDED GENERATED BY THE ENTITY (3-4)	**(16,897)**	**6,632**	**32,269**	**31,725**
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	**(1,437)**	**2,412**	**372**	**413**
6.1 - Equity in the results of subsidiaries	(1,676)	2,257	-	-
6.2 – Finance income	239	155	372	413
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	**15,460**	**9,044**	**32,641**	**32,138**
8 - DISTRIBUTION OF VALUE ADDED	**15,460**	**9,044**	**32,641**	**32,138**
8.1 - Personnel	**15,443**	**5,446**	**29,745**	**24,174**
8.1.1 – Direct compensation and Government Severance Indemnity Fund for Employees (FGTS)	13,290	1,356	25,852	4,995
8.1.2 - Benefits	2,153	4,090	3,893	19,179
8.2 – Taxes, fees and contributions	**806**	**(600)**	**3,348**	**3,384**
8.2.1 - Federal	69	(850)	1,730	2,338
8.2.2 - Municipal	737	250	1,618	1,046
8.3 – Remuneration of third-party capital	**1,552**	**5,998**	**1,889**	**6,379**
8.3.1 - Interest	1,435	5,536	1,569	5,597
8.3.2 - Rentals	117	462	320	782
8.4 – Remuneration of own capital	**(2,341)**	**(1,799)**	**(2,341)**	**(1,799)**
8.4.1 - Retained earnings for the year	(2,341)	(1,799)	(2,341)	(1,799)

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

NOTES ON THE QUARTERLY FINANCIAL REPORT ON MARCH 31, 2019

Section A - General information

1.1 Operations

Sinqia S.A. 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.

Sinqia is currently the leader in this market, serving more than 350 financial institutions in the country, in vertical banks, funds, pension funds and consortiums. The Company's institutional strengthening and the greater volume of funds invested in the last few years enabled the Company to invest in infrastructure, research and development, diversification of services and acquisition of other companies in this market.

The Company is 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. e Torq Inovação Digital Ltda., companies whose purpose is to act in an additional way to the Company's activities. Among its subsidiaries, the Torq innovation laboratory stands out, the only innovation initiative for the financial market.

Among the existing tax incentives in the country, the Company uses the benefit derived from the Law of Good (Law 11196/05), aimed at companies that conduct research and development (R&D) of technological innovation. This benefit provides a tax saving by reducing the income tax and social contribution tax base from 60% to 80% of R&D expenditures.

The issue of these financial statements was approved by the Board of Directors on May 14, 2019.

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

1.2 Basis of preparation

The quarterly earnings releases have been prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), 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.

The main accounting policies applied in the preparation of these financial statements are set out in Note 27. There were no changes in accounting policies except for those from the adoption of IFRS 16 (CPC 6 (R2)) – Leases, disclosure on 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.

(a) Parent company and consolidated quarterly earnings releases

The parent company and consolidated quarterly earnings releases have been prepared and are being presented in accordance with accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC), as well with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The parent company financial statements are disclosed together with the consolidated financial statements.

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. 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 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 judgments

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

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

(In thousands of reais, unless otherwise indicated)

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

In preparing these interim financial information, 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)) - Leasing operations	Establishes principles for the recognition, measurement, presentation and disclosure of leases for both parties to the transaction.
IFRIC 23 (ICPC 22) - Uncertainty about the treatment of taxes on profit	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) - Leasing
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 income; 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 income for the year, 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 prerogatives 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 allows 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.

(In thousands of reais, unless otherwise indicated)

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:

	Financial Statements disclosed on December 31, 2018	**Impacts related to adoption of IFRS 16**	**Financial Statements on January 1, 2019**
ASSETS			
Current assets	51,722	-	51,722
Other non-current assets	108,872	-	108,872
Property, plant and equipment	6,836	23,850	30,686
Total assets	167,430	23,850	191,280
LIABILITIES			
Leases – current	-	(2,454)	(2,454)
Other current liabilities	(33,635)	-	(33,635)
Leases – non-current	-	(21,396)	(21,396)
Other non-current liabilities	(48,379)	-	(48,379)
Equity	(85,416)	-	(85,416)
Total liabilities	(167,430)	(23,850)	(191,280)

Additionally, the table below summarizes the accounting impacts of the adoption of this new accounting pronouncement to the statement of income for the year for the three-month period ended March 31, 2019:

(In thousands of reais, unless otherwise indicated)

