

São Paulo, 12 May 2020. Sinqia S.A. (B3: SQIA3) (“**Company**”), provider of technology for the financial system, announces today its consolidated results for the first quarter 2020 (“**1Q20**”).

Financial highlights:

Net revenues. Record of R\$ 48.6 million in the quarter **(+26.2% vs. 1Q19)**, an increase due to organic growth **(+13.2% vs. 1Q19)** and inorganic **(+13.0% vs. 1Q19)**;

Net revenues of Software. Record of R\$ 35.0 million **(+41.1% vs. 1Q19)**, an increase due to organic growth **(+21.0% vs. 1Q19)** and inorganic **(+20.1% vs. 1Q19)**;

Recurring revenues. Record of R\$ 41.2 million **(+27.5% vs. 1Q19)**, an increase mainly due to the growth of Software Subscription with the termination of part of the Implementations;

Gross profit. Registered R\$ 15.8 million **(+29.2% vs. 1Q19)**, an increase mainly due to the growth of revenues combined with a slight improvement in profitability **(+0.8 p.p. vs. 1Q19)**;

Adjusted EBITDA. Registered R\$ 3.4 million **(-5.7% vs. 1Q19)**, drop related mainly to the reduction in gross profit from Services.

Adjusted cash earnings. Reached R\$ 1.5 million **(+97.5% vs. 1Q19)** compared to R\$ 0.7 million in the same quarter last year.

Financial Highlights (R\$ '000)

(R\$ '000)	1Q20	1Q19	Change 1Q20/1Q19	4Q19	Change 1Q20/4Q19	LTM- 1Q20	LTM- 1Q19	Change LTM
Net Revenues	48,622	38,540	26.2%	48,083	1.1%	185,235	148,017	25.1%
Recurring Revenues	41,162	32,291	27.5%	39,645	3.8%	154,232	121,006	27.5%
% of Recurrence	84.7%	83.8%	0.9 p.p.	82.5%	2.2 p.p.	83.3%	81.8%	1.5 p.p.
Gross profit	15,760	12,201	29.2%	17,556	-10.2%	61,424	52,937	16.0%
Gross margin	32.4%	31.7%	0.8 p.p.	36.5%	-4.1 p.p.	33.2%	35.8%	-2.6 p.p.
EBITDA	3,322	123	2600.8%	3,776	-12.0%	16,298	14,123	15.4%
EBITDA margin	6.8%	0.3%	6.5 p.p.	7.9%	-1.0 p.p.	8.8%	9.5%	-0.7 p.p.
Adjusted EBITDA	3,381	3,587	-5.7%	6,407	-47.2%	20,896	18,298	14.2%
Adj. EBITDA Margin	7.0%	9.3%	-2.4 p.p.	13.3%	-6.4 p.p.	11.3%	12.4%	-1.1 p.p.
Adjusted Cash Earnings	1,474	746	97.5%	3,634	-59.4%	7,203	9,531	-24.4%
Adj. CE Margin	3.0%	1.9%	1.1 p.p.	7.6%	-4.5 p.p.	3.9%	6.4%	-2.6 p.p.



MESSAGE FROM MANAGEMENT

We ended this quarter with record net revenues of R\$ 48.6 million, up 26.2% over 1Q19. In Software, there was a record R\$ 35.0 million, a 41.1% growth, mainly due to the consolidation of the full results of the last 4 acquisitions.

Recurrent revenues reached a record R\$ 41.2 million, up 27.5% over 1Q19, representing 84.7% of the total, the highest percentage in the historical series. This is an important feature that provides us with predictability in results, even in times of crisis. The implementation subsidy strategy continues to contribute to the growth of recurring Software Subscription revenues, which reached a record R\$ 29.2 million, up 38.4% over 1Q19 and 8.5% over 4Q19.

Gross profit was R\$ 15.8 million, up 29.2% over 1Q19, with gross margin up 32.4%, up 0.8 p.p. over 1Q19. In Software, there was a 0.4 p.p. advance despite the higher implementation costs of R\$ 5.6 million in the quarter, against R\$ 2.7 million over 1Q19.

General and administrative expenses were R\$ 12.5 million, up 3.0% from 1Q19 also due to the consolidation of the full results of the last 4 acquisitions. However, there was an important relative reduction, to 25.6% against 31.4% of net revenues in 1Q19, due to the capture of synergies with integrations of the acquired companies.

Adjusted EBITDA was R\$ 3.4 million, down 5.7% from 1Q19, with an adjusted EBITDA margin of 7.0%. Profitability continues to be pressured by high implementation costs, of R\$ 5.6 million in the quarter, which increased to 35.3% against 21.9% of gross profit in 1Q19.

Regarding the dissemination of the new coronavirus ("COVID-19"), we have adopted the measures disclosed in the Notice to the Market of 19 March 2020, we have maintained all the commitments assumed with our customers and we continue to be prepared to support them in facing this scenario. As for the effects on Sinqia in this first quarter, we observe: (i) decrease of sales as of the second half of March, (ii) irrelevant effects on revenues, costs, gross profit and expenses, (iii) irrelevant effects on accounts receivable, which variation is due to operational causes and (iv) anticipation of investment for the acquisition of notebooks aiming all employees to work from home.

Finally, we remained in a comfortable financial position, with gross cash of R\$ 340.9 million at the end of the quarter. Facing the moment of uncertainty and economic downturn, we are evaluating the impacts of the crisis on our M&A pipeline and adopting a more conservative stance, aiming at maintaining high liquidity and low leverage. The opportunities continue to plenty exist, and we will wait for the right moment to convert them, without jeopardizing the long-term plan.



RECENT EVENTS

Entry in the B3's Small Cap Index - SMLL. In May, the Company's shares became part of the four-monthly portfolio, from May to August 2020, of the Small Cap Index (SMLL) prepared and disclosed by B3. The presence in SMLL further increases the visibility of the Company, whose shares were part of five other indices - the Special Corporate Governance Stock Index (IGC), the Novo Mercado - Corporate Governance Equity Index (IGC-NM), the Corporate Governance Trade Index (IGCT), the Special Tag Along Stock Index (ITAG) and the Brazil Broad-Based Index (IBrA) - and contributes to the potential expansion of the investor base and increased liquidity of SQIA3 shares.

Settlement of the 6th financial collaboration with BNDES. In April, the Company settled the residual balance of R\$ 7.1 million of the sixth financial collaboration obtained with the Brazilian Development Bank - BNDES, which had been contracted at a cost corresponding to TJLP plus 2.0% per year plus bank guarantee, and its settlement was aimed at reducing the cost of capital, prioritizing more attractive rates.

Participation in the Darwin Startups acceleration program. In March, the Company announced its joining as a partner in the Darwin Startups acceleration program focused on discovering, supporting and investing in Brazilian startups in the areas of finance (Fintechs), insurance (Insurtechs), among others, with the potential to become big business, being part of Sinqia's innovation strategy for the coming years. With this, Sinqia has joined B3, J. Safra Group, RTM and TransUnion as supporters of this initiative.

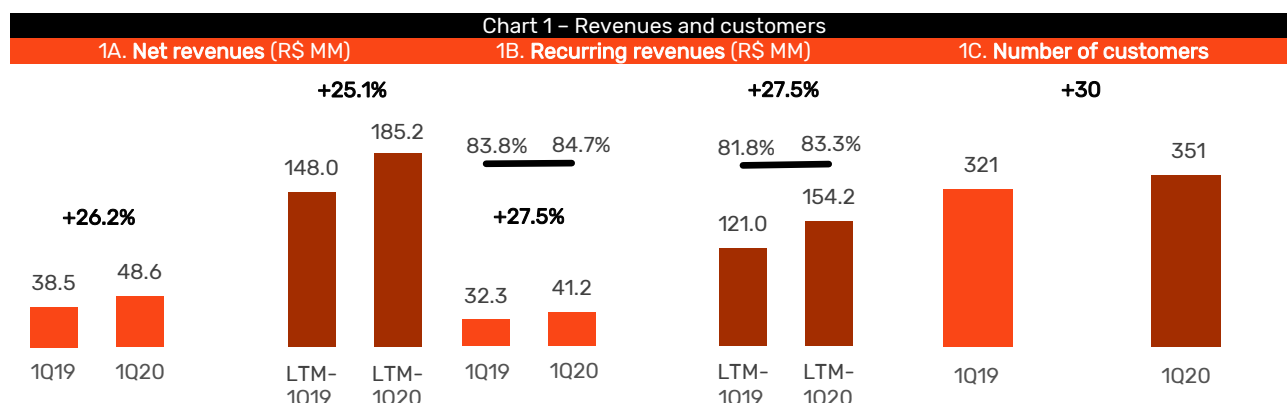


OPERATING AND FINANCIAL PERFORMANCE

Net revenues. Record-high of R\$ 48.6 million **(+26.2% vs. 1Q19)**, compared to R\$ 38.5 million in the same quarter last year, an increase of R\$ 10.1 million, of which R\$ 5.1 million was organic (including Atena and ADSPrev, acquired in 1Q19) fully explained by the performance of the Software unit, and R\$ 5.0 million inorganic with consolidation of the results of the last 2 acquisitions (Softpar and Stock & Info).

Recurring revenues. Record-high of R\$ 41.2 million **(+27.5% vs. 1Q19)** representing 84.7% of total net revenues (vs. 83.8% in 1Q19) – the highest percentage in the Company's history – compared to R\$ 32.3 million in the same quarter of the previous year, an increase of R\$ 8.9 million. Of this growth, R\$ 4.8 million was organic, with an increase of R\$ 4.0 million in Software Subscription and R\$ 0.8 million in Services Outsourcing, and R\$ 4.1 million inorganic with Subscription of the latest acquisitions.

Number of customers. Increased to 351 **(+30 vs. 1Q19)**, mainly related to the addition of customers from the last acquisitions. The largest customer contributed to 5.0% of net revenues (vs. 9.6% in 1Q19), a reduction resulting from the dilution of the portfolio with the consolidation of the results of these acquisitions.



