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 Phone: +1 (646) 843-6054
 Conference Call and Webcast in Portuguese
 with simultaneous translation into English

Code: Sinqia

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Sinqia
2020
Results

São Paulo, 11 August 2020. Sinqia S.A. (B3: SQIA3) (“**Company**”), provider of technology for the financial system, announces today its consolidated results for the second quarter 2020 (“**2Q20**”).

Financial highlights:

Net revenues. Record of R\$ 49.6 million (+17.5% vs. 2Q19), an increase due to the organic (+15.1% vs. 2Q19) and inorganic growth (+2.4% vs. 2Q19);

Net revenues from Software. Record of R\$ 34.5 million (+18.0% vs. 2Q19), an increase due to the organic (+14.5% vs. 2Q19) and inorganic growth (+3.5% vs. 2Q19);

Recurring revenues. Record of R\$ 43.5 million (+23.2% vs. 2Q19), representing 87.8% of the total net revenues - the highest percentage in Sinqia's history;

Gross profit. Registered R\$ 16.8 million (+35.3% vs. 2Q19), an increase due to the growth in revenues and improvement in profitability (+4.4 p.p. vs. 2Q19);

Adjusted EBITDA. Record of R\$ 7.4 million (+44.8% vs. 2Q19), a combination of higher revenues, increase in gross margin and a decrease in general and administrative expenses as a proportion of revenues;

Adjusted cash earnings. Reached R\$ 2.7 million compared to R\$ 8 thousand in the same quarter last year.

Financial Highlights (R\$ '000)

(R\$ '000)	2Q20	2Q19	Var. 2Q20/2Q19	1Q20	Var. 2Q20/1Q20	LTM- 2Q20	LTM- 2Q19	Var. LTM
Net Revenues	49,561	42,166	17.5%	48,622	1.9%	192,630	156,058	23.4%
Recurring Revenues	43,535	35,330	23.2%	41,162	5.8%	162,437	128,268	26.6%
<i>% of Recurrence</i>	87.8%	83.8%	4.1 p.p.	84.7%	3.2 p.p.	84.3%	82.2%	2.1 p.p.
Gross profit	16,761	12,384	35.3%	15,760	6.4%	65,801	52,594	25.1%
<i>Gross margin</i>	33.8%	29.4%	4.4 p.p.	32.4%	1.4 p.p.	34.2%	33.7%	0.5 p.p.
EBITDA	7,333	3,332	120.1%	3,322	120.7%	20,299	12,467	62.8%
<i>EBITDA margin</i>	14.8%	7.9%	6.9 p.p.	6.8%	8.0 p.p.	10.5%	8.0%	2.5 p.p.
Adjusted EBITDA	7,375	5,092	44.8%	3,381	118.1%	23,179	18,402	26.0%
<i>Adj. EBITDA Margin</i>	14.9%	12.1%	2.8 p.p.	7.0%	7.9 p.p.	12.0%	11.8%	0.2 p.p.
Adjusted Cash Earnings	2,646	8	32975.0%	1,474	79.5%	9,841	5,465	80.1%
<i>Adj. CE Margin</i>	5.3%	0.0%	5.3 p.p.	3.0%	2.3 p.p.	5.1%	3.5%	1.6 p.p.

About Sinqia. Sinqia is a technology provider for the financial system. The Company offers four software platforms (Sinqia Banks, Sinqia Funds, Sinqia Pension and Sinqia Consortium) and two service platforms (Sinqia Outsourcing and Sinqia Consulting/Torq).

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MESSAGE FROM MANAGEMENT

We have always been confident in Sinqia's resilience and adaptability. At the end of the first quarter, we received with caution the announcement that the new coronavirus (COVID-19) had entered Brazil: it was the beginning of an unprecedented crisis. We had adapted, and today we share with pleasure an excellent news: Sinqia is overcoming this challenge!

We initiated by helping our employees to take care of their health and adapt to remote work: we expanded our "Move to Flex" program and almost everyone began to work from home. We provided technology infrastructure and implement management procedures consistent with the new reality. The result could not have been better: we maintained high productivity levels, recorded higher satisfaction levels and lower turnover. We have maintained our commitment to face the crisis without reducing salaries and job positions.

We continued helping our customers to adapt to the new reality. In the Software business, we used that moment to substantially increase the deliveries, reducing the backlog of service, implementation and development. In the Services business, we have launched new offers to support the digital transformation of our customers, with strong commercial appeal. This digital transformation process will soon segment winners and losers in the financial sector, and Sinqia will be at the side of its customers to make them the winners.

We have maintained high investments in R&D, facing the crisis as a period to differentiate from competitors with financial restrictions. And we have made progress in product development for instant payments, PIX: the launch of SQ PSI and SQ PSTI is scheduled. We foresee two opportunities: in short term, the sale of these suites in our client portfolio; and, mainly, in medium term, the sale of other existing suites, such as SQ Checking Account, SQ Credit and SQ Investments, for institutions that are entering the financial sector through the payments' vertical, and will probably expand their product offer, requiring our software.

We have expanded our investments in innovation, facing the crisis as a moment to foresee new possibilities. At Torq, we launched Plugi, the first trading platform for cancelled consortium quotas in Brazil. The consortium structure has historically faced a challenge: the cancelled quotas represent about R\$ 50 billion per year, more than 50% of the total quotas. Plugi connects consortium administrators interested in adequate their groups with resource managers interested in acquiring these quotas with discount. An winner model: our customers win, and so their customers. The cloud platform will be connected by APIs and monetized through a take rate over the traded value. Investments in RD&I were R\$ 1.5 million in the quarter, a 25.9% increase over the same quarter last year.