	Financial Statements disclosed on March 31, 2019	Impacts related to adoption of IFRS 16	Financial statements without the impacts of IFRS16 on March 31, 2019
NET OPERATING REVENUE	**38,540**	**-**	**38,540**
Cost of services provided	(26,339)	-	(26,339)
GROSS PROFIT	**12,201**	**-**	**12,201**
General, administrative and selling expenses	(14,920)	373	(14,547)
Operating income before finance result	**(2,719)**	**373**	**(2,346)**
Financial result, net	(1,285)	446	(839)
Profit before income tax and social contribution	**(4,004)**	**819**	**(3,185)**
Current income tax and social contribution	(216)	-	(216)
Deferred income tax and social contribution	1,874	-	1,874
Profit after income tax and social contribution	**(2,346)**	**819**	**(1,527)**
Non-controlling interests	5	-	5
Net loss for the year	**(2,341)**	**819**	**(1,522)**

IFRIC 23 (ICPC 22) - Uncertainty about the treatment of taxes on profit
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 that the entity:

- 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 retrospective modified 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 presented on 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.

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 carrying values of trade receivables and payables, less impairment provision in the case of trade receivables, are assumed to approximate their fair values. For disclosure purposes, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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.

(In thousands of reais, unless otherwise indicated)

Section D – Group structure

5 Investments

Changes in investments

	Senior Solution Serviços em Informática Ltda.	Senior Solution Consultoria em Informática Ltda.	Controlpart Consultoria e Participações Ltda.	ConsultBrasil. Ltda.	Intellectual Capital Ltda.	att/PS Informática Ltda.	Torq Inovação Digital Ltda.	Total
At December 31, 2018	**3,507**	**21,960**	**4,346**	**-**	**3,454**	**44,220**	**594**	**78,081**
Capital increase	**-**	**2,187**	**-**	**-**	**-**	**-**	-	2,187
Equity in the results of subsidiaries	(306)	(2,000)	648	26	-	-	(44)	(1,676)
Corporate reorganization (i)	-	14,487	-	5,649	-	(4,215)	-	15,921
Balance on March 31, 2019	**3,201**	**36,634**	**4,994**	**5,675**	**3,454**	**40,005**	**550**	**94,513**

(i) In 2019, att/PS Informática Ltda. Merged into Sinqia S.A. and Aquarius Tecnologia e Informática Ltda was incorporated by Senior Solution Consultoria em Informática Ltda. ConsultBrasil Ltda. was an investment of att/PS as of December 2018. and became an investment of Sinqia S.A. as of 2019.

(b) Information on subsidiaries

					Total investment		Equity in the results of subsidiaries	
Investment - direct	**Equity net**	**Ownership interest %**	**Goodwill on acquisition - Goodwill**	**Profit (loss) for the year/ (period)**	**March 31, 2019**	**December 31, 2018**	**March 31, 2019**	**March 31, 2018**
Senior Solution Serviços em Informática Ltda.	3,201	100%	-	(306)	3,201	3,507	(306)	292
Senior Solution Consultoria em Informática Ltda.	36,634	100%	-	(2,000)	36,634	21,960	(2,000)	888
Controlpart Consultoria e Participações Ltda.	2,270	100%	2,724	648	4,994	4,346	648	1,885
ConsultBrasil. Ltda.	(2,620)	100%	2,526	26	5,675	-	26	-
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	-	3,967
Torq Inovação Digital Ltda.	550	90.00%	-	(44)	550	594	(44)	-
					94,513	**78,081**	**(1.676)**	**7,032**

(In thousands of reais, unless otherwise indicated)

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

Indirect investment	Equity net	Ownership interest - indirect (%)	Profit (loss) for the year/ period	Total investment		Result of equity in the results of subsidiaries	
				March 31, 2019	December 31, 2018	March 31, 2019	March 31, 2018
Aquarius Tecnologia e Informática Ltda	-	100%	-	-	2,950	-	443
Atena Tecnologia Ltda. (*)	83	100%	(2,123)	83	-	(2,123)	-
ADSPrev Ltda. (*)	(1,796)	100%	(161)	(1,796)	-	(161)	-

(*) Atena Tecnologia Ltda. and ADSPrev Ltda were aquired in the first quarter of 2019, as detailed on Note 6.

(d) Provision for losses on investments

	Parent company
At December 31, 2018	**-**
Additions - Corporate reorganization (i)	5,769
Balance on March 31, 2019	**5,769**

(i) The provision for losses on investments was accrued in 2018 for ConsultBrasil Ltda., that in 2019 became a direct investment of Sinqia S.A.

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 allocation was disclosed as the best current estimate of the transaction, as such it can be subject to change in the future.