Software Unit

Net revenues from Software. Record of R\$ 35.0 million **(+41.1% vs. 1Q19)**, representing 72% of total net revenues, compared to R\$ 24.8 million in the same quarter last year, an increase of R\$ 10.2 million, of which R\$ 5.2 million organic and R\$ 5.0 million inorganic. We present below the breakdown between the recurring portion of "Subscription" and the variable portion of "Implementation and Customization":

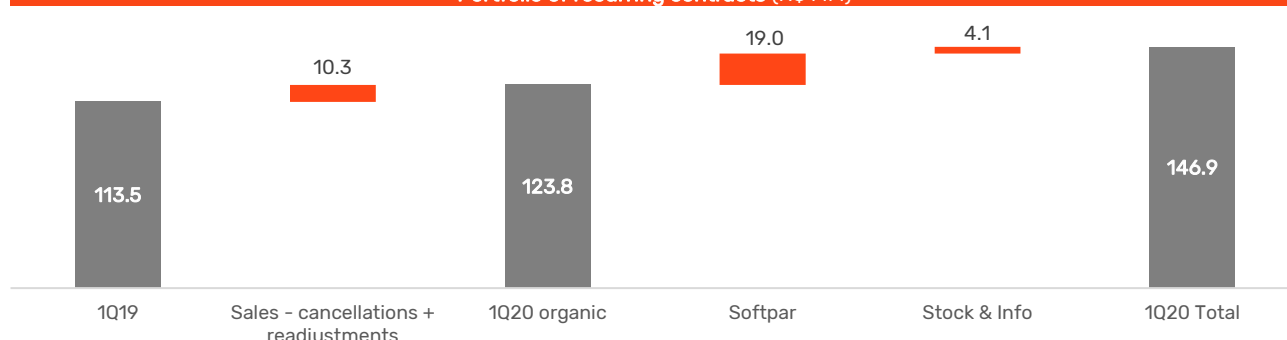
- **Net revenues from Subscription.** Reached R\$ 29.2 million **(+38.4% vs. 1Q19)**, 83% of the unit's total, compared to R\$ 21.1 million in the same quarter last year, an increase of R\$ 8.1 million, of which R\$ 4.1 million was inorganic, with the addition coming from the last 2 acquisitions, and R\$ 4.0 million organic, with the delivery of part of the implementations.

Portfolio of recurring contracts¹. It reached a record gross value of R\$ 146.9 million **(+29.5% vs. 1Q19)** compared to R\$ 113.5 million in 1Q19, an increase of R\$ 33.4 million, of which R\$ 23.1 million was inorganic (non-existent in 1Q19) and R\$ 10.3 million organic **(+9.1% vs. 1Q19)**, a slight deceleration mainly due to the retraction of sales in the second half of March and the withdrawal of some customers that were waiting for the beginning of implementation. For these reasons, the contract portfolio shows stability in relation to the R\$ 147.3 million in 4Q19.

¹ Annualized signed contracts, implemented or not, which will generate recurring revenues after the completion of the implementation. The concept of inorganic portfolio considers only acquisitions made in the period of 12 months prior to disclosure, that is, Atena (acquired in Jan/19) and ADSPrev (acquired in Feb/19) started to compose the organic portfolio as of 1Q20.



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



- **Net revenues from Implementation and Customization.** Reached R\$ 5.8 million **(+56.8% vs. 1Q19)**, 17% of the unit's total, compared to R\$ 3.7 million in the same quarter last year, an increase of R\$ 2.1 million, with an organic addition of R\$ 1.2 million, with an important contribution from vertical Banks, and an inorganic contribution of R\$ 0.9 million.

Software costs. Totaled R\$ 22.0 million **(+40.2% vs. 1Q19)** compared to R\$ 15.7 million in the same quarter last year, an increase of R\$ 6.3 million, of which R\$ 3.4 million was inorganic and R\$ 2.9 million organic, mainly due to the higher volume of implementations, determined by management at R\$ 5.6 million in 1Q20 (vs. R\$ 2.7 million in 1Q19), while costs with RD&I were R\$ 0.7 million in the quarter (vs. R\$ 1.1 million in 1Q19).

Gross profit from Software. Totaled R\$ 13.0 million **(+42.8% vs. 1Q19)** compared to R\$ 9.1 million in the same quarter last year, an increase of R\$ 3.9 million, of which R\$ 2.3 million was organic and R\$ 1.6 million was inorganic. Gross profit was impacted by the strong increase in implementation costs mentioned above, which represents 42.7% of software gross profit (vs. 29.3% in 1Q19). If we did not have this cost increase of R\$ 2.9 million, the gross profit would be 22.2% higher than the reported amount, reaching R\$ 15.9 million.

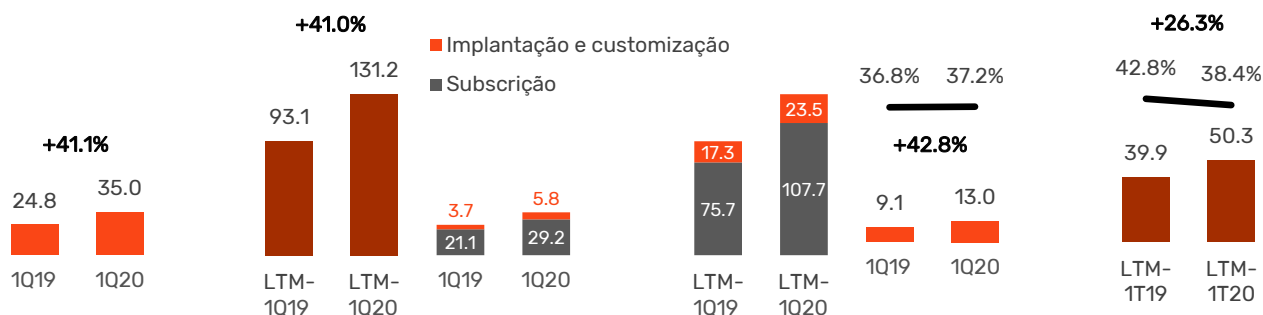
Gross margin from Software. Reached 37.2% **(+0.4 p.p. vs. 1Q19)** compared to 36.8% in the same quarter of the previous year, but still pressured by high implementation costs, effect of the change in the sales model, which results in a replacement of Implementation revenues in the short term by Subscription revenues in the medium and long terms. If we did not have this cost increase of R\$ 2.9 million, gross margin would be 8.2 p.p. higher, reaching 45.4%.

Chart 3 – Software Unit

3A. Net revenues (R\$ MM)

3B. Breakdown of revenues (R\$ MM)

3C. Gross profit (R\$ MM)





Services Unit

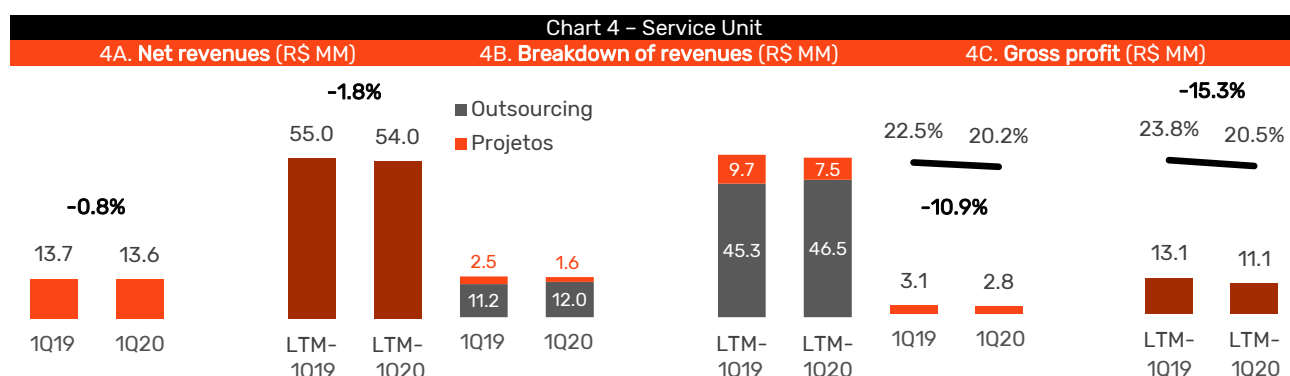
Net revenues from Services. Registered R\$ 13.6 million (**flat vs. 1Q19**), 28% of total net revenues, compared to R\$ 13.7 million in the same quarter of the previous year, with an increase in the recurring portion of "Outsourcing" and a reduction in the "Projects" variable, detailed below:

- **Net revenues from Outsourcing.** Registered R\$ 12.0 million (**+6.9% vs. 1Q19**), 88% of the unit's total, compared to R\$ 11.2 million in the same quarter of the previous year, an increase of R\$ 0.8 million. This is due to the increased demand for outsourcing in the portfolio. It is worth mentioning that we made important sales in the quarter, whose hiring should gradually grow throughout the year. But due to the implications of COVID-19, there may be delays in the start-up of the new professionals' activities, lengthening the curve of recognition of contracted revenues.
- **Net revenues from Projects.** Reached R\$ 1.6 million (**-34.9% vs. 1Q19**), 12% of the total unit, compared to R\$ 2.5 million in the same quarter of the previous year, a reduction of R\$ 0.9 million due to reduced demand for consulting.

Service costs. Registered R\$ 10.9 million (**+2.1% vs. 1Q19**), compared to R\$ 10.7 million in the same quarter of the previous year, being R\$ 9.9 million in Outsourcing (vs. R\$ 9.1 million in 1Q19) and R\$ 1.1 million in Projects (vs. R\$ 1.6 million in 1Q19), increase related to the addition of professionals.

Gross profit from Services. In 1Q20, reached R\$ 2.8 million (**-10.9% vs. 1Q19**) compared to R\$ 3.1 million in the same quarter of the previous year, a reduction of R\$ 0.3 million, related to performance in Projects.

Gross margin from Services. It reached 20.2% (**-2.3 p.p. vs. 1Q19**) versus 22.5% in the same quarter last year. The drop in profitability is mainly explained by the increase in Outsourcing costs.



Costs, gross profit and expenses

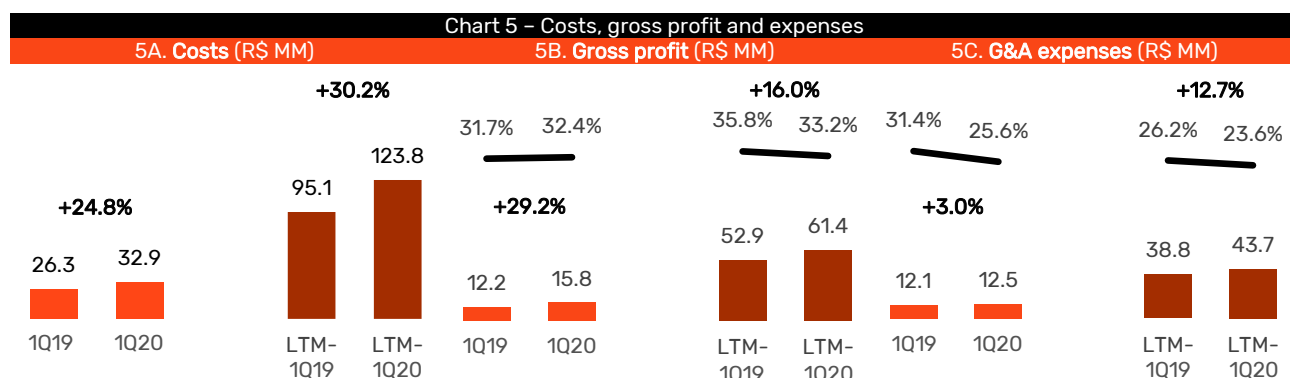
Total costs. Reached R\$ 32.9 million (**+24.8% vs. 1Q19**) compared to R\$ 26.3 million in the same quarter last year, an increase of R\$ 6.5 million, of which R\$ 3.4 million was inorganic, coming from the last 2 acquisitions, and R\$ 3.1 million organic, mainly explained by the increase in Software Implementation costs (+R\$ 2.9 million vs. 1Q19) and Outsourcing costs (+R\$ 0.8 million vs. 1Q19).