We initiated our investments in the open innovation model: in March, we announced our entry into Darwin Startups, an accelerator focused on discovering and assisting domestic startups, with a focus on opportunities that comprise Sinqia's business such as fintechs and insurtechs. And in 2Q19, we joined Batch #8, a round in which several interesting opportunities were selected, some with huge synergy potential with Sinqia.

And we have increased the scope of our investments in M&A. We have developed the opportunities in the line of "mature companies", aiming to expand the range of products and the client portfolio, focusing on the banks, financial institutions, funds, pension funds, consortiums and insurance. We have designed an "emerging companies" pipeline, aiming to access new technologies, focusing on bank-as-a-service, open-banking, white-label-banking, artificial intelligence, integration platforms, and digital transformation. And we have created a CVC (Corporate Venture Capital) initiative, which will enable us to pursue co-investment opportunities in businesses that connect with the future of financial services.

Also regarding M&A investments, we have another highlight. In August, we signed the acquisition of ISP (Itaú Soluções Previdenciárias), our first transaction with capital raised in the follow on: an acquisition aligned perfectly with the strategic objectives and financial guidelines of our consolidation plan. The operation adds up to R\$ 82.0 million, in which 41% paid in cash at the closing date and 59% paid on



installments, that is, it contributes significantly to Sinqia's growth, while preserving our cash for other opportunities.

In 2Q20, our contract portfolio continued to expand. It reached R\$ 150.4 million, up 2.4% over 1Q20 and up 9.5% over 2Q19. The continued growth during the crisis was made possible by a combination of (i) solid business performance, due to the March–April freezing period; and (ii) low churn, due to a perfect alignment between quality of the client portfolio (financial institutions), product portfolio stickiness (software and mission-critical services), and solid business model (subscription).

We ended the quarter as the greatest in 24 years of existence. In 2Q20, we continued adding new products and new clients to the portfolio; we maintained churn under control; we delivered new records, with net revenues of R\$ 49.6 million, a 17.5% growth over 2Q19; recurring revenues reached R\$ 43.5 million, a 23.2% growth in the same period and with a percentage of recurrence rising to 87.8%, the highest ever recorded.

We maintained our discipline in expenses management. Costs reached R\$ 32.8 million, up 10.1% over 2Q19, and gross profit reached R\$ 16.8 million, up 35.3% over 2Q19. General and administrative expenses were R\$ 9.4 million, up 4.4% over 2Q19, and represented only 19.1% of net revenues, the lowest percentage in the company's history. This reduction was due to a decrease in turnover, renegotiation of contracts with suppliers, and temporary suspensions of expenses with events and travel, among others. Some of these temporary suspensions will be converted into permanent gains from now on.

All this made possible a new adjusted EBITDA record of R\$ 7.4 million, up 44.8% over 2Q19, with adjusted EBITDA margin of 14.9% up 2.8 p.p. As we anticipated last quarter, the beginning of 2020 was the turning point, and we expect that from 2Q20 onwards the entry of new subscription revenues and the restraint/reduction in implementation costs will be reflected in progressive profitability gains.

It is also important to highlight that our balance sheet remains solid: we ended with gross cash of R\$ 336.3 million (vs. R\$ 340.9 million in 1Q20), maintaining the same level after a reduction in indebtedness of R\$ 18.7 million in the quarter. This is because, in addition to the good results, we did not face any impact due to delinquency: accounts receivables decreased by R\$ 6.5 million in the quarter.

Without underestimating the continuous challenges that the pandemic represents for companies and families, we ended this quarter pleased with the results achieved. In this difficult scenario, our business remained practically unaltered and we were able to confirm that Sinqia is a unique company that combines growth and resilience. We have overcome the challenge, and we are prepared to deliver increasing results.



RECENT EVENTS

Acquisition of ISP (Itaú Soluções Previdenciárias). A week ago we announced the ISP purchase, one of the leading providers of software and services for the closed-end pension segment, with gross revenues of R\$ 50.0 million in LTM-2Q20. ISP's main advantage is the BPO offer for pension management. Sinqia's wide portfolio for this segment will now also include SaaS solutions. The acquisition price will be R\$ 82.0 million, composed of a cash portion of R\$ 33.6 million, to be paid at closing, and a term portion of R\$ 48.4 million, to be paid in 5 annual installments from the 1st year. The conclusion of the transaction will be subject to the fulfilment of conditions established in the contract.

Settlement of the 5th financial collaboration with BNDES In May, the Company settled the residual balance of R\$ 2.3 million of the fifth financial collaboration obtained with the National Bank for Economic and Social Development - BNDES, which had been contracted at a cost corresponding to TJLP + 1.1% per year plus bank guarantee, and its settlement was aimed at reducing the cost of Company's capital. Sinqia has settled all financing granted to BNDES.