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

On February 28, 2019, the Company entered into an Agreement of Purchase and Sale of Shares and Other Covenants ("Agreement") through which it acquired ADSPrev – Administraçao e Desenvolvimento de Sistemas Ltda. ("ADSPrev"). The transaction involved the initial amount of R$12,043 comprised of (a) cash installment of R$10,274, disbursed on the acquisition date, and (b) installments for the term totaling R$1,429 to be paid in five 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.

(In thousands of reais, unless otherwise indicated)

a.1) Compensation transferred:

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

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

ADSPrev – Administraçao e Desenvolvimento de Sistemas Ltda.
BALANCE SHEET ON FEBRUARY 28, 2019

	February 28, 2019		**February 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	529
		Tax liabilities	158
Total current assets	1,011		
		Total current liabilities	1,250
Non-current assets			
		Non-current liabilities	
Property and equipment	157		
Intangible assets	139	Tax liabilities	1,531
Total non-current assets	296	Total non-current liabilities	1,531
		Equity	
		Share capital	474
		Profit Reserves	(1,948)
		Total equity	(1,474)
Total assets	1,307	Total liabilities	1,307

a.3) Goodwill generated on acquisition

Compensation transferred	12,044
(-) Fair value of assets acquired:	
Non-competition clause	564
Software	1,134
Customer portfolio	2,784
(-) Shareholders' equity on the date of acquisition	(1,474)
Goodwill generated on acquisition	9,036

(In thousands of reais, unless otherwise indicated)

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	Lifespan	Method of accumulated
Non-competition clause	564	5 years	Linear
Software	1,134	5 years	Linear
Customer portfolio	2,784	10 years	Linear

b) Acquisition Atena Tecnologia Ltda.

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

a.1) Compensation transferred:

Payment in cash	7,395
Payment in installments	2,241
Payment of variable installment	1,539
Total	**11,175**

(In thousands of reais, unless otherwise indicated)

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

On the acquisition date, the balance sheet balances, at book value, were as follows (in reais):

	January 30, 2019		**January 30, 2019**
Current assets		Current liabilities	
Availabilities	581	Trade payables	241
Trade receivables	2,752	Advances from customers	6
Advanced expenses	227	Salaries, social charges and labor provisions	1,241
		Tax liabilities	100
		Obligations from investment acquisition	236
Total current assets	3,560	Total current liabilities	1,824
Non-current assets		Non-current liabilities	
Property and equipment	475		
Intangible assets	372	Provision for contingencies	377
Total non-current assets	847	Total non-current liabilities	377
		Equity	
		Share capital	6,310
		Capital reserve	126
		Profit Reserves	(4,230)
		Total equity	2,206
Total assets	4,407	Total liabilities	4,407

a.3) Goodwill generated on acquisition

Compensation transferred	11,175
(-) Fair value of assets acquired:	
Non-competition clause	517
Software	1,330
Customer portfolio	2,232
(-) Shareholders' equity on the date of acquisition	2,206
Goodwill generated on acquisition	4,890

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	Lifespan	Method of accumulated
Non-competition clause	517	5 years	Linear
Software	1,330	5 years	Linear
Customer portfolio	2,206	10 years	Linear

(In thousands of reais, unless otherwise indicated)

Section E – Selected significant notes

7 CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 209	December 31, 2018
Cash	1	-	307	-
Banks	210	823	788	2,316
Financial investments (i)	15,912	4,216	23,504	23,721
	16,123	**5,039**	**24,599**	**26,037**

(i) According to the Company's related 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, Bank Deposit Certificates (CDBs) and repurchase agreements, 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	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Invoiced amounts	6,101	1,175	13,681	11,766
Unbilled services (i)	12,162	2,162	17,413	11,432
(-) Estimated impairment losses receivables (ii)	(540)	(131)	(944)	(944)
	17,723	**3,206**	**30,150**	**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 of trade receivables were as follows:

	Parent company	Consolidated
At December 31, 2018	**(131)**	**(944)**
Additions for corporate reorganization (i)	(409)	-
Balances on March 31, 2019	**(540)**	**(944)**

(i) The increase in the balance of impairment of trade receivables in the Parent Company occurred due to the merger of att/PS. 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	
	March 31, 2019	**December 31, 2018**	**March 31, 2019**	**December 31, 2018**
Unbilled services	12,162	2,163	17,413	11,432
Not yet due	3,186	847	8,918	9,893
Overdue from 1 to 90 days	2,675	307	4,472	1,752
Overdue from 91 to 180 days	204	-	227	92
Overdue from 181 to 270 days	26	-	54	3
Overdue from 271 to 360 days	4	20	4	26
Overdue accounts - more than 360 days	6	-	6	-
	18,263	**3,337**	**31,094**	**23,198**

9 TAXES AND CONTRIBUTIONS RECOVERABLE

	Parent company		Consolidated	
	March 31,	**December**	**March 31,**	**December**
IRRF and IRPJ/CSLL to be offset (i)	1,096	507	3,044	1,418
PIS, COFINS and CS withheld at source (ii)	163	428	325	968
Other taxes to offset	117	102	130	166
	1,376	**1,037**	**3,499**	**2,552**

(i) This relates to income tax withheld at source and income tax and social contribution.