Total gross profit. Reached R\$ 15.8 million (**+29.2% vs. 1Q19**) compared to R\$ 12.2 million in the same quarter last year, an increase of R\$ 3.6 million, of which R\$ 2.0 million was organic and R\$ 1.6 million was inorganic. There were important contributions from the acquisitions to gross profit, which was not higher, mainly due to the high costs with Software Implementation of R\$ 5.6 million (vs. R\$ 2.7 million in 1Q19). If we did not have this cost increase, the gross profit would be 18.3% higher than the reported amount, reaching R\$ 18.7 million.



Total gross margin. Reached 32.4% **(+0.7 p.p. vs. 1Q19)**, notably the higher costs explained above still put pressure on the margin. If we did not have the increase in Software implementation costs of R\$ 2.9 million, the gross margin would be 6.0 p.p. higher than the percentage reported, reaching 38.4%.

General and administrative expenses (SG&A). Reached R\$ 12.5 million **(+3.0% vs. 1Q19)**, compared to R\$ 12.1 million in the same quarter last year, an increase of R\$ 0.4 million, representing 25.6% of net revenues **(-5.7 p.p. vs. 1Q19)**, showing synergy captured in the last acquisitions. The absolute increase of this line is due to higher internal infrastructure costs and commissions paid to the commercial team for the previous year.



EBITDA and Adjusted EBITDA²

Adjusted EBITDA. It reached R\$ 3.4 million **(-5.7% vs. 1Q19)** compared to R\$ 3.6 million in the same quarter last year, a R\$ 0.2 million decrease mainly related to the reduction in gross profit from Services.

Adjusted EBITDA margin. It reached 7.0% **(-2.3 p.p. vs. 1Q19)** versus 9.3% in the same quarter last year, impacted by higher Implementation costs. Profitability continues to be pressured by the high costs with Implementations, of R\$ 5.6 million in the quarter, which increased to 35.3% of gross profit (vs. 21.9% in 1Q19).

Table 1 – Reconciliation of EBITDA and Adjusted EBITDA								
(R\$ '000)	1Q20	1Q19	Change 1Q20/1Q19	4Q19	Change 1Q20/4Q19	LTM-1Q20	LTM-1Q19	Change LTM
Net Income	443	(2,341)	-	193	129.5%	(1,796)	2,184	-
(+) Income tax/social contribution	(784)	(1,658)	-52.7%	(1,477)	-46.9%	(2,257)	1,240	-
(+) Financial result	(933)	1,285	-	(316)	195.3%	3,217	2,381	35.1%
(+) Depreciation/amort.	4,596	2,837	62.0%	5,376	-14.5%	17,133	8,318	106.0%
EBITDA	3,322	123	2600.8%	3,776	-12.0%	16,298	14,123	15.4%
(+) Extraordinary expenses - earnout	-	-	-	1,384	-	1,384	3,247	-57.4%
(+) Extraordinary expenses - integration	32	2,619	-98.8%	999	-	1,319	-	-
(+) Extraordinary expenses - new brand	-	244	-	-	-	-	-	-
(+) Extraordinary costs - integration	27	601	-95.5%	248	-89.1%	1,895	677	2
Adjusted EBITDA	3,381	3,587	-5.7%	6,407	-47.2%	20,896	18,298	14.2%
<i>Adj. EBITDA Margin</i>	<i>7.0%</i>	<i>9.3%</i>	<i>-2.4 p.p.</i>	<i>13.3%</i>	<i>-6.4 p.p.</i>	<i>11.3%</i>	<i>12.4%</i>	<i>-1.1 p.p.</i>

EBT, net profit and adjusted cash earnings

EBT. It was negative R\$ 0.4 million compared to negative R\$ 4.0 million in the same quarter last year, an increase of R\$ 3.6 million, as follows:

² EBITDA (A is a non-accounting measurement calculated by the Company in accordance with CVM Instruction 527/12, which consists of net profit for the period, plus income taxes, finance costs, net of finance income, and depreciation and amortization. Adjusted EBITDA corresponds to EBITDA, plus the extraordinary effects from acquisitions and non-recurring events. The line item "Extraordinary expenses - earnout" represents the complement in the earn-out provision for attps; the line item "Extraordinary expenses - integration" represents the extraordinary layoff expenses in the corporate areas; the line item "Extraordinary costs - integration" represents the extraordinary layoff expenses in the Software and Service 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.



- **Finance income, net.** It recorded a positive R\$ 0.9 million compared to a negative R\$ 1.3 million in the same quarter last year, an increase of R\$ 2.2 million due to the increase in financial revenues (+R\$ 3.3 million vs. 1Q19) due to the higher cash position in the period, in parallel with the increase in financial expenses (+R\$ 1.1 million vs. 1Q19) mainly due to the increase in interest on debt and corporate acquisitions.
- **Depreciation and amortization.** It reached R\$ 4.6 million **(+62.0% vs. 1Q19)**, compared to R\$ 2.8 million in the same quarter last year, of which R\$ 3.4 million in amortization of intangibles (R\$ 2.9 million from acquisitions) and R\$ 1.2 million in depreciation of fixed assets.
- **Goodwill amortization balance.** At the end of the quarter, the Company had a balance of accounting goodwill from past acquisitions (including non-incorporated) of R\$ 97.5 million (vs. R\$ 97.1 million in 4Q19).

Net income. It was R\$ 0.4 million compared to a negative R\$ 2.3 million in the same quarter last year, with a high volume of extraordinary expenses of R\$ 2.9 million resulting from the acquisitions of Atena and ADSPrev.

Adjusted cash earnings. It reached R\$ 1.5 million **(+97.5% vs. 1Q19)** compared to R\$ 0.7 million in the same quarter last year, an increase of R\$ 0.8 million.

(R\$ '000)	1Q20	1Q19	Change 1Q20/1Q19	4Q19	Change 1Q20/4Q19	LTM-1Q20	LTM-1Q19	Change LTM
Net income	443	(2,341)	-	193	129.5%	(1,796)	2,184	-
(+) Extraordinary effects	59	3,464	-98.3%	2,631	-97.8%	4,598	4,175	10.1%
Adjusted net income	502	1,123	-55.3%	2,824	-82.2%	2,803	6,359	-55.9%
(+) acquisitions amortization	2,866	1,497	91.4%	3,670	-21.9%	10,725	5,891	82.1%
(+) Def. income tax/Social Contr.	(1,894)	(1,874)	1.1%	(2,860)	-33.8%	(6,325)	(2,719)	132.6%
Adjusted Cash Earnings	1,474	746	97.5%	3,634	-59.4%	7,203	9,531	-24.4%
<i>Adj. CE Margin</i>	<i>3.0%</i>	<i>1.9%</i>	<i>1.1 p.p.</i>	<i>7.6%</i>	<i>-4.5 p.p.</i>	<i>3.9%</i>	<i>6.4%</i>	<i>-2.6 p.p.</i>

The historical quarterly series of financial data is available in Excel at ir.singia.com.br, on the menu Results > Spreadsheets.

Financial position

Gross cash. It presented a balance of R\$ 340.9 million **(-R\$ 24.1 million vs. 4Q19)** compared to R\$ 365.0 million in the previous quarter, a reduction mainly related to the repurchase of shares approved in the RCA of 12 March 2020 (-R\$ 8.3 million), an increase in accounts receivable (-R\$ 8.1 million) due to operational causes not related to the effects of COVID-19, and payment of loans and acquisitions (-R\$ 6.1 million), detailed in gross debt.

Gross debt. It presented a balance of R\$ 94.9 million **(-R\$ 6.0 million vs. 4Q19)** compared to R\$ 100.9 million in the previous quarter, as detailed below.

- **Borrowings and financing (short and long terms).** It presented a balance of R\$ 58.8 million **(-R\$ 1.9 million vs. 4Q19)** compared to R\$ 60.7 million in the previous quarter, a R\$ 1.2 million reduction related to the payment of installments of the financing obtained from BNDES and R\$ 0.7 million in the amortization of the debentures installments.
- **Liabilities arising from investment acquisitions (short and long terms).** It presented a balance of R\$ 36.1 million **(-R\$ 4.1 million vs. 4Q19)**, compared to R\$ 40.2 million in the previous quarter, a reduction mainly related to the payment of Attps and Softpar installments.

Net cash. It closed at R\$ 246.0 million **(-R\$ 18.1 million vs. 4Q19)** compared to R\$ 264.1 million in the previous quarter. The Company is capitalized and, in view of the new economic reality, in the short term the posture will be more conservative, without jeopardizing the long-term consolidation plan.



Capital Market

Stock performance. The Company's shares (Novo Mercado: SQIA3) ended the quarter quoted at R\$ 15.72 **(-35.8% vs. 4Q19)** against R\$ 24.50 in the previous quarter.

Market capitalization. Once the Company has 70.5 million shares, the market capitalization by the end of 1Q20 was R\$ 1.1 billion compared to R\$ 1.7 billion in the previous quarter.

ADTV. It was R\$ 25.4 million in the quarter **(+98.4% vs. 4Q19)** compared to R\$ 12.8 million in the previous quarter.

Shareholder base. It ended the quarter with 101.5 thousand shareholders **(+54.8% vs. 4Q19)** compared to 65.6 thousand in the previous quarter.

Free float. It ended the quarter in 82.6% **(-1.0 p.p. vs. 4Q19)** compared to 83.6% in the previous quarter due to the buyback of 0.7 million shares by our treasury.

Declaration from Management. The Executive Officers of Sinqia SA, in compliance with the provisions of 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 31 March 2020.