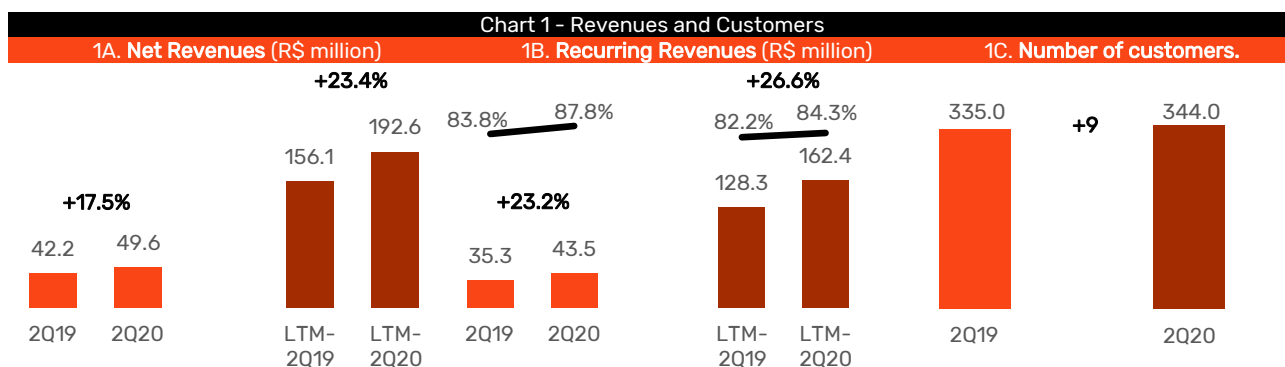


OPERATING AND FINANCIAL PERFORMANCE

Net revenues. Record high of R\$ 49.6 million **(+17.5% vs.2Q19)**, compared to R\$ 42.2 million in the same quarter last year, an increase of R\$ 7.4 million, of which R\$ 6.4 million organic (including Softpar, acquired in May/19), being R\$ 4.3 million in the Software unit and R\$ 2.1 million in the Services unit, and R\$ 1.0 million inorganic from Stock & Info (acquired in Dec/19).

Recurring revenues. Record high of R\$ 43.5 million **(+23.2% vs.2Q19)** representing 87.8% of total net revenues (vs. 83.8% in 2Q19) - the highest percentage in the Company's history - over R\$ 35.3 million in the same quarter last year, an increase of R\$ 8.2 million. Of this growth, R\$ 7.3 million was organic, with an increase of R\$ 4.4 million in Software Subscription and R\$ 2.9 million in Outsourcing Services, and R\$ 0.9 million inorganic from Stock & Info.

Number of customers. Increased to 344 **(+9 vs. 2Q19)**, mainly related to the addition of customers from the last acquisition. The largest customer contributed to 6.0% of net revenues (vs. 9.6% no 2Q19), a reduction resulting from the portfolio dilution with the consolidation of the results of the acquisitions.



Software Unit

Net revenues from Software. Registered R\$ 34.5 million **(+18.0% vs. 2Q19)**, representing 70% of total net revenues, compared to R\$ 29.2 million in the same quarter last year, an increase of R\$ 5.3 million, of which R\$ 4.3 million organic and R\$ 1.0 million inorganic. By vertical, net revenues from Banks were R\$ 18.8 million (vs. R\$ 15.4 million in 2Q19), Funds R\$ 4.1 million (vs. R\$ 3.8 million in 2Q19), Pensions R\$ 8.7 million (vs. R\$ 7.6 million in 2Q19) and Consortium R\$ 2.9 million (vs. R\$ 2.4 million in 2Q19). We present below the breakdown between the recurring portion of "Subscription" and the variable of "Implementation and Customization":

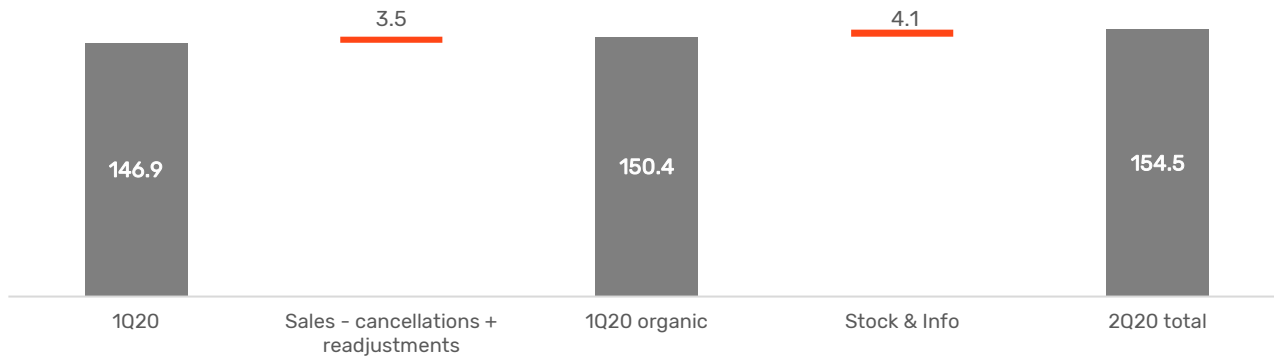
- **Net revenues from Subscription.** Record high of R\$ 29.6 million **(+22.1% vs.2Q19)**, 86% of this unit total, compared to R\$ 24.2 million in the same quarter last year, an increase of R\$ 5.4 million, of which R\$ 4.5 million was organic with the delivery of part of the implantations, mainly in the Banks and Funds verticals, and R\$ 0.9 million inorganic, with addition coming from the Stock & Info.

Portfolio of recurring contracts¹. Record high gross value of R\$ 150.4 million **(+9.5% vs. 2Q19)** over R\$ 137.3 million in 2Q19, an increase of R\$ 13.1 million, being R\$ 9.0 million organic **(+6.5% vs. 2Q19)** and R\$ 4.1 million inorganic (inexistent in 2Q19), growth explained mainly by the good sales performance in May. For this reason, the contract portfolio shows growth in comparison to R\$ 146.9 million in 1Q20 **(+2.4% vs. 1Q20, equivalent to 10.0% annualized)**, even with a strong economic downturn, evidencing the Company's resilience in an adverse environment.

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, Softpar (acquired in May/19) started to compose the organic portfolio as of 2Q20.