(ii) This relates 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 owners of the Company at on March 31, 2019 and December 31, 2018:

	Parent company					
	Receivables from related parties (Assets)	**Payables to related parties (Liabilities)**	**Related Party Values Result**	**Receivables from related parties (Assets)**	**Payables to related parties (Liabilities)**	**Related Party Values Result**
Related parties	**March 31, 2019**			**December 31, 2018**		
Sinqia Servicios em Informática Ltda.	3,107	-	946	1,750	-	2,745
ConsultBrasil Ltda.	-	(584)	-	-	-	-
Sinqia Consultoria em Informática Ltda.	2,698	-	1,187	2,303	-	3,027
Aquarius Tecnologia e Informática Ltda.	-	-	-	-	-	267
ATT / Ps Informática LTDA	-	-	-	2,447	-	6,102
Non-current assets	**5,805**	**-**	**-**	**6,500**	**-**	**-**
Current liabilities	**-**	**(573)**	**-**	**-**	**-**	**-**
Non-current liabilities	**-**	**(11)**	**-**	**-**	**-**	**-**
Result	**-**	**-**	**2,133**	**-**	**-**	**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		**Consolidated**	
	March 31, 2019	**December 31, 2018**	**March 31, 2019**	**December 31, 2018**
Salaries, fees and related charges	899	2,431	2,010	2,431
Benefits	91	239	217	239
Variable bonuses	-	1,111	104	1,111
	990	**3,781**	**2,331**	**3,781**

c) SHARE-BASED COMPENSATION PLAN

The purpose of the Share-based Compensation Plan (“**Plan**”) is to offer top 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 shares of the Company ("**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 by 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 (twelve) months from acquisition; 30% of the total, after 24 (twenty-four) months from acquisition; and the remaining 30%, after 36 (thirty-six) 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.
The exercise price of the shares will be equivalent to the average closing price considering trading sessions in the 90 (ninety) days immediately before the adhesion to the Plan, less 15% on the referred amount.

The Plan was approved at the Shareholders’ Annual and Extraordinary General Meeting held on April 30, 2015 and came into effect in April 2016. The amount of R$99 was recorded as shareholders' equity up to March 31, 2019 (R$44 in December 2018).

d) PLAN TO GRANT STOCK OPTIONS OR OPTION FOR SUBSCRIPTION OF SHARES

The Stock Option Plan (“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% (three percent) of the Company’s capital stock on the date of approval of the Plan.

Options Exercise: The options granted may be exercised provided that the terms and conditions stipulated 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 shall exercise at least 25% of the Options that it holds and that are exercisable in each partial exercise of the Options. The exercise of part of the Options by the Beneficiary shall 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.

(In thousands of reais, unless otherwise indicated)

11 PROPERTY AND EQUIPMENT

a) Opening of property and equipment

					Parent company
				March 31, 2019	December 31, 2018
	Lifespan (years)	Cost	Depreciation Accrued	Net	Net
Facilities and improvements	9 – 12	4,160	(521)	3,639	2,758
Appliances and electrical materials	9 – 12	422	(248)	174	129
Furniture and fittings	9 – 12	1,896	(905)	991	441
Property – Right of use	10	21,307	(578)	20,729	-
Computers and Peripherals	4 – 5	5,392	(3,004)	2,388	1,956
		33,177	**(5,256)**	**27,921**	**5,284**