ATTACHMENT – FINANCIAL STATEMENTS

I – Statement of Profit or Loss (Consolidated)

(RS '000)	1Q20	1Q19	Change 1Q20/1Q19	4Q19	Change 1Q20/1Q19	LTM-1Q20	LTM-1Q19	Change 1Q20/1Q19
Gross Revenues	54,748	43,226	26.7%	54,251	0.9%	208,267	166,008	25.5%
Software	39,408	27,766	41.9%	37,923	3.9%	147,527	104,434	41.3%
Subscription	32,839	23,598	39.2%	30,403	8.0%	120,997	84,958	42.4%
Implementation	6,569	4,168	57.6%	7,520	-12.6%	26,530	19,476	36.2%
Services	15,340	15,460	-0.8%	16,328	-6.1%	60,740	61,574	-1.4%
Outsourcing	13,468	12,593	6.9%	14,331	-6.0%	52,308	50,884	2.8%
Projects	1,872	2,867	-34.7%	1,997	-6.3%	8,432	10,690	-21.1%
Sales taxes	(6,126)	(4,686)	30.7%	(6,168)	-0.7%	(23,033)	(17,991)	28.0%
Software	(4,429)	(2,983)	48.5%	(4,364)	1.5%	(16,294)	(11,383)	43.1%
Subscription	(3,662)	(2,516)	45.5%	(3,516)	4.2%	(13,305)	(9,238)	44.0%
Implementation	(767)	(467)	64.2%	(848)	-9.6%	(2,989)	(2,145)	39.3%
Services	(1,697)	(1,703)	-0.4%	(1,804)	-5.9%	(6,739)	(6,608)	2.0%
Outsourcing	(1,483)	(1,384)	7.2%	(1,573)	-5.7%	(5,769)	(5,598)	3.1%
Projects	(214)	(319)	-32.9%	(231)	-7.4%	(970)	(1,010)	-4.0%
Net Revenues	48,622	38,540	26.2%	48,083	1.1%	185,235	148,017	25.1%
Software	34,979	24,783	41.1%	33,559	4.2%	131,234	93,051	41.0%
Subscription	29,177	21,082	38.4%	26,887	8.5%	107,693	75,720	42.2%
Implementation	5,802	3,701	56.8%	6,672	-13.0%	23,541	17,331	35.8%
Services	13,643	13,757	-0.8%	14,524	-6.1%	54,001	54,966	-1.8%
Outsourcing	11,985	11,209	6.9%	12,758	-6.1%	46,539	45,286	2.8%
Projects	1,658	2,548	-34.9%	1,766	-6.1%	7,462	9,680	-22.9%
Net Revenues	48,622	38,540	26.2%	48,083	1.1%	185,235	148,017	25.1%
Recurring	41,162	32,291	27.5%	39,645	3.8%	154,232	121,006	27.5%
Variable	7,460	6,249	19.4%	8,438	-11.6%	31,003	27,011	14.8%
% of Recurrence	84.7%	83.8%	0.9 p.p.	82.5%	2.2 p.p.	83.3%	81.8%	1.5 p.p.
Costs	(32,862)	(26,339)	24.8%	(30,527)	7.6%	(123,811)	(95,080)	30.2%
Software	(21,970)	(15,671)	40.2%	(19,486)	12.7%	(80,885)	(53,188)	52.1%
Services	(10,892)	(10,668)	2.1%	(11,041)	-1.3%	(42,926)	(41,892)	2.5%
Outsourcing	(9,858)	(9,050)	8.9%	(9,893)	-0.4%	(37,406)	(35,410)	5.6%
Projects	(1,034)	(1,618)	-36.1%	(1,148)	-9.9%	(5,520)	(6,482)	-14.8%
Gross profit	15,760	12,201	29.2%	17,556	-10.2%	61,424	52,937	16.0%
Gross margin	32.4%	31.7%	0.8 p.p.	36.5%	-4.1 p.p.	33.2%	35.8%	-2.6 p.p.
Software	13,009	9,112	42.8%	14,073	-7.6%	50,349	39,863	26.3%
Software gross mg.	37.2%	36.8%	0.4 p.p.	41.9%	-4.7 p.p.	38.4%	42.8%	-4.5 p.p.
Services	2,751	3,089	-10.9%	3,483	-21.0%	11,075	13,074	-15.3%
Services gross mg.	20.2%	22.5%	-2.3 p.p.	24.0%	-3.8 p.p.	20.5%	23.8%	-3.3 p.p.
Outsourcing	2,127	2,159	-1.5%	2,865	-25.8%	9,133	9,876	-7.5%
Outsourcing gross mg.	17.7%	19.3%	-1.5 p.p.	22.5%	-4.7 p.p.	19.6%	21.8%	-2.2 p.p.
Projects	624	930	-32.9%	618	1.0%	1,942	3,198	-39.3%
Projects gross mg.	37.6%	36.5%	1.1 p.p.	35.0%	2.6 p.p.	26.0%	33.0%	-7.0 p.p.
Expenses	(17,047)	(14,920)	14.3%	(19,130)	-10.9%	(62,249)	(47,127)	32.1%
% of net revenues	35.1%	38.7%	-3.7 p.p.	39.8%	-4.7 p.p.	33.6%	31.8%	1.8 p.p.
General/administrative	(12,451)	(12,083)	3.0%	(12,370)	0.7%	(43,732)	(38,809)	12.7%
% of net revenues	25.6%	31.4%	-5.7 p.p.	25.7%	-0.1 p.p.	23.6%	26.2%	-2.6 p.p.
Other expenses	-	-	-	(1,384)	-	(1,384)	-	-
% of net revenues	0.0%	0.0%	-	2.9%	-1.0 p.p.	0.7%	0.0%	0.7 p.p.
Depreciation/amort.	(4,596)	(2,837)	62.0%	(5,376)	-14.5%	(17,133)	(8,318)	106.0%
% of net revenues	9.5%	7.4%	2.1 p.p.	11.2%	-1.7 p.p.	9.2%	5.6%	3.6 p.p.
EBIT	(1,287)	(2,719)	-52.7%	(1,574)	-18.2%	(826)	5,810	-
Financial result	933	(1,285)	-172.6%	316	195.3%	(3,217)	(2,381)	35.1%
Financial income	3,653	372	882.0%	4,636	-21.2%	9,701	1,932	402.1%
Financial expenses	(2,720)	(1,657)	64.2%	(4,320)	-37.0%	(12,918)	(4,313)	199.5%
EBT	(354)	(4,004)	-91.2%	(1,258)	-71.9%	(4,043)	3,429	-
Income tax/social contribution	784	1,658	-52.7%	1,477	-46.9%	2,257	(1,240)	-
Current	(1,110)	(216)	414.8%	(1,383)	-19.7%	(4,068)	(3,959)	2.8%
Deferred	1,894	1,874	1.1%	2,860	-33.8%	6,325	2,719	132.6%
Results after IT and SC	430	(2,346)	-118.3%	219	96.3%	(1,786)	2,189	-
Minority interest	13	5	160.0%	(26)	-	(10)	(5)	100.0%
Net income	443	(2,341)	-118.9%	193	129.5%	(1,796)	2,184	-
Net margin	0.9%	-6.1%	7.0 p.p.	0.4%	0.5 p.p.	-1.0%	1.5%	-2.4 p.p.



EBITDA	3,322	123	2600.8%	3,776	-12.0%	16,298	14,123	15.4%
EBITDA margin	6.8%	0.3%	6.5 p.p.	7.9%	-1.0 p.p.	8.8%	9.5%	-0.7 p.p.
(+) Extraordinary expenses	32	2,863	-98.9%	2,383	-98.7%	2,703	3,498	-22.7%
(+) Extraordinary costs	27	601	-95.5%	248	-89.1%	1,895	677	179.9%
Adjusted EBITDA	3,381	3,587	-5.7%	6,407	-47.2%	20,896	18,298	14.2%
Adj. EBITDA Margin	7.0%	9.3%	-2.4 p.p.	13.3%	-6.4 p.p.	11.3%	12.4%	-1.1 p.p.

Net income	443	(2,341)	-	193	129.5%	(1,796)	2,184	-
(+) Extraordinary effects	59	3,464	-98.3%	2,631	-97.8%	4,598	4,175	10.1%
Adjusted net income	502	1,123	-55.3%	2,824	-82.2%	2,803	6,359	-55.9%
(+) Acquisitions amortization	2,866	1,497	91.4%	3,670	-21.9%	10,725	5,891	82.1%
(+) Deferred income tax/Social cont.	(1,894)	(1,874)	1.1%	(2,860)	-33.8%	(6,325)	(2,719)	132.6%
Adjusted Cash Earnings	1,474	746	97.5%	3,634	-59.4%	7,203	9,531	-24.4%
Adj. CE Margin	3.0%	1.9%	1.1 p.p.	7.6%	-0.6 p.p.	3.9%	6.4%	-2.6 p.p.

II – Balance Sheet (Consolidated)

(R\$ '000)	03.31.2020	12.31.2019	Change	03.31.2019	Change
ASSETS	608,760	619,992	-1.8%	228,265	166.7%
Current	379,092	393,040	-3.5%	59,753	534.4%
Cash and cash equivalents	340,917	364,985	-6.6%	24,599	1285.9%
Trade receivables	29,748	21,628	37.5%	30,150	-1.3%
Advanced expenses	850	288	195.1%	699	21.6%
Taxes and contributions recoverable	5,594	4,357	28.4%	3,499	59.9%
Related parties	-	-	-	-	-
Other receivables	1,983	1,782	11.3%	806	146.0%
Deferred income tax and social contrib.	-	-	-	-	-
Non-current	229,668	226,952	1.2%	168,512	36.3%
Securities	4,244	4,692	-9.5%	3,000	41.5%
Taxes and contributions recoverable	1,692	-	-	-	-
Deposits in court	376	309	21.7%	375	0.3%
Deferred income tax and social contrib.	24,496	22,602	8.4%	18,170	34.8%
Other receivables	159	159	0.0%	763	-79.2%
Investments	-	-	-	-	-
Property and equipment	36,860	34,743	6.1%	31,975	15.3%
Intangible assets	161,841	164,447	-1.6%	114,229	41.7%
LIABILITIES AND EQUITY	608,760	619,992	-1.8%	228,265	166.7%
Current	55,639	51,533	8.0%	39,362	41.4%
Loans and financing	18,286	15,503	18.0%	5,001	265.6%
Leasing	2,815	2,899	-2.9%	2,453	14.8%
Trade payables	4,509	1,884	139.3%	2,818	60.0%
Advances from customers	3,083	4,635	-33.5%	3,783	-18.5%
Labor liabilities	16,069	14,236	12.9%	16,298	-1.4%
Undistributed dividends	-	-	-	648	-100.0%
Tax liabilities	3,115	1,972	58.0%	2,352	32.4%
Liabilities arising from invest. acquisition	7,762	10,404	-25.4%	6,009	29.2%
Deferred Income tax and social contrib.	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Non-current	129,753	136,856	-5.2%	105,988	22.4%
Loans and financing	40,480	45,230	-10.5%	42,291	-4.3%
Leasing	20,048	20,569	-2.5%	21,576	-7.1%
Tax liabilities	2,891	3,462	-16.5%	3,576	-19.2%
Provisions for legal proceedings	37,990	37,798	0.5%	21,989	72.8%
Liabilities arising from invest. acquisition	28,344	29,797	-4.9%	16,556	71.2%
Other payables	-	-	-	-	-
Equity	423,368	431,603	-1.9%	82,915	410.6%
Share capital	413,261	413,261	0.0%	50,561	717.4%
Treasury shares	(8,355)	-	-	(2,220)	276.4%
Shares issue expenses	(23,789)	(23,789)	0.0%	-	-
Capital reserve	12,892	13,186	-2.2%	5,480	135.3%
Earnings reserve	29,246	28,803	1.5%	29,089	0.5%
Equity valuation adjustment	-	-	-	-	-
Total Equity of controlling shareholders	423,255	431,461	-1.9%	82,910	410.5%
Non-controlling interests	113	142	-20.4%	5	2160.0%



Gross debt	94,872	100,934	-6.0%	69,857	35.8%
Borrowings	58,766	60,733	-3.2%	47,292	24.3%
Liabilities arising from invest. acquisition	36,106	40,201	-10.2%	22,565	60.0%
Net debt (cash) position	(246,045)	(264,051)	-6.8%	45,258	-
Net debt/Adj. EBITDA LTM	NA	NA		2.5x	

Sinqia S.A.