Chart 2 - Software Unit
Portfolio of Recurring contracts (R\$ million)



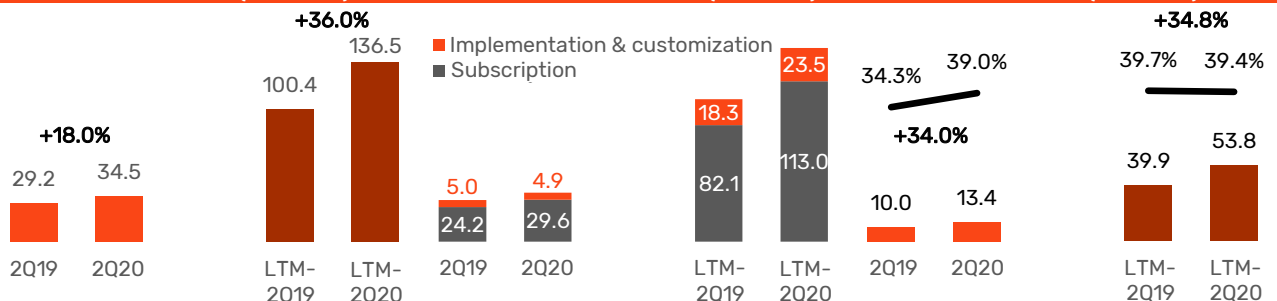
- **Net revenues from Implementation and Customization.** Reached R\$ 4.9 million **(-1.6% vs. 2Q19)**, 14% of this unit total, compared to R\$ 5.0 million in the same quarter last year, almost stable compared to 2Q19.

Software costs. Totaled R\$ 21.1 million **(+9.7% vs. 2Q19)** compared to R\$ 19.2 million in the same quarter last year, an increase of R\$ 1.9 million, of which R\$ 1.2 million organic and R\$ 0.7 million inorganic, mainly due to (I) the higher volume of ongoing implementations given the commercial performance of previous periods, costs estimated at R\$ 5.2 million (vs. R\$ 3.3 million in 2Q19) and which should remain strong until the end of the year, (II) higher investments in RD&I of R\$ 1.5 million (vs. R\$ 1.2 million in 2Q19) and (III) reduction in travel expenditures of R\$ 0.6 million.

Gross profit from Software. Reached R\$ 13.4 million **(+34.0% vs. 2Q19)** over R\$ 10.0 million in the same quarter last year, an increase of R\$ 3.4 million, of which R\$ 3.1 million organic and R\$ 0.3 million inorganic. The gross profit was impacted by the increase in the costs with implementation and RD&I mentioned above, of R\$ 2.2 million, whether not occurred would have represented a gross profit of R\$ 15.6 million, therefore 16.4% higher than the amount reported.

Gross margin from Software. Reached 39.0% **(+4.7 p.p. vs. 2Q19)** compared to 34.3% in the same quarter of the previous year, but still pressured by high implementations and investment costs in RD&I. Without this cost increase of R\$ 2.2 million, the gross margin would be 6.3 p.p. higher than the reported figure, reaching 45.3%.

Chart 3 - Software Unit
3A. Net Revenues (R\$ million) 3B. Revenues Breakdown (R\$ Million) 3C. Gross Profit (R\$ million)





Unidade de Serviços

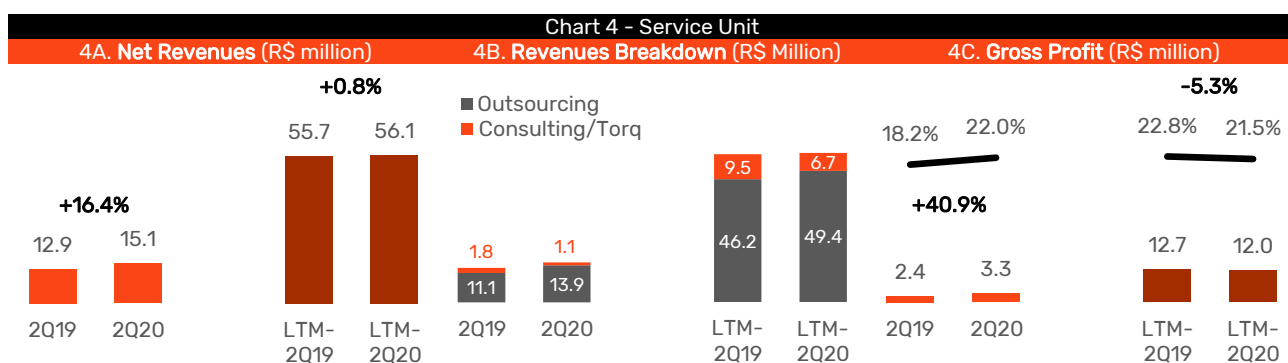
Net revenues from Services. Registered R\$ 15.1 million **(+16.4% vs. 2Q19)**, 30% of total net revenues, compared to R\$ 12.9 million in the same quarter of the previous year, with an increase in the recurring portion of Outsourcing and a reduction in the variable portion from Consulting/Torq (previously called "Projects"), focused on consulting and development of innovative products, detailed below:

- **Net revenues from Outsourcing.** Record high of R\$ 13.9 million **(+25.7% vs. 2Q19)**, 93% of this unit total, compared to R\$ 11.1 million in the same quarter last year, an increase of R\$ 2.8 million. This is notably due to the higher demand for digital transformation in medium-sized banks. It is worth mentioning that we made important sales in the quarter, whose hiring has grown gradually, with favorable prospects related to the search for agile teams (squads).
- **Net Revenues of Consulting/Torq.** It reached R\$ 1.1 million **(-39.5% vs. 2Q19)**, 7% of this unit total, compared to R\$ 1.8 million in the same quarter of the previous year, down R\$ 0.7 million due to the termination of consulting projects which were in progress, with no new entries due to the challenging scenario.