					Consolidated
				March 31, 2019	December 31, 2018
	Lifespan (years)	Cost	Depreciation Accrued	Net	Net
Installations	9 - 12	5,519	(1,134)	4,385	3,567
Appliances and electrical materials	9 - 12	843	(296)	547	200
Furniture and fittings	9 – 12	2,635	(1,490)	1,145	695
Property – Right of use	10	23,850	(639)	23,211	-
Computers and Peripherals	4 – 5	7,492	(4,805)	2,687	2,374
		40,339	**(8,364)**	**31,975**	**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	Leases – right of use	Computers and Peripherals	Total
Cost						
At December 31, 2018	**2,758**	**129**	**441**	**-**	**1,956**	**5,284**
Additions	1,037	55	955	21,307	2,334	25,688
Reductions	-	(3)	(136)	-	(2,006)	(2,145)
Depreciation	(156)	(7)	(31)	(578)	(134)	(906)
Balances on March 31, 2019	**3,639**	**174**	**1,229**	**20,729**	**2,150**	**27,921**

c) Changes in property and equipment - Consolidated

	Facilities and improvements	Appliances and electrical materials	Furniture and fittings	Leases right of use	Computers and Peripherals	Total
Cost						
At December 31, 2018	**3,567**	**200**	**695**	**-**	**2,374**	**6,836**
Additions	1,064	378	596	23,850	808	26,696
Reductions	(140)	-	(76)	-	(277)	(493)
Depreciation	(106)	(31)	(70)	(639)	(218)	(1,064)
Balances on March 31, 2019	**4,385**	**547**	**1,145**	**23,211**	**2,687**	**31,975**

12 INTANGIBLE ASSETS

a) Opening of the Intangible assets

					Parent company
				March 31, 2019	**December 31, 2018**
	Lifespan (years)	**Cost**	**Accumulated Accrued and impairment**	**Net**	**Net**
Software usage rights	5	3,665	(2,333)	1,332	436
Trademarks and patents	5-10	2,277	(749)	1,528	1,611
Own software	5	6,860	(2,807)	4,053	3,696
Customer portfolio	10	20,445	(2,636)	17,809	14,730
Non-competition agreements	5	4,575	(2,574)	2,001	2,287
Development of new products (i)	5	6,301	(5,090)	1,211	1,189
		44,123	**(16,189)**	**27,934**	**23,949**

(i) Relate to investments intended for the innovation laboratory: “Torq”

(In thousands of reais, unless otherwise indicated)

					Consolidated
				March 31, 2019	**December 31, 2018**
	Useful life (in years)	**Cost**	**Accumulated accrued and/or impairment**	**Net**	**Net**
Goodwill on acquisitions of subsidiaries	-	72,292	(3,982)	68,310	54,209
Own software	5	14,707	(7,725)	6,982	4,979
Software usage rights	5	5,718	(3,739)	1,979	1,002
Customer portfolio	10	33,932	(7,069)	26,863	22,520
Non-competition agreements	5	5,897	(2,839)	3,058	2,289
Trademarks and patents	5-10	7,126	(1,300)	5,826	5,909
Development of new products (i)	5	6,301	(5,090)	1,211	1,211
		145,973	**(31,744)**	**114,229**	**92,119**

(In thousands of reais, unless otherwise indicated)

b) Changes in intangible assets - Parent company

	Software usage rights	Development of new products (Torq)	Trademarks and patents	Own software	Customer portfolio	Non-competition agreements	Total
Cost							
At December 31, 2018	**436**	**1,189**	**1,611**	**3,696**	**14,730**	**2,287**	**23,949**
Additions	2,707	22	-	699	3,449	-	6,877
Reductions	(1,559)	-	-	-	-	-	(1,559)
Accumulated	(252)	-	(83)	(342)	(370)	(286)	(1,333)
Balances on March 31, 2019	**1,332**	**1,211**	**1,528**	**4,053**	**17,809**	**2,001**	**27,934**

c) Changes in intangible assets - Consolidated

	Goodwill on acquisitions of subsidiaries	Software usage rights	Development of new products (Torq)	Trademarks and patents	Own software	Customer portfolio	Non-competition agreements	Total
Cost								
At December 31, 2018	**54,209**	**1,002**	**1,211**	**5,909**	**4,979**	**22,520**	**2,289**	**92,119**
Additions	14,101	1,472	-	-	2,446	5,001	1,082	24,102
Reductions	-	(221)	-	-	-	-	-	(221)
Accumulated	-	(274)	-	(83)	(443)	(658)	(313)	(1,771)
Balances on March 31, 2019	**68,310**	**1,979**	**1,211**	**5,826**	**6,982**	**26,863**	**3,058**	**114,229**

(In thousands of reais, unless otherwise indicated)