Quarterly Financial Report – ITR

March 31, 2020 and independent auditor's review on
the quarterly financial report

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MESSAGE FROM MANAGEMENT

Dear Shareholders and other Stakeholders,

In compliance with the provisions of Brazilian Corporate Law, Sinqia S.A., a Brazilian provider of technology for the financial sector, 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 period ended March 31, 2020, prepared in accordance with technical standard CPC 21 (R1) and international standard IAS 34 applicable for interim financial reporting

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.



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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Sinqia S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the three-month period ended March 31, 2020, which comprises the balance sheet as at March 31, 2020 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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



Other matters

Statements of value added

The aforementioned interim financial information includes the individual and consolidated statements of value added - DVA for the three-month period ended March 31, 2020, prepared under the responsibility of the Company's Management and presented as supplementary information for the purposes of international standard IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the Interim Financial Information (ITR) to determine whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are in accordance with the criteria defined in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any fact that leads us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set out in this standard and consistently with respect to the individual and consolidated interim financial information taken as a whole.

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

São Paulo, May 12, 2020

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Fernando Augusto Lopes Silva
Engagement Partner

SINQIA S.A.
BALANCE SHEET ON MARCH 31, 2020 AND DECEMBER 31, 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
ASSETS				
Current				
Cash and cash equivalents (Note 6)	331.127	352.703	340.917	364.985
Trade receivables (Note 7)	14.377	10.671	29.748	21.628
Advanced expenses	839	260	850	288
Taxes and contributions recoverable (Note 8)	4.220	2.308	5.594	4.357
Other receivables	677	279	1.983	1.782
Total current assets	351.240	366.221	379.092	393.040
Non-current				
Accounts receivable from related parties (Note 9)	4.642	4.459	-	-
Taxes and contributions receivable (Note 8)	437	-	1.692	-
Securities	4.244	4.244	4.244	4.692
Deposits in court (Note 16)	299	270	376	309
Deferred income tax and social contribution (Note 22)	16.391	12.989	24.496	22.602
Other receivables	159	159	159	159
Investments (Note 5)	122.048	115.928	-	-
Property and equipment (Note 10)	31.670	29.345	36.860	34.743
Intangible assets (Note 11)	22.637	24.084	161.841	164.447
Total non-current assets	202.527	191.478	229.668	226.952
Total assets	553.767	557.699	608.760	619.992

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

SINQIA S.A.
BALANCE SHEET ON MARCH 31, 2020 AND DECEMBER 31, 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
LIABILITIES				
Current				
Borrowings (Note 12)	18.286	15.503	18.286	15.503
Financial Lease (Note 24)	2.021	2.070	2.815	2.899
Trade payables	4.100	960	4.509	1.884
Advances from customers	1.335	1.912	3.083	4.635
Labor liabilities (Note 13)	10.602	8.787	16.069	14.236
Tax liabilities (Note 14)	1.236	753	3.115	1.972
Accounts payable with related parties (Note 9)	-	173	-	-
Liabilities arising from investment acquisition (Note 15)	3.780	7.182	7.762	10.404
Total current liabilities	41.360	37.340	55.639	51.533
Non-current				
Borrowings (Note 12)	40.480	45.230	40.480	45.230
Financial Lease (Note 24)	18.195	18.744	20.048	20.569
Accounts payable with related parties (nota 9)	1.662	1.985	-	-
Tax liabilities (Note 14)	2.430	103	2.891	3.462
Provisions for legal proceedings (Note 16)	19.039	15.532	37.990	37.798
Liabilities arising from investment acquisition (Note 15)	7.346	7.304	28.344	29.797
Total non-current liabilities	89.152	88.898	129.753	136.856
Equity (Note 17)				
Share capital	413.261	413.261	413.261	413.261
Treasury shares	(8.355)	-	(8.355)	-
Expenditure on the issue of shares	(23.789)	(23.789)	(23.789)	(23.789)
Capital reserve	12.892	13.186	12.892	13.186
Revenue reserves	29.246	28.803	29.246	28.803
Total equity of controlling shareholders	423.255	431.461	423.255	431.461
Non-controlling interest	-	-	113	142
Total equity	423.255	431.461	423.368	431.603
Total liabilities	553.767	557.699	608.760	619.992

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

SINQIA S.A.
STATEMENT OF INCOME FOR THE THREE-MONTH PERIODS ENDED ON MARCH 31, 2020
AND 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
NET OPERATING INCOME (Note 18)	23.104	20.302	48.622	38.540
Cost of services rendered (Note 19)	(19.890)	(13.674)	(32.862)	(26.339)
GROSS PROFIT	3.214	6.628	15.760	12.201
Operating income (expenses)				
General, administrative and selling (Note 20)	(11.965)	(7.838)	(17.047)	(14.920)
Equity in the results of subsidiaries (Note 5)	5.218	(1.676)	-	-
Total operating expenses, net	(6.747)	(9.514)	(17.047)	(14.920)
Operating income (loss) before finance result	(3.533)	(2.886)	(1.287)	(2.719)
Finance result, net (Note 21)	1.754	(1.243)	933	(1.285)
Loss before income tax and social contribution	(1.779)	(4.129)	(354)	(4.004)
Current income tax and social contribution (Note 22)	-	-	(1.110)	(216)
Deferred income tax and social contribution (Note 22)	2.222	1.788	1.894	1.874
Loss after income tax and social contribution	443	(2.341)	430	(2.346)
Non-controlling interest	-	-	13	5
Net profit (loss) for the period	443	(2.341)	443	(2.341)
BASIC LOSSES PER SHARE – in Reais (Note 23)			0,006	(0,203)
LOSS DILUTED PER SHARE – in Reais (Note 23)			0,006	(0,199)

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, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>03.31.2020</u>	<u>12.31.2019</u>	<u>03.31.2020</u>	<u>12.31.2019</u>
Net profit (loss) for the year	443	(2.341)	443	(2.341)
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	443	(2.341)	443	(2.341)

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

SINQIA S.A. AND SUBSIDIARIES
March 31, 2020
(In thousands of reais, unless otherwise indicated)

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	Profit Reserves		Equity	Non-Controlling interest	Consolidated equity
					Legal reserve	Retained earnings			
Balances on 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)
Stock-based compensation (note 17)	-	(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

	Share capital	Capital reserve	Treasury shares	Expenses on issue of shares	Profit Reserves		Equity	Non-Controlling interest	Consolidated equity
					Legal reserve	Retained earnings			
Balances on December 31, 2019	413.261	13.186	-	(23.789)	2.285	26.518	431.461	142	431.603
Profit for the year	-	-	-	-	-	443	443	(13)	430
Capital decrease	-	-	-	-	-	-	-	(16)	(16)
Stock-based compensation (note 17)	-	(294)	-	-	-	-	(294)	-	(294)
Purchase of treasury shares (note17)	-	-	(8.355)	-	-	-	(8.355)	-	(8.355)
Balances on March 31, 2020	413.261	12.892	(8.355)	(23.789)	2.285	26.961	423.255	113	423.368

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, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss) for the year	443	(2.341)	443	(2.341)
Items not affecting cash				
Equity in the results of subsidiaries	(5.218)	1.676	-	-
Share-based compensation plan	(294)	(99)	(294)	(99)
Depreciation and amortization	2.828	2.240	4.596	2.837
Provision for legal claims	38	43	248	144
Provision for bonuses and profit sharing	179	372	191	1.282
Result on write-offs	(3)	-	(116)	-
Interest and AVP incurred	1.662	414	2.428	422
Provision for income tax and social contribution	(2.222)	(1.788)	(784)	(1.874)
Changes in assets and liabilities				
Trade receivables	(3.775)	(1.539)	(8.189)	(7.896)
Judicial deposits	(29)	(181)	(67)	(78)
Taxes and contributions recoverable	(2.349)	(339)	(2.929)	(947)
Other receivables	75	(1.451)	(590)	(1.286)
Trade payables	275	843	(240)	684
Labor liabilities	1.636	3.578	1.637	1.525
Tax liabilities	2.771	855	(928)	(482)
Legal claims paid	(48)	-	(56)	-
Receipts (payment) from related parties	(679)	1.279	-	(5)
Advancements	(509)	1.155	(1.483)	(554)
Income tax and social contribution paid	-	-	(1.110)	(216)
Interest paid	(898)	(440)	(898)	(444)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	(6.117)	4.277	(8.141)	(9.328)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment and Intangible Assets	(811)	(4.834)	(951)	(5.145)
Acquisition of companies, net of cash acquired	-	(15.274)	-	(15.274)
Capital increase in subsidiaries	-	903	-	903
Amortization of liabilities arising from investment acquisition	(3.316)	(2.187)	(3.673)	(2.299)
Investment in securities	-	(3.000)	448	(3.000)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES	(4.127)	(24.392)	(4.176)	(24.815)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amortization of loans, financing and leases	(2.977)	(813)	(3.396)	(801)
Loans and financing	-	32.012	-	33.506

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Purchase of treasury shares	(8.355)	-	(8.355)	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	(11.332)	31.199	(11.751)	32.705
INCREASE IN CASH AND CASH EQUIVALENTS	(21.576)	11.084	(24.068)	(1.438)
Cash and cash equivalents at the beginning of the year	352.703	5.039	364.985	26.037
Cash and cash equivalents at the end of the year	331.127	16.123	340.917	24.599
INCREASE IN CASH AND CASH EQUIVALENTS	(21.576)	11.084	(24.068)	(1.438)

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, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
1 – REVENUE	25.963	22.777	54.748	43.226
1.1 - Sales of products and services	25.963	22.777	54.748	43.226
2 - INPUTS ACQUIRED FROM THIRD PARTIES (ICMS, IPI, PIS and COFINS)	(4.744)	(3.640)	(6.284)	(8.120)
2.1 - Costs of products and services sold	(2.445)	(1.373)	(3.523)	(2.326)
2.2 - Materials, electricity, outsourced services and other	(2.299)	(2.267)	(2.761)	(5.794)
3 - GROSS VALUE ADDED (1-2)	21.219	19.137	48.459	35.106
4 - DEPRECIATION AND AMORTIZATION	(2.828)	(2.240)	(4.596)	(2.837)
5 - NET VALUE ADDED GENERATED BY THE ENTITY (3-4)	18.391	16.897	43.863	32.269
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	8.687	(1.437)	3.540	372
6.1 - Equity in the results of subsidiaries	5.218	(1.676)	-	-
6.2 - Finance income	3.469	239	3.540	372
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	27.078	15.460	47.403	32.641
8 - DISTRIBUTION OF VALUE ADDED	27.078	15.460	47.403	32.641
8.1 - Personnel	23.867	15.443	38.400	29.745
8.1.1 - Direct compensation and F.G.T.S	19.515	13.290	32.186	25.852
8.1.2 - Benefits	4.352	2.153	6.214	3.893
8.2 - Taxes, fees and contributions	637	806	5.343	3.348
8.2.1 – Federal	(95)	69	3.656	1.730
8.2.2 - Municipal	732	737	1.687	1.618
8.3 - Remuneration of third-party capital	2.131	1.552	3.217	1.889
8.3.1 - Interest	1.623	1.435	2.415	1.569
8.3.2 - Rentals	508	117	802	320
8.4 - Remuneration of own capital	443	(2.341)	443	(2.341)
8.4.1 – Loss for the year	443	(2.341)	430	(2.341)
8.4.2 - Non-controllers' share of retained earnings	-	-	13	-

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

NOTES ON THE QUARTERLY FINANCIAL REPORT ON MARCH 31, 2020

Section A - General information

1.1 Operations

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

The Company was incorporated in 1996, with the main purpose of supplying IT technology products and services, aiming at the financial market.