Service costs. Totalled R\$ 11.7 million **(+11.0% vs. 2Q19)** over R\$ 10.6 million in the same quarter last year, being R\$ 10.9 million in Outsourcing (vs. R\$ 8.8 million in 2Q19), with higher demand for squads that increase the headcount, and R\$ 0.8 million in Consulting/Torq (vs. R\$ 1.8 million in 2Q19) with projects conclusion.

Gross profit from Services. Reached R\$ 3.3 million **(+40.9% vs. 2Q19)** compared to R\$ 2.4 million in the same quarter last year, an increase of R\$ 0.9 million, of which R\$ 0.7 million related to the good performance in Outsourcing and R\$ 0.2 million from the Consulting/Torq, with strong cost reduction.

Gross margin from Services. Recorded 22.0% **(+3.8 p.p. vs. 2Q19)** versus 18.2% in the same quarter last year. The higher profitability is mainly explained by the better performance in both Outsourcing (+0.9 p.p. vs. 2Q19) and Consulting/Torq (+25.8 p.p. vs. 2Q19).



Costs, gross profit and expenses

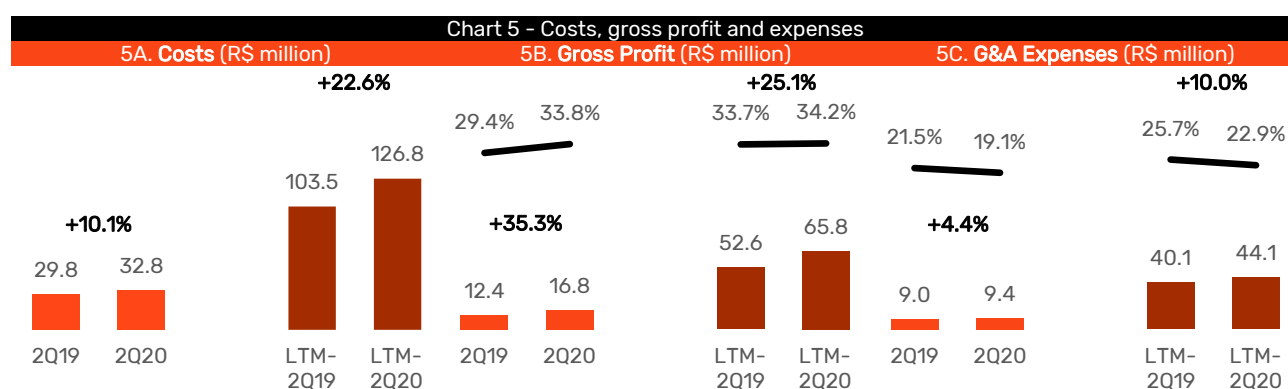
Total Costs. Reached R\$ 32.8 million **(+10.1% vs. 2Q19)** over R\$ 29.8 million in the same quarter last year, an increase of R\$ 3.0 million, explained by costs with Software Implementations (+R\$ 1.9 million vs. 2Q19), Services unit (+R\$ 1.1 million vs. 2Q19), RD&I (+R\$ 0.3 million vs. 2Q19), Stock & Info consolidation (+R\$ 0.7 million vs. 2Q19), travel (-R\$ 0.6 million vs. 2Q19) and overtime (-R\$ 0.4 million vs. 2Q19) reduction.

Total gross margin. Achieved R\$ 16.8 million **(+35.3% vs. 2Q19)** the second best figure in the Company's history, over R\$ 12.4 million in the same quarter last year, an increase of R\$ 4.4 million, of which R\$ 4.1 million was organic and R\$ 0.3 million inorganic. It is worth mention that, if we did not have implementation and RD&I costs of R\$ 2.2 million, the gross profit would be R\$ 19.0 million, 13.1% higher than the amount reported.



Total gross margin. Registered 33.8% (+4.4% vs. 2019), compared to 29.4% in the same quarter last year, notably the higher costs explained above still constrained the margin. If we did not have the increase in Software and RD&I implementation costs of R\$ 2.2 million, the gross margin would be 4.5 p.p. higher than reported, reaching 38.3%.

General and administrative expenses. Reached R\$ 9.4 million (+4.4% vs. 2019), compared to R\$ 9.0 million in the same quarter last year, an increase of R\$ 0.4 million, representing 19.1% of net revenues, the lowest percentage recorded (-2.4 p.p. vs. 2019). The overall increase in this line is due to higher expenses with external advisors in M&A projects; however, it is worth mentioning that the reduction as a proportion of revenues is mainly due to lower turnover, renegotiation of contracts with suppliers, and temporary suspension of expenses with events and travel, among others. Over the previous quarter, expenses decreased by R\$ 3.0 million (-6.5 p.p. vs. 1Q20), R\$ 1.2 million in smaller personnel expenses, lower provisioning volume of R\$ 0.7 million, drop in commissions of R\$ 0.2 million and in travel of R\$ 0.2 million. Some of these temporary suspensions will be converted into permanent gains.



Adjusted EBITDA and EBITDA²

Adjusted EBITDA. Record high of R\$ 7.4 million (+44.8% vs. 2019) compared to R\$ 5.1 million in the same quarter last year, an increase of R\$ 2.3 million related to the combination of record net revenues, gross margin increase in Software and Services and a drop in general and administrative expenses as a proportion of revenues. It is worth to highlight that profitability continues to be pressured by the increase in costs of R\$ 1.9 million with the implementation of software that, whether not occurred, would have brought the adjusted EBITDA to R\$ 9.3 million.

Adjusted EBITDA margin. Achieved 14.9% (+2.8 p.p. vs. 2019) versus 12.1% in the same quarter last year, due to record adjusted EBITDA. It is worth to highlight that profitability continues to be pressured by the increase in costs with software implementation above mentioned that, whether not occurred, would bring the adjusted EBITDA margin to 18.7%.