13 BORROWINGS

	Financial charges	Maturity	Parent company March 31, 2019	Parent company December 31, 2018	Consolidated March 31, 2019	Consolidated December 31, 2018
BNDES - 14209211 (i)	TJLP + 1.1% p.a.	December 15, 2020	6,371	7,339	6,371	7,339
BNDES – 17203411018 (i)	TJLP + 2.0% p.a.	March 15, 2024	7,122	7,030	7,122	7,030
Debentures (ii)	CDI + 1.75%	December 22, 2024	32,053	-	32,053	-
Working capital	CDI + 2.90%	April 15, 2019	-	-	41	46
BDGM	TJLP + 5.0% p.a.	December 15, 2024	-	-	1,509	-
Loans	Selic	October 11, 2019	-	-	196	194
Total			**45,546**	**14,369**	**47,292**	**14,609**
Current			**4,760**	**3,718**	**5,001**	**3,958**
Non-current			**40,786**	**10,651**	**42,291**	**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. is required to keep R$3.000 a in a securities deposit in 2019.

(a) COVENANTS

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

The debentures have financial covenants that must be evaluated on 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, third year, 1.9 in the fourth year and 1.8 in the fifth year) and based on the EBITDA indicator divided Financial Result (resulting in an index of more than 3).

14 LABOR OBLIGATIONS

	Parent company March 31, 2019	Parent company December 31, 2018	Consolidated March 31, 2019	Consolidated December 31, 2018
INSS/FGTS payable	1,396	770	2,674	2,674
IRRF on payroll	485	572	885	1,658
Provision for vacation pay	4,554	2,101	8,088	7,178
Bonuses, commissions and profit sharing (i)	2,426	2,054	3,441	2,159
Other	595	9	1,210	38
	9,456	**5,506**	**16,298**	**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 the results were computed. In April 2019, R$1,928 were paid referring to bonuses for the year 2018.

(In thousands of reais, unless otherwise indicated)

15 TAX LIABILITIES

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
IR and CSLL payable	-	-	245	956
ISS payable	493	198	877	817
PIS/COFINS payable	509	31	753	490
Tax installments	-		3,772	3,951
Other taxes payable	153	71	281	196
Total	**1,155**	**300**	**5,928**	**6,410**
Current	1,052	283	2,352	2,824
Non-current	103	17	3,576	3,586

16 LIABILITIES ARISING FROM INVESTMENT ACQUISITION

These relate to installments payable for investment acquisitions made by the Company and its subsidiaries. They are recorded in current and noncurrent liabilities, as follows:

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Acquisition Controlpart Consultoria e Participações Ltda.	351	366	351	366
Acquisition ConsultBrasil	356	-	356	356
Acquisition att/PS Informática Ltda	4,849	5,310	4,849	5,310
Acquisition Atena Tecnologia Ltda.	-	-	101	-
Acquisition ADSPrev Ltda.	-	-	356	-
Adjustment to present value	(4)	(6)	(4)	(6)
Current liabilities	**5,552**	**5,670**	**6,009**	**6,026**
Acquisition Controlpart Consultoria e Participações Ltda.	29	126	29	126
Acquisition ConsultBrasil	576	-	623	550
Acquisition att/PS Informática Ltda	10,783	11,623	10,783	11,623
Acquisition Atena Tecnologia Ltda.	-	-	3,701	-
Acquisition ADSPrev Ltda.	-	-	1,422	-
Adjustment to present value	(2)	(2)	(2)	(2)
Non-current liabilities	**11,386**	**11,747**	**16,556**	**12,297**
Obligations from investment acquisition	**16,938**	**17,417**	**22,565**	**18,323**

(In thousands of reais, unless otherwise indicated)

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 and deposits in court at December 31, 2018 and March 31, 2019, which relate to labor lawsuits in progress and social security risk.

	Parent company				Consolidated			
	March 31, 2019		December 31, 2018		March 31, 2019		December 31, 2018	
	Provision (Liabilities)	Deposits in court (Assets)	Provision (Liabilities)	Deposits in court (Assets)	Provision (Liabilities)	Deposits in court (Assets)	Provision (Liabilities)	Deposits in court (Assets)
Labor and social security	16,849	239	377	58	21,989	375	21,845	297

Changes in the provisions for contingencies were as follows:

	Parent company	Consolidated
At December 31, 2018	**377**	**21,845**
Additions	43	144
Additions for corporate reorganization (i)	16,429	-
Balances on March 31, 2019	**16,849**	**21,989**

(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 related to the amount of the updated cause related to these shares corresponds to R$24,031 on March 31, 2019 (on December 31, 2018 - R$24,013).