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

The Company is Controller of Senior Solution Serviços em Informática Ltda., Senior Solution Consultoria em Informática Ltda., e Torq Inovação Digital Ltda., companies whose purpose is to act in a complementary manner to the Company's activities.

The issuance of this financial information was approved and authorized for disclosure by the Board of Directors on May 12, 2020.

1.2 Basis of preparation

The Company's interim financial information, which comprises the individual and consolidated interim financial information, identified as "individual" and "consolidated", was prepared and presented in accordance with CPC 21 (R1) - Interim Financial Statements, issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM"), and in accordance with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") and showing all the relevant information proper to the financial statements, and only them, which are consistent with those used by management in its management.

There were no changes in the main accounting policies with respect to those described in Note 28 to the Financial Statements for the year ended December 31, 2019.

The financial statements were prepared using historical cost as the basis of value, except for the valuation of certain assets and liabilities such as those arising from financial instruments, which are measured at fair value.

The preparation of quarterly financial information requires the use of certain critical accounting estimates and also the exercise of judgment by the Company's management in the process of applying its accounting policies. Those areas that require a higher degree of judgment and are more complex, as well as areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

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.

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 28 to the Financial Statements of December 31, 2019.

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 28 to the Financial Statements of December 31, 2019.

2.3 New standards, changes and interpretations of accounting pronouncements of mandatory application as of January 1, 2020

In preparing these 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, 2020.

There were no new rules applicable to the Company in the period.

2.4 Impacts of COVID-19

Regarding the dissemination of the new coronavirus ("COVID-19"), we adopted the measures disclosed in the Notice to the Market of 03/19/2020, we kept all the commitments assumed with our customers and we remain prepared to support them in facing this scenario. As for the effects on Sinqia in this first quarter, we can see: (i) retraction in sales from the second half of March, (ii) irrelevant effects on revenue, costs, gross profit and expenses, (iii) irrelevant effects on accounts receivable, the variation of which is due to operational causes and (iv) increased investment for the acquisition of notebooks for home office.

Finally, we remained in a comfortable financial situation, with gross cash of R \$ 340.5 million at the end of the quarter. In the face of uncertainty and economic downturn, we are assessing the impacts of the crisis on our M&A pipeline and adopting a more conservative approach, aiming at maintaining high liquidity and low leverage. Opportunities continue to exist in abundance, we will wait for the right time to convert them, without jeopardizing the long-term plan.

in the critical judgments of the application of the accounting policies in relation

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 Financial Statements presented on December 31, 2019.

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

There were no changes in the criteria or methods for measuring the fair value of assets and liabilities, as well as the classification of their financial instruments in relation to those disclosed in the December 31, 2019 financial statements.

3.4 Offsetting of financial instruments

Financial assets and liabilities are offset (with the same counter-party) 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 Company's businesses aim to supply products and services of the information technology, 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 Company's results are monitored and assessed in an integrated manner.

Section D – Group structure

5 Investments

(a) Changes in investments

	Senior Solution Serviços em Informática Ltda.	Senior Solution Consultoria em Informática Ltda.	Controlpart Consultoria e Participações Ltda.	Consult Brasil Ltda.	Intellectual Capital Ltda.	att/PS Informática Ltda.	Torq Inovação Digital Ltda.	Total
Balance on December 31, 2018	3.507	21.960	4.346	-	3.454	44.220	594	78.081
Capital increase	-	39.175	-	-	-	-	540	39.715

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Equity in the results of subsidiaries	(480)	2.794	1.709	(1.737)	-	-	149	2.435
Corporate reorganization (i)	-	-	-	(87)	-	(4.217)	1	(4.303)
Balance on December 31, 2019	3.027	63.929	6.055	(1.824)	3.454	40.003	1.284	115.928
Capital decrease	-	-	-	-	-	-	(150)	(150)
Asset equivalence	2.647	2.685	-	-	-	-	(114)	5.218
Corporate reorganization (i)	-	-	(3.331)	4.383	-	-	-	1.052
Balance on March 31, 2020	5.674	66.614	2.724	2.559	3.454	40.003	1.020	122.048

(i) In 2020 Consult Brasil. Ltda. and Controlpart Consultoria e Participações Ltda. were incorporated by Sinqia S.A (parent company). In 2019 att/PS Informática Ltda. was incorporated by Sinqia S.A (parent company).

(b) Information on subsidiaries

Investment direct	Equity net	Ownership interest (%)	Goodwill on acquisition	Profit (loss) for the year	Total investment		Equity in the results of subsidiaries	
					03.31.2020	12.31.2019	03.31.2020	03.31.2019
Senior Solution Serviços em Informática Ltda.	5.674	100%	-	2.647	5.674	3.027	2.647	(306)
Senior Solution Consultoria em Informática Ltda.	66.614	100%	-	2.685	66.614	63.929	2.685	(2.000)
Controlpart Consultoria e Participações Ltda.	N/A	N/A	2.724	-	2.724	6.055	-	648
Consult Brasil. Ltda.	N/A	N/A	2.559	-	2.559	(1.824)	-	26
Intellectual Capital Ltda.	N/A	N/A	3.454	-	3.454	3.454	-	-
att/PS Informática Ltda.	N/A	N/A	40.003	-	40.003	40.003	-	-
Torq Inovação Digital Ltda.	1.133	90%	-	(127)	1.020	1.284	(114)	(44)
					122.048	115.928	5.218	(1.676)

Section E – Selected significant notes

6 CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Cash	-	-	-	1
Banks	1.801	512	2.942	1.474
Financial investments (i)	329.326	352.191	337.975	363.510
	331.127	352.703	340.917	364.985

(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 93% to 102% of the CDI (from 94% to 102,15% of the CDI as of December 2019), with immediate liquidity, i.e., without a grace period for redemption.

7 TRADE RECEIVABLES

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Invoiced amounts	6.500	5.888	17.227	14.068
Unbilled services (i)	7.978	4.884	12.679	7.718
(-)Estimated impairment losses receivables (ii)	(101)	(101)	(158)	(158)
	14.377	10.671	29.748	21.628

(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	
Balance on December 31, 2019 and 2018	(101)	(131)	(158)	(944)
Additions for corporate reorganization (i)	-	(409)	-	-
Additions	-	-	-	-
Write-offs	-	-	-	-
Balances on March 31, 2020 and 2019	(101)	(540)	(158)	(944)

(i) The increase in the balance of losses estimated in doubtful accounts in the Parent Company occurred due to the incorporation of att/PS in 2019. Therefore, there was no material impact on the consolidated accounts.

The aging analysis of trade receivables is as follows:

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Unbilled services	7.978	4.884	12.679	7.718
To be due	3.620	3.667	9.919	9.217
Overdue from 1 to 90 days	1.134	1.402	3.889	3.158
Overdue from 91 to 180 days	864	464	1.789	820
Overdue from 181 to 270 days	277	155	603	456
Overdue from 271 to 360 days	239	119	457	320
Overdue accounts - more than 360 days	366	81	570	97
	14.478	10.772	29.906	21.786

8 TAXES AND CONTRIBUTIONS RECOVERABLE

	Parent company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
IRRF and IRPJ/CSLL to be offset (i)	4.531	2.228	7.000	4.015
PIS, COFINS and CS withheld at source (ii)	39	11	188	261
Other	87	69	98	81
Total	4.657	2.308	7.286	4.357
Current	4.220	2.308	5.594	4.357
Non-current	437	-	1.692	-

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

(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.

9 RELATED PARTIES

a) INFORMATION ON RELATED PARTIES

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, 2020 and December 31, 2019:

	Parent company					
	Receivables from related parties (Assets)	Payables to related parties (Liabilities)	Values to related parties (Result)	Receivables from related parties (Assets)	Payables to related parties (Liabilities)	Payables to related parties (Result)
Related parties	03.31.2020			12.31.2019		
Senior Solution Serviços em Informática Ltda.	-	1.662	-	-	169	2.517
ConsultBrasil Ltda.	-	-	-	-	631	-
Senior Solution Consultoria em Informática Ltda.	4.642	-	-	4.459	-	3.637
Controlpart Consultoria e Participações Ltda.	-	-	-	-	1.358	-
Non-current assets	4.642	-	-	4.459	-	-
Current liabilities	-	-	-	-	173	-
Non-current liabilities	-	1.662	-	-	1.985	-
Result	-	-	-	-	-	6.154

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. In 2020, there was no sharing of spending between companies.

b) MANAGEMENT COMPENSATION

The Company does not offer additional post-employment benefits, or other long-term benefits, such as leave and other benefits. 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	
	03.31.2020 (3 months)	12.31.2019 (12 months)	03.31.2020 (3 months)	12.31.2019 (12 months)
Salaries, fees and related charges	844	3.182	844	3.182
Benefit	83	347	83	347
Variable bonuses	12	548	12	548
	939	4.077	939	4.077

c) SHARE-BASED REMUNERATION 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 number of shares involved in this plan is 250,232.

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, 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.