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



Table 1 - Reconciliation of EBITDA and Adjusted EBITDA

(R\$ '000)	2Q20	2Q19	Var. 2020/2Q19	1Q20	Var. 2020/1Q20	LTM- 2020	LTM- 2Q19	Var. LTM
Net Income	580	(3,578)	-	443	30.9%	2,363	(3,404)	-
(+) Income tax/social contribution	745	412	80.8%	(784)	-	(1,924)	789	-
(+) Financial result	415	3,014	-86.2%	(933)	-	618	5,044	-87.7%
(+) Depreciation/amortization	5,593	3,484	60.5%	4,596	21.7%	19,242	10,038	91.7%
EBITDA	7,333	3,332	120.1%	3,322	120.7%	20,299	12,467	62.8%
(+) Extraordinary expenses - earnout	-	-	-	-	-	1,384	3,247	-57.4%
(+) Extraordinary expenses - integration	42	288	-85.4%	32	31.3%	1,073	-	-
(+) Extraordinary expenses - new brand	-	-	-	-	-	-	-	-
(+) Extraordinary costs - integration	-	1,472	-	27	-	423	2,149	-80.3%
Adjusted EBITDA	7,375	5,092	44.8%	3,381	118.1%	23,179	18,402	26.0%
<i>Adj. EBITDA Margin</i>	<i>14.9%</i>	<i>12.1%</i>	<i>2.8 p.p.</i>	<i>7.0%</i>	<i>7.9 p.p.</i>	<i>12.0%</i>	<i>11.8%</i>	<i>0.2 p.p.</i>

EBT, net profit and adjusted cash earnings

EBT. Registered R\$ 1.3 million, compared to a negative R\$ 3.2 million in the same quarter last year, an increase of R\$ 4.5 million, as shown below:

- **Financial income, net.** Achieved negative R\$ 0.4 million compared to negative R\$ 3.0 million in the same quarter last year, an increase of R\$ 2.6 million, with growth in financial revenues (+R\$ 2.0 million vs. 2Q19) due to the improved cash position in the period, not offset by the reduction in financial expenses (-R\$ 0.6 million vs. 2Q19) mainly impacted by the present value adjustment of the last acquisitions' installments.
- **Depreciation and amortization.** Reached R\$ 5.6 million (**+60.5% vs. 2Q19**), over R\$ 3.5 million in the same quarter last year, an increase of R\$ 2.1 million, of which R\$ 3.9 million in amortization of intangibles (vs. R\$ 2.4 million in 2Q19) and R\$ 1.7 million in depreciation of fixed assets (vs. R\$ 1.1 million in 2Q19), an increase mainly related to buildings rights of use (IFRS 16).
- **Goodwill balance.** At the end of the quarter, the Company had a balance of accounting goodwill from past acquisitions of R\$ 97.5 million.

Net income. Totaled R\$ 0.6 million compared to a negative R\$ 3.6 million in the same quarter last year, increase of R\$ 4.2 million, with a high volume of extraordinary expenses of R\$ 1.8 million resulting from the acquisitions of Atena and ADSPrev.

Adjusted cash earnings. Reached R\$ 2.7 million compared to R\$ 8 thousand in the same quarter last year.

Table 2 - Reconciliation of Adjusted Cash Earnings

(R\$ '000)	2T20	2T19	Var. 2T20/2T19	1T20	Var. 2T20/1T20	LTM- 2T20	LTM- 2T19	Var. LTM
Net income	580	(3,578)	-	443	30.9%	2,363	(3,404)	-
(+) Extraordinary effects	42	1,760	-97.6%	59	-28.8%	2,880	5,935	-51.5%
Adjusted net income	622	(1,818)	-	502	23.9%	5,243	2,531	107.1%
(+) Acquisitions amortization	2,066	1,972	4.8%	2,866	-27.9%	10,819	6,381	69.6%
(+) Def. income tax/Social Contr.	(42)	(146)	-71.2%	(1,894)	-97.8%	(6,221)	(3,447)	80.5%
Adjusted Cash Earnings	2,646	8	32975.0%	1,474	79.5%	9,841	5,465	80.1%
<i>Adj. CE Margin</i>	<i>5.3%</i>	<i>0.0%</i>	<i>5.3 p.p.</i>	<i>3.0%</i>	<i>2.3 p.p.</i>	<i>5.1%</i>	<i>3.5%</i>	<i>1.6 p.p.</i>

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



Financial position

Gross cash. Presented a balance of R\$ 336.3 million **(-R\$ 4.6 million vs. 1Q20)** compared to R\$ 340.9 million in the previous quarter, a reduction mainly related to the settlement of financial contributions obtained from BNDES (-R\$ 9.8 million vs. 1Q20), despite reduction in accounts receivable of R\$ 6.5 million, with no impact from delinquency even in a challenging economic scenario.

Gross debt. Presented a balance of R\$ 76.1 million **(-R\$ 18.8 million vs. 1Q20)** compared to R\$ 94.9 million in the previous quarter, as detailed below.

- **Borrowings and financing (short and long terms).** Presented a balance of R\$ 45.9 million **(-R\$ 12.9 million vs. 1Q20)** compared to R\$ 58.8 million in the previous quarter, a reduction of R\$ 9.8 million due to the settlement of financial contributions obtained from BNDES and R\$ 3.1 million in the settlement of the debentures installments.
- **Liabilities arising from investment acquisitions (short and long terms).** Presented a balance of R\$ 30.3 million **(-R\$ 5.8 million vs. 1Q20)**, compared to R\$ 36.1 million in the previous quarter, a reduction mainly related to the payment of installments acquisitions of Softpar (May/19), Atena (Jan/19) and attps (Nov/16).