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) Social security

The Company's management reviews, on a timely basis, the risk of assessment by the social security, seeking to mitigate the exposure to challenges and fines in the event of an inspection by the respective authorities. At the same time, whenever management identifies the probability of a loss event, provisions are recorded at amounts deemed sufficient to cover the related contingencies.

c) Civil

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

(In thousands of reais, unless otherwise indicated)

18 EQUITY

18.1 Share capital

At December 31, 2018, the Company's share capital was 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.

	March 31, 2019		December 31, 2018	
Shareholders	**Shares**	**%**	**Shares**	**%**
Funds managed by 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	1,327,827	11.26%	1,327,827	11.26%
Antonio Luciano de Camargo Filho	1,327,753	11.26%	1,327,753	11.26%
SFA Investimentos	1,292,700	10.97%	602,700	5.11%
Funds managed by Una Capital Ltda.	634,720	5.38%	618,520	5.25%
Treasury shares	269,640	2.29%	269,640	2.29%
Other shareholders	5,051,364	42.86%	4,533,104	38.46%
Total	**11,787,203**	**100%**	**11,787,203**	**100%**

18.2 Profits to be distributed

On December 31, 2018, the Company provisioned dividends equivalent to 25% of net income for the year, recorded in current liabilities.
There was no distribution of dividends or interest on equity in the period.

18.3 Revenue reserves

a) Share-based compensation plan

At the meeting held on August 26, 2015, the Board of Directors approved the start of the third common share buyback program, which comprised the repurchase of up to 700,000 common shares and was effective up to August 24, 2016.

During 2016, a total of 78,800 shares were repurchased (88,300 in 2015) for R$706, totaling 599,400 shares at the average price of R$8.48 per share (520,600 shares in 2015).

At the meeting held on September 5, 2016, the Board of Directors approved the start of the fourth common share buyback program, ("Program"), which comprised the repurchase of up to 295,500 common shares and was effective up to September 4, 2017.

As foreseen in the share-based remuneration plan, in April 2018, the beneficiaries exercised the options of the second vesting period. During 2017 and up to March 31, 2019, no treasury shares were repurchased under the program.

(In thousands of reais, unless otherwise indicated)

b) 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 10, subitem "c" of Law 6,404/76, 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. - Brazil, Stock Exchange, OTC ("B3"), in conformity with CVM Instruction CVM 567/15.

On April 9, 2018, the Company sold 217,494 shares on the B3 trading session. On April 23, the trade was closed, with a total of 289,494 shares sold for the gross amount of R$ 7,832, which was used to reinforce cash and give continuity to the consolidation strategy.

In 2019, there was no sale of shares in treasury.

19 NET OPERATING REVENUE

	Parent company		Consolidated	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
Consulting and Projects	1,391	140	2,867	1,804
Outsourcing	7,780	2,980	12,593	10,184
Software	13,606	5,857	27,766	24,616
Gross service revenue	**22,777**	**8,977**	**43,226**	**36,604**
ISS	(619)	(250)	(1,299)	(1,046)
PIS and COFINS	(831)	(328)	(1,624)	(1,336)
Employer's INSS	(1,025)	(404)	(1,762)	(1,590)
Taxes on sales	**(2,475)**	**(982)**	**(4,685)**	**(3,972)**
Consulting and Projects	1,240	127	2,548	1,651
Outsourcing	6,934	2,649	11,209	9,031
Software	12,128	5,219	24,783	21,950
Net operating revenue	**20,302**	**7,995**	**38,540**	**32,632**

The average tax rate levied on sales in the year 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

a) Cost of services provided

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Third-party services	959	652	1,891	965
Personnel, charges and benefits	11,961	4,235	23,458	18,830
Other costs	754	156	989	678
	13,674	**5,043**	**26,339**	**20,473**

21 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Third-party services	423	57	775	391
Personnel, charges and benefits	2,524	714	7,122	4,053
Commissions	317	49	490	412
Rentals, insurance, condominium fees and other	507	462	1,087	782
Addition to provision for bonuses and profit sharing (i)	303	671	303	675
Addition to (reversal of) provision for lawsuits	43	(224)	144	205
Energy, communications and other	221	297	290	442
Consultants, lawyers and auditors	626	56	1,064	279
Publicity and advertising	419	35	482	51
Transportation and lodging	108	18	269	165
Other expenditures	107	43	57	189
Depreciation and amortization	2,240	1,030	2,837	1,718
	7,838	**3,208**	**14,920**	**9,362**