The main events related to the current plans, the variables used in the calculations and the results are:

				Fair Value Assumptions		
Outorgas				Expectativa de:	Taxa de juros livre de risco	Prazo de maturidade
Date	Number of options/shares	Exercise price in reais	Fair value of the shares in reais	Dividends	Volatility	

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08/01/2018	177.716	7,38	15,90	0,23%	37,57%	4,50%	5 anos
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The changes in the stock options granted from reversals are shown below:

	Parent Company and Consolidated	
	Number (in units)	Average price (in Reais)
Balance on December 31, 2019	49.510	16,56
Issued	2.028	9,91
Canceled/expired	-	-
Balance on March 31, 2020	51.538	16,30

10 PROPERTY, PLANT AND EQUIPMENT

a) Opening of property, plant and equipment

	Useful life (years)	Cost	Accrued Depreciation	Parent Company	
				03.31.2020	12.31.2019
				Net	Net
Facilities and improvements	9 – 10	6.446	(860)	5.586	5.276
Electrical appliances and materials	9 – 12	703	(325)	378	391
Furniture and fittings	9 – 12	2.798	(1.165)	1.633	1.479
Buildings - rights of use	2 – 10	20.786	(2.814)	17.972	18.656
Computers and Peripherals	4 – 5	9.574	(3.473)	6.101	3.543
		40.307	(8.637)	31.670	29.345

	Useful life (years)	Cost	Accrued Depreciation	Consolidated	
				03.31.2020	12.31.2019
				Net	Net
Facilities	9 – 10	8.341	(1.679)	6.662	6.523
Electrical appliances and materials	9 – 12	804	(357)	447	463
Furniture and fittings	9 – 12	3.552	(1.623)	1.929	1.778
Buildings - rights of use	2 – 10	24.423	(3.779)	20.644	21.336
Computers and Peripherals	4 – 5	12.729	(5.551)	7.178	4.643
		49.849	(12.989)	36.860	34.743

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b) Changes in property, plant and equipment – Parent Company

	Facilities and improvements	Electrical appliances and materials	Furniture and fittings	Buildings - rights of use	Computers and Peripherals	Total
Balance on December 31, 2019	5.276	391	1.479	18.656	3.543	29.345
Additions	404	7	211	-	2.701	3.323
Write-offs	(2)	-	-	-	(1)	(3)
Depreciation	(92)	(20)	(57)	(684)	(142)	(995)
Balance on March 31, 2020	5.586	378	1.633	17.972	6.101	31.670

c) Changes in property, plant and equipment – Consolidated

	Facilities and improvements	Electrical appliances and materials	Furniture and fittings	Buildings - rights of use	Computers and Peripherals	Total
Balance on December 31, 2019	6.523	463	1.778	21.336	4.643	34.743
Additions	408	7	215	85	2.701	3.416
Write-offs	(101)	-	-	-	-	(101)
Depreciation	(168)	(23)	(64)	(777)	(166)	(1.198)
Balance on March 31, 2020	6.662	447	1.929	20.644	7.178	36.860

11 INTANGIBLE ASSETS

a) Opening of the Intangible assets

				Parent Company	
				03.31.2020	12.31.2019
	Useful life (years)	Cost	Accumulated Amortization and impairment	Net	Net
Software usage rights	5	5.280	(3.916)	1.364	1.487
Trademarks and patents	5-10	2.277	(1.081)	1.196	1.279
Acquired Softwares	5	6.860	(4.459)	2.401	2.814
Customer portfolio	10	20.412	(4.803)	15.609	16.151
Non-competition agréments	5	4.575	(3.718)	857	1.143
Development of new products (i)	5	6.301	(5.091)	1.210	1.210
		45.705	(23.068)	22.637	24.084

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

	Consolidated			
	03.31.2020			12.31.2019
	Useful life (years)	Cost	Accumulated Amortization and impairment	Net
Goodwill on acquisitions of subsidiaries	-	100.332	(2.860)	97.472
Acquired Softwares	5	7.153	(5.271)	1.882
Software usage rights	5	7.126	(1.633)	5.493
Customer portfolio	10	21.790	(11.348)	10.442
Non-competition agreements	5	53.197	(12.036)	41.161
Trademarks and patents	5-10	8.850	(4.669)	4.181
Development of new products (i)	5	6.301	(5.091)	1.210
		204.749	(42.908)	161.841
				164.447

SINQIA S.A. AND SUBSIDIARIES

March 31, 2020

(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	Acquired Softwares	Customer portfolio	Non-competition agreements	Total
Balance on December 31, 2019	1.487	1.210	1.279	2.814	16.151	1.143	24.084
Additions	302	-	-	-	-	-	302
Additions by corporate reorganization	84	-	-	-	-	-	84
Amortization	(509)	-	(83)	(413)	(542)	(286)	(1.833)
Balance on March 31, 2020	1.364	1.210	1.196	2.401	15.609	857	22.637

c) Changes in intangible assets – Consolidated

	Goodwill on acquisition of subsidiaries	Software usage rights	Development of new products (Torq)	Trademarks and patents	Acquired Softwares	Customer portfolio	Non-competition agreements	Total
Balance on December 31, 2019	97.060	2.080	1.210	5.576	11.405	42.448	4.668	164.447
Additions	-	349	-	-	-	-	-	349
Additions by company acquisition	412	-	-	-	10	36	-	458
Write-offs	-	(15)	-	-	-	-	-	(15)
Amortization	-	(532)	-	(83)	(973)	(1.323)	(487)	(3.398)
Balance on March 31, 2020	97.472	1.882	1.210	5.493	10.442	41.161	4.181	161.841

12 LOANS AND FINANCINGS

			Parent Company		Consolidated	
	Financial charges	Maturity	03.31.2020	12.31.2019	03.31.2020	12.31.2019
BNDES – nº 14209211 (i)	TJLP + 1.1% a.a.	12/15/2020	2.627	3.768	2.627	3.768
BNDES – nº 17203411018 (i)	TJLP + 2.0% a.a.	03/15/2024	7.122	7.256	7.122	7.256
Debentures (ii)	CDI+1.50%	02/22/2024	49.017	49.709	49.017	49.709
Total			58.766	60.733	58.766	60.733
Current			18.286	15.503	18.286	15.503
Non-current			40.480	45.230	40.480	45.230

- (i) These contracts 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, the company is required to hold a deposit of R\$3,000, which was registered in the securities account in 2019.

We demonstrate the movement of loans and financing below:

	Parent Company	Consolidated
Balance on December 31, 2019	60.733	60.733
Interest incurred	904	904
Interest paid	(898)	(898)
Amortization	(1.973)	(1.973)
Balance on March 31, 2020	58.766	58.766

We demonstrate the expectation of payment of loans and financing below:

	Parent Company	Consolidated
2020	14.123	14.123
2021	14.799	14.799
2022	14.119	14.119
2023	13.422	13.422
After 2023	2.303	2.303
Total	58.766	58.766

(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, 2020, based on the Net Debt indicator divided by EBITDA (resulting in an index lower than 2.5 in 2020, lower than 2 in 2021, lower than 1.9 in 2022 and lower than 1.8 in 2023) and based on the EBITDA indicator divided Financial Result (resulting in an index of more than 3). On this date, the company expects to comply with all restrictive clauses. In 2019, the Company complied with the restrictive clauses.

13 LABOR TAXES

	Parent Company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
INSS/FGTS payable	3.025	1.574	4.298	2.917
IRRF on payroll	1.119	1.185	1.519	1.847
Vacation	4.342	5.519	7.150	8.857
Bonus Salary	1.018	-	1.586	-
Bonuses, commissions and profit sharing (i)	330	-	361	29
Other	768	509	1.155	586
	10.602	8.787	16.069	14.236

- (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.

14 TAX LIABILITIES

	Parent Company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
IR and CS payable	11	3	1.111	155
ISS payable	452	453	913	912
PIS/COFINS payable	423	274	662	419
Tax installments	2.729	103	3.248	3.904
Other taxes payable	51	23	72	44
Total	3.666	856	6.006	5.434
Current	1.236	753	3.115	1.972
Non-current	2.430	103	2.891	3.462

15 LIABILITIES ARISING FROM INVESTMENT ACQUISITION

These relate to installments payable for investment acquisitions made by the Company and its subsidiaries, negotiated with payment in installments, and for contracts that do not have market interest rates, the present value adjustment is made (using the average rate of 7%). They are recorded in current and noncurrent liabilities, as follows:

	Parent Company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Controlpart Acquisition	49	144	49	144
ConsultBrasil Acquisition	552	588	552	588
att/PS Informática Acquisition	10.525	13.754	10.525	13.754
Atena Acquisition	-	-	5.974	5.667
ADSPrev Acquisition	-	-	2.077	2.319
SoftPar Acquisition	-	-	16.186	17.233
Stock&Info Acquisition	-	-	743	496
Total	11.126	14.486	36.106	40.201
Current	3.780	7.182	7.762	10.404
Non-current	7.346	7.304	28.344	29.797

We demonstrate the expectation of payment of obligations for acquisition of investments below:

	Parent Company	Consolidated
2020	3.104	6.548
2021	8.022	13.552
After 2021	-	16.006
Total	11.126	36.106

16 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 March 31, 2020 and December 31, 2019:

	Parent Company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Civil	12.309	12.079	12.426	13.650
Labor	3.292	1.690	13.238	12.017
Fiscal	3.438	1.763	12.326	12.131
Total	19.039	15.532	37.990	37.798

Changes in the provisions for judicial demands were as follows:

	Parent Company	Consolidated
Balance on December 31, 2019	15.532	37.798
Additions	1.040	1.345
Additions for corporate reorganization (i)	3.517	-
Payments	(48)	(56)
Reversals	(1.002)	(1.097)
Balance on March, 2020	19.039	37.990

(i) The increase in the balance of provision for lawsuits in the Parent Company occurred due to the merger of Controlpart and da Consult Brasil.

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\$17.386 in the Parent Company on March 31, 2020 (on December 31, 2019 – R\$16.965) and R\$24.263 in the Consolidated on March 31, 2020 (on December 31, 2019 – R\$23.354). Additionally, the company has judicial deposits, corresponding to R\$299 in the Parent Company on March 31, 2020 (on December 31, 2019 - R\$270) and R\$376 in Consolidated on March 31, 2020 (on December 31, 2019 - R\$309).

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) Fiscal

Tax lawsuits refer to legal disputes involving municipal and federal taxes, especially unapproved claims for compensation and/or restitution, in addition to tax risks identified in the acquisition processes.

c) Civil

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

17 EQUITY

17.1 Share Capital

At a meeting held on September 17, 2019, the Board of Directors approved an increase in the Company's capital stock, within the limit of the authorized capital, pursuant to Article 5 of the Bylaws, in the amount of R\$ 362,700,000 (three hundred and sixty-two million, seven hundred thousand reais), through the issuance of 5,850,000 (five million, eight hundred and fifty thousand) common shares. The expense with the issuance of shares was R\$ 23,789.

At a meeting held on September 12, 2019, the Board of Directors decided on a spin-off of the shares issued by the Company, in the proportion of 3 (three) new shares for each existing share.

The Company's share capital was R\$413,261, represented by 70,548,812 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.

Shareholders	03.31.2020		12.31.2019	
	Shares	%	Shares	%
HIX Investimentos Ltda.	5.728.581	8,12%	5.728.296	8,12%
SFA Investimentos Ltda.	5.453.000	7,73%	5.438.800	7,71%
Antonio Luciano de Camargo Filho	5.327.212	7,55%	5.327.212	7,55%
Bernardo Francisco Pereira Gomes	5.316.344	7,54%	5.316.344	7,54%
BB DTVM S.A.	-	-	3.552.540	5,03%
Treasury shares	660.400	0,94%	-	0,00%
Other shareholders	48.063.275	68,13%	45.185.620	64,05%
Total	70.548.812	100,00%	70.548.812	100%

17.2 Profit reserve

The profit retained reserve is composed of the accumulated balance of the capital budget allocations approved at the Ordinary Shareholder's Meetings.

a) Dividends and Interest on Equity

At December 31, 2019, no dividends or interest on capital were distributed for the year.

17.3 Capital reserve

The capital reserves balance at March 31, 2020 and December 31, 2019 were composed of the effects of the stock compensation plan and the result of treasury stock transactions.

a) Share-based remuneration plan

As provided for in the Stock Remuneration Plan in April 2018, the beneficiaries held the second part of the shares (2nd vesting). During 2019 the expense with the plan for the year was R\$731. In 2020 there was a reversal of R\$294 in the expense, mainly due to fluctuation in the company's stock price.