Net cash. Ended at R\$ 260.2 million **(+R\$ 14.2 million vs. 1Q20)** compared to R\$ 246.0 million in the previous quarter. The Company is capitalized on the new economic reality to follow its strategic investment plan.

Capital Markets

Stock performance. The Company's shares (Novo Mercado: SQIA3) ended the quarter quoted at R\$ 19.24 **(+22.4% vs. 1Q20)** against R\$ 15.72 in the previous quarter.

Market capitalization. Once the Company has 70.5 million common shares, the market capitalization by the end of 2Q20 was R\$ 1.4 billion compared to R\$ 1.1 billion in the previous quarter.

ADTV. Totaled R\$ 17.0 million in the quarter **(-33.1% vs. 1Q20)** compared to R\$ 25.4 million in the previous quarter.

Shareholder base. Reached 108.9 thousand shareholders **(+7.3% vs. 1Q20)** compared to 101.5 thousand in the previous quarter.

Free float. Ended the quarter in 83.2% **(+0.6 p.p. vs. 1Q20)** compared to 82.6% in the previous quarter due to the decrease in the number of treasury shares and acquisitions of 0.1 million shares by the Management.

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 on 30 June 2020.



ATTACHMENT – FINANCIAL STATEMENTS

I – Statement of Profit or Loss (Consolidated)

(R\$ '000)	2Q20	2Q19	Var. 2Q20/2Q19	1Q20	Var. 2Q20/1Q20	LTM- 2020	LTM- 2Q19	Var. LTM
Gross Revenues	55,824	47,239	18.2%	54,748	2.0%	216,852	174,955	23.9%
Software	38,852	32,680	18.9%	39,408	-1.4%	153,699	112,525	36.6%
Subscription	33,314	27,080	23.0%	32,839	1.4%	127,231	91,916	38.4%
Implementation	5,538	5,600	-1.1%	6,569	-15.7%	26,468	20,609	28.4%
Services	16,972	14,559	16.6%	15,340	10.6%	63,153	62,430	1.2%
Outsourcing	15,694	12,461	25.9%	13,468	16.5%	55,541	51,934	6.9%
Consulting/Torq	1,278	2,098	-39.1%	1,872	-31.7%	7,612	10,496	-27.5%
Sales taxes	(6,263)	(5,073)	23.5%	(6,126)	2.2%	(24,223)	(18,897)	28.2%
Software	(4,350)	(3,449)	26.1%	(4,429)	-1.8%	(17,195)	(12,136)	41.7%
Subscription	(3,719)	(2,836)	31.1%	(3,662)	1.6%	(14,188)	(9,865)	43.8%
Implementation	(631)	(613)	2.9%	(767)	-17.7%	(3,007)	(2,271)	32.4%
Services	(1,913)	(1,624)	17.8%	(1,697)	12.7%	(7,028)	(6,761)	3.9%
Outsourcing	(1,754)	(1,375)	27.6%	(1,483)	18.3%	(6,148)	(5,717)	7.5%
Consulting/Torq	(159)	(249)	-36.1%	(214)	-25.7%	(880)	(1,044)	-15.7%
Net Revenues	49,561	42,166	17.5%	48,622	1.9%	192,630	156,058	23.4%
Software	34,502	29,231	18.0%	34,979	-1.4%	136,505	100,389	36.0%
Subscription	29,595	24,244	22.2%	29,177	1.4%	113,044	82,051	37.8%
Implementation	4,907	4,987	-1.6%	5,802	-15.4%	23,461	18,338	27.9%
Services	15,059	12,935	16.4%	13,643	10.4%	56,125	55,669	0.8%
Outsourcing	13,940	11,086	25.7%	11,985	16.3%	49,393	46,217	6.9%
Consulting/Torq	1,119	1,849	-39.5%	1,658	-32.5%	6,732	9,452	-28.8%
Net Revenues	49,561	42,166	17.5%	48,622	1.9%	192,630	156,058	23.4%
Recurring	43,535	35,330	23.2%	41,162	5.8%	162,437	128,268	26.6%
Variable	6,026	6,836	-11.8%	7,460	-19.2%	30,193	27,790	8.6%
% of Recurrence	87.8%	83.8%	4.1 p.p.	84.7%	3.2 p.p.	84.3%	82.2%	2.1 p.p.
Costs	(32,800)	(29,782)	10.1%	(32,862)	-0.2%	(126,829)	(103,464)	22.6%
Software	(21,060)	(19,202)	9.7%	(21,970)	-4.1%	(82,743)	(60,511)	36.7%
Services	(11,740)	(10,580)	11.0%	(10,892)	7.8%	(44,086)	(42,953)	2.6%
Outsourcing	(10,957)	(8,809)	24.4%	(9,858)	11.1%	(39,554)	(36,240)	9.1%
Consulting/Torq	(783)	(1,771)	-55.8%	(1,034)	-24.3%	(4,532)	(6,713)	-32.5%
Gross profit	16,761	12,384	35.3%	15,760	6.4%	65,801	52,594	25.1%
Gross margin	33.8%	29.4%	4.4 p.p.	32.4%	1.4 p.p.	34.2%	33.7%	0.5 p.p.
Software	13,442	10,029	34.0%	13,009	3.3%	53,762	39,878	34.8%
Software gross mg.	39.0%	34.3%	4.7 p.p.	37.2%	1.8 p.p.	39.4%	39.7%	-0.3 p.p.
Services	3,319	2,355	40.9%	2,751	20.6%	12,039	12,716	-5.3%
Services gross mg.	22.0%	18.2%	3.8 p.p.	20.2%	1.9 p.p.	21.5%	22.8%	-1.4 p.p.
Outsourcing	2,983	2,277	31.0%	2,127	40.2%	9,839	9,977	-1.4%
Outsourcing gross mg.	21.4%	20.5%	0.9 p.p.	17.7%	3.7 p.p.	19.9%	21.6%	-1.7 p.p.
Consulting/Torq	336	78	330.8%	624	-46.2%	2,200	2,739	-19.7%
Consulting/Torq gross mg.	30.0%	4.2%	25.8 p.p.	37.6%	-7.6 p.p.	32.7%	29.0%	3.7 p.p.
Expenses	(15,040)	(12,530)	20.0%	(17,047)	-11.8%	(64,759)	(50,154)	29.1%
% of net revenues	30.3%	29.7%	0.6 p.p.	35.1%	-4.7 p.p.	33.6%	32.1%	1.5 p.p.
General/administrative	(9,447)	(9,046)	4.4%	(12,451)	-24.1%	(44,133)	(40,116)	10.0%
% of net revenues	19.1%	21.5%	-2.4 p.p.	25.6%	-6.5 p.p.	22.9%	25.7%	-2.8 p.p.
Other expenses	-	-	-	-	-	(1,384)	-	-
% of net revenues	0.0%	0.0%	0.0 p.p.	0.0%	0.0 p.p.	0.7%	0.0%	0.7 p.p.
Depreciation/amort.	(5,593)	(3,484)	60.5%	(4,596)	21.7%	(19,242)	(10,038)	91.7%
% of net revenues	11.3%	8.3%	3.0 p.p.	9.5%	1.8 p.p.	10.0%	6.4%	3.6 p.p.
EBIT	1,721	(146)	-	(1,287)	-	1,042	2,440	-57.3%
Financial result	(415)	(3,014)	-86.2%	933	-	(618)	(5,044)	-87.7%
Financial income	2,471	496	398.2%	3,653	-32.4%	11,676	1,952	498.2%
Financial expenses	(2,886)	(3,510)	-17.8%	(2,720)	6.1%	(12,294)	(6,996)	75.7%
EBT	1,306	(3,160)	-	(354)	-	424	(2,604)	-
Income tax/social contribution	(745)	(412)	80.8%	784	-	1,924	(789)	-
Current	(731)	(558)	31.0%	(1,110)	-34.1%	(4,241)	(4,236)	0.1%
Deferred	(14)	146	-	1,894	-	6,165	3,447	78.9%
Results after IT and SC	561	(3,572)	-	430	30.5%	2,348	(3,393)	-
Minority interest	19	(6)	-	13	46.2%	15	(11)	-
Net income	580	(3,578)	-	443	30.9%	2,363	(3,404)	-
Net margin	1.2%	-8.5%	9.7 p.p.	0.9%	0.3 p.p.	1.2%	-2.2%	3.4 p.p.