22 FINANCE INCOME (COSTS), NET

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial expenses:				
Interest from investment acquisition	(332)	(411)	(402)	(447)
Interest on loans	(414)	(498)	(422)	(498)
Bank expenses	(13)	(3)	(28)	(21)
Adjustment to present value	(403)	(4)	(457)	(5)
Tax on Financial Operations (IOF)	(13)	(8)	(21)	(10)
Adjust additional M&A installment (i)	-	(1,362)	-	(1,362)
Interest on debentures	(250)	-	(250)	-
Other finance costs	(57)	(3)	(77)	(7)
Finance income:				
Income from financial investments	212	114	318	329
Interest income	-	35	3	70
Other financial income	27	5	51	14
	(1,243)	**(2,135)**	**(1,285)**	**(1,937)**

(In thousands of reais, unless otherwise indicated)

(i) Refers to the adjustment (provision) made in 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 computed 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	
	March 31, 2019	**March 31, 2018**
Loss before taxes	**(4,129)**	**(3,381)**
Income tax at the statutory rate (34%)	(1,404)	(1,150)
Adjustments for calculation at the effective rate:		
Equity in the results of subsidiaries	(569)	(768)
Amortization goodwill	639	327
Other permanent differences	454	9
Income tax at effective rate	**(1,788)**	**(1,582)**

	Consolidated	
	March 31, 2019	**March 31, 2018**
Loss before taxes	**(4,004)**	**(2,387)**
Income tax at the statutory rate (34%)	(1,361)	(812)
Adjustments for calculation at the effective rate:		
Amortization goodwill	752	327
Presumed income from subsidiaries (i)	(73)	(189)
Other permanent differences	(976)	86
Income tax at effective rate	**(1,658)**	**(588)**

(i) The subsidiary Controlpart Consultoria e Participações Ltda. computes the income tax and social contribution based on the presumed 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	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Non-current assets				
Income tax and social contribution losses - Senior Solution S.A.	5,548	2,542	5,548	2,542
Income tax and social contribution losses - Senior Solution Serviços em Informática Ltda.	-	-	2,535	2,137
Income tax and social contribution losses - Senior Solution Consultoria em Informática Ltda.	-	-	1,950	1,645
Tax loss and negative basis att/OS				3213
Tax loss and negative basis ConsultBrasil	-	-	3,209	-
Allowance for doubtful accounts	183	45	281	281
Provision for impairment of trade receivables	690	597	741	646
Provision for contingencies and other liabilities	5,728	128	6,454	7,413
Goodwill arising from business combination	-	-	-	209
Other provisions	587	193	1,635	282
Unbilled services	(3,017)	(255)	(4,183)	(2,071)
Total deferred income tax and social contribution assets	**9,719**	**3,250**	**18,170**	**16,297**

24 LOSS PER SHARE

The calculation of basic earnings per share is made by dividing the profit for the year, attributed to the owners of the parent, by the weighted average number of common shares outstanding during the year.

The calculation of diluted earnings per share is made by dividing the profit for the year, attributed to the owners of the parent, by the weighted average number of common shares outstanding during the year, 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	
	March 31, 2019	March 31, 2018
Earnings per share - basic and diluted - R$		
Numerator		
Loss for the year attributed to the owners of the Company	(2,341)	(1,799)
Denominator		
Weighted average number of common shares	11,517,563	11,208,215
Earnings per share - basic and diluted - R$	**(0.203)**	**(0.160)**

(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. possesses relate to rental of real estate. For all current leases the discount rate of 7.38% was used.

			Parent company		Consolidated	
	Discount rate	Final maturity	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Belo Horizonte office	7,38%	December 31, 2028	4,316	-	4,316	-
São Paulo office 1	7,38%	July 1, 2028	12,196	-	12,196	-
São Paulo office 2	7,38%	October 11, 2018	5,006	-	5,006	-
Rio de Janeiro office	7,38%	March 31, 2019	-	-	2,511	-
Total			**21,518**	**-**	**24,029**	**-**
Current			**2,205**	**-**	**2,453**	**-**
Non-Current			**19,313**	**-**	**21,576**	**-**

26 TRANSACTIONS THAT DO NOT AFFECT CASH

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

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Recognition of leasing assets	24,714	-	24,714	-
Recognition of leasing liabilities	(21,518)	-	(24,029)	-
Recognition liabilities arising from investment acquisition	479	-	3.240	-

27 SUBSEQUENT EVENTS

On April 30, 2019, Sinqia S.A. disclosed, in reference to the Material Fact of 02/21/2019 and the Notice to the Market of 02/27/2019, that on that date was settled R$ 18,0 million of the first issuance of debentures of the Company, totaling R$ 50 million, within the scope of the public offering with restricted distribution efforts, pursuant to CVM Instruction 476/09, which will be used mainly to finance new acquisitions.