17.4 Sale and acquisition of treasury shares

At a meeting held on May 20, 2019, the Board of Directors authorized the Company to dispose of up to 240,701 shares issued by it, representing the totality of the shares held in treasury, in accordance with CVM Instruction 567/15. On September 26, 2019, the Company announced that it sold the total amount authorized on the B3 sessions, for a gross amount of R\$ 9,096, in order to reinforce the cash balance to finance new acquisitions and expand the free float to favor liquidity in the secondary market.

In a meeting held on March 12, 2020, the Board of Directors authorized the acquisition of up to 5,896,343 shares, representing 10.0% of the 58,963,436 shares of its own issuance currently in circulation, through the opening of the Fifth Share Buyback Program. In 2020, were acquired 660,400 shares for a value of R\$8,355.

18 NET OPERATING REVENUE

	Parent Company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
Consulting and Projects	1.524	1.391	1.872	2.867
Outsourcing	3.778	7.780	13.468	12.593
Software	20.661	13.606	39.408	27.766
Gross service revenue	25.963	22.777	54.748	43.226
ISS	(732)	(619)	(1.687)	(1.299)
PIS and COFINS	(953)	(831)	(2.009)	(1.624)
Employer's INSS	(1.174)	(1.025)	(2.430)	(1.762)
Taxes on sales	(2.859)	(2.475)	(6.126)	(4.685)
Consulting and Projects	1.328	1.240	1.658	2.548
Outsourcing	3.366	6.934	11.985	11.209
Software	18.410	12.128	34.979	24.783
Net operating revenue	23.104	20.302	48.622	38.540

The average tax rate levied on sales in the year was 11,19% % in the Consolidated, comprising PIS/PASEP, COFINS, Tax on Services of Any Kind (ISSQN) and employer's INSS.

19 COST OF SERVICES PROVIDED

	Parent Company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
Third-party services	1.002	959	1.625	1.891
Personnel, charges and benefits	17.446	11.961	29.273	23.458
Other costs	1.442	754	1.964	990
	19.890	13.674	32.862	26.339

20 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
Third-party services	1.617	423	1.921	775
Personnel, charges and benefits	4.837	2.524	6.839	7.122
Commissions	616	317	743	490
Rentals, insurance, condominium fees and other	508	507	802	1.087
Additional (reversal) provision for bonuses and profit sharing	179	303	191	303
Additional (reversal) provision for legal claims	38	43	248	144
Energy, communications and other	357	221	473	290
Consultants, lawyers and auditors	304	626	356	1.064
Publicity and advertising	243	419	249	482
Transportation and lodging	157	108	210	269
Other expenditures	281	107	419	57
Depreciation and amortization	2.828	2.240	4.596	2.837
	11.965	7.838	17.047	14.920

21 FINANCIAL INCOME, NET

	Parent Company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
Financial expenses:				
Investment Acquisition Interest	(313)	(332)	(674)	(402)
Interest on loans	(904)	(414)	(904)	(422)
Bank expenses	(97)	(13)	(125)	(28)
Adjustment to present value	(445)	(403)	(850)	(457)
IOF expenses	(13)	(13)	(24)	(21)
Expenses with debentures issuance	-	(250)	-	(250)
Other financial expenses	(24)	(57)	(117)	(77)
Installments	-	-	(26)	-
Finance income:				
Income from financial investments	3.469	212	3.540	318
Interest income	-	-	12	3
Other financial income	81	27	101	51
Adjustment of the present value				
	1.754	(1.243)	933	(1.285)

22 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.

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	
	03.31.2020	03.31.2019
Loss before taxes	(1.779)	(4.129)
Income (loss) tax at the statutory rate (34%)	605	1.404
Adjustments for calculation at the effective rate :		
Equity in the results of subsidiaries	1.774	569
Amortization of intangible capital gains	-	(639)
Other permanent differences	(157)	454
Credit at the effective rate	2.222	1.788
Income tax and deferred social contribution	2.222	1.788

	Consolidated	
	03.31.2020	03.31.2019
Loss before taxes	(354)	(4.004)
Income (loss) tax at the statutory rate (34%)	120	1.361
Adjustments for calculation at the effective rate :		
Equity in the results of subsidiaries	(12)	(752)
Estimated profit in subsidiaries(i)	-	73
Other permanent differences	676	976
Credit (expense) at the effective rate	784	1.658
Income tax and current social contribution	(1.110)	(216)
Income tax and deferred social contribution	1.894	1.874

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

a) Deferred income tax and social contribution assets

Breakdown of deferred income tax and social contribution:

	Parent Company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Non-current assets				
Tax loss and negative basis	12.855	9.941	16.461	13.989
Allowance for doubtful accounts	34	46	54	75
Provision for impairment of trade receivables	112	-	123	-
Provision for contingencies and other liabilities (i)	6.473	5.281	12.916	12.684
Goodwill arising from business combination	(3.256)	(2.572)	(5.173)	(3.546)
Other provisions	134	64	81	125
Financial Lease	39	732	34	681
Unbilled services	-	(503)	-	(1.406)
	16.391	12.989	24.496	22.602

- (i) The increase in the balance of the provision for legal claims in the Parent Company occurred due to the merger of Consult Brasil. There was no relevant impact on the consolidated accounts.

The deferred income tax and social contribution were constituted as a result of studies prepared by management regarding the generation of taxable income that will allow the total realization of these amounts in the next years, in addition to the expectation of realization of deductible or taxable temporary differences, as indicated below:

	Parent Company	Consolidated
2020	2.437	8.926
2021	3.737	8.963
2022	3.952	6.607
2023	4.100	-
2024 onwards	2.165	-
Total	16.391	24.496

23 PROFIT (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	
	03.31.2020	03.31.2019
Earnings per share		
Numerator		
Profit (loss) for the period attributed to the Company's shareholders	443	(2,341)
Denominator		
Weighted average number of outstanding common shares	69.970.814	11.517.563

	Parent company and Consolidated	
	03.31.2020	03.31.2019
Earnings per share (R\$)	0,006	(0,203)
	Parent company and Consolidated	
	03.31.2020	03.31.2019
Earnings per share - diluted		
Numerator		
Profit (loss) for the period attributed to the Company's shareholders	443	(2.341)
Denominator		
Weighted average number of common shares outstanding	69.970.814	11.517.563
Potential increase in common shares due to stock option plan and restricted shares	309.406	273.785
Earnings per share – diluted (R\$)	0,006	(0,199)

24 FINANCIAL LEASE

Lease liabilities have been recognized as oriented by 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 recorded for all contracts contained in the scope of the standard. Currently the only relevant lease contracts that Sinqia S.A. has relate to real estate leases. The average discount rate of 7.38% has been used for current leases.

	Maturity Final	Parent Company		Consolidated	
		03.31.2020	12.31.2019	03.31.2020	12.31.2019
Belo Horizonte Office	12/31/2028	4.489	4.581	4.489	4.581
São Paulo 1 Office	07/01/2028	12.406	12.668	12.406	12.668
São Paulo 2 Office	10/11/2028	3.116	3.275	3.116	3.276
TORQ Office	10/11/2028	-	-	1.594	1.423
Curitiba Office	09/02/2021	-	-	1.053	1.230
Morumbi Office	10/28/2020	205	290	205	290
Total		20.216	20.814	22.863	23.468
Current		2.021	2.070	2.815	2.899
Non-current		18.195	18.744	20.048	20.569

In accordance with the CIRCULAR LETTER/CVM/SNC/SEP/N°02/2019, the Company adopted as its accounting policy the requirements of CPC06 (R2) in the measurement and remensuration of its right of use, proceeding with the use of the discounted cash flow method without considering inflation (discounted actual flow at nominal rate). Management assessed the use of nominal flows and concluded that they do not present relevant distortions in the information presented.

In order to preserve the reliable representation of the information in relation to the requirements of CPC06 (R2) and to meet the guidelines of the technical areas of CVM, the liability balances without

inflation, effectively accounted for (real flow x nominal rate), and the estimate of the inflated balances in the comparison periods (nominal flow x nominal rate) are provided.

Other assumptions, such as the maturity schedule of liabilities and interest rates used in the calculation are disclosed in other items of this same explanatory note, as well as inflation indices are observable in the market, so that nominal flows can be prepared by the users of the financial statements.

	Parent Company		Consolidated	
	03.31.2020	12.31.2019	03.31.2020	12.31.2019
Real flow discounted at nominal rate				
Leasing liabilities	26.635	27.899	30.182	31.151
Adjustment to present value	(6.419)	(7.085)	(7.319)	(7.683)
	20.216	20.814	22.863	23.468
Nominal flow discounted at nominal rate				
Leasing liabilities	31.030	31.917	34.648	35.784
Adjustment to present value	(8.447)	(8.457)	(9.187)	(9.200)
	22.583	23.460	25.461	26.584

25 NON-CASH TRANSACTIONS

Investment and financing transactions that do not involve the use of cash or cash equivalents should be excluded from the cash flow statement. The Company has carried out the following investment and non-cash financing activities:

	Parent Company		Consolidated	
	03.31.2020	03.31.2019	03.31.2020	03.31.2019
Recognition of lease assets	-	24.714	-	24.714
Recognition of lease liabilities	-	(21.518)	-	(24.029)
Retained Installment in Payment for Acquisition of Investments	-	479	-	3.240
Asset acquisition payable	2.814	-	2.814	-

26 BUSINESS COMBINATIONS

The business combinations and new investment acquisitions are in line with the Company's strategy of specialization and consolidation of its positioning in different segments, in addition to bringing new solutions to Sinqia S.A.'s customers through portfolio diversification with specific niche solutions.

At the year ended December 31, 2019, 4 investment acquisitions were made, namely Atena Tecnologia Ltda, ADSPrev - Administração e Desenvolvimento de Sistemas Ltda., Partec Ltda. and its subsidiary, NVA Ltda. and Stock & Info Ltda.

The subsidiary Senior Solution Consultoria merged Atena, ADSPrev and Partec in 2019 while Stock & Info was merged in the first quarter of 2020.

The intangible assets and the goodwill identified on the acquisitions were detailed in note 6 to the financial statements of December 2019 issued by the Company.

In the first quarter of 2020, the following changes were observed in relation to these balances:

- Amortization of the capital gain of intangibles, as shown in note 11;
- Increase in Stock & Info assets due to the PPA update, with R\$ 412 in goodwill, R\$ 10 in software acquired and R \$ 36 referring to the customer portfolio, as shown in note 11; and
- Update and payment of part of the obligations for investment acquisitions, as shown in note 15.

27 SUBSEQUENT EVENTS

In April, the Company paid off the residual balance of R\$ 7.1 million from the sixth financial collaboration obtained from the National Bank for Economic and Social Development - BNDES, which had been contracted at a cost corresponding to TJLP + 2.0% per year plus bank guarantee, and its discharge aimed at reducing the cost of capital, prioritizing more attractive rates.