EBITDA	7,333	3,332	120.1%	3,322	120.7%	20,299	12,467	62.8%
EBITDA margin	14.8%	7.9%	6.9 p.p.	6.8%	8.0 p.p.	10.5%	8.0%	2.5 p.p.
(+) Extraordinary expenses	42	288	-85.4%	32	31.3%	2,457	3,786	-35.1%
(+) Extraordinary costs	-	1,472	-	27	-	423	2,149	-80.3%
Adjusted EBITDA	7,375	5,092	44.8%	3,381	118.1%	23,179	18,402	26.0%
Adj. EBITDA Margin	14.9%	12.1%	2.8 p.p.	7.0%	7.9 p.p.	12.0%	11.8%	0.2 p.p.

Net income	580	(3,578)	-	443	30.9%	2,363	(3,404)	-
(+) Extraordinary effects	42	1,760	-97.6%	59	-28.8%	2,880	5,935	-51.5%
Adjusted net income	622	(1,818)	-	502	23.9%	5,243	2,531	107.1%
(+) Acquisitions amortization	2,066	1,972	4.8%	2,866	-27.9%	10,819	6,381	69.6%
(+) Deferred income tax/Social cont.	(42)	(146)	-71.2%	(1,894)	-97.8%	(6,221)	(3,447)	80.5%
Adjusted Cash Earnings	2,646	8	32975.0%	1,474	79.5%	9,841	5,465	80.1%
Adj. CE Margin	5.3%	0.0%	5.3 p.p.	3.0%	2.3 p.p.	5.1%	3.5%	1.6 p.p.

II – Balance Sheet (Consolidated)

(R\$ '000)	06.30.2020	03.31.2020	Var.	06.30.2019	Var. YoY
ASSETS	605,953	608,760	-0.5%	280,165	116.3%
Current	366,837	379,092	-3.2%	59,839	513.0%
Cash and cash equivalents	336,293	340,917	-1.4%	25,289	1229.8%
Trade receivables	23,259	29,748	-21.8%	27,980	-16.9%
Advanced expenses	794	850	-6.6%	607	30.8%
Taxes and contributions recoverable	5,603	5,594	0.2%	4,859	15.3%
Other receivables	888	1,983	-55.2%	1,104	-19.6%
Non-current	239,116	229,668	4.1%	220,326	8.5%
Securities	4,244	4,244	0.0%	3,000	41.5%
Taxes and contributions recoverable	3,330	1,692	96.8%	-	-
Deposits in court	321	376	-14.6%	451	-28.8%
Deferred income tax and social contrib.	24,483	24,496	-0.1%	18,319	33.6%
Other receivables	159	159	0.0%	159	0.0%
Property and equipment	40,703	36,860	10.4%	37,781	7.7%
Intangible assets	165,876	161,841	2.5%	160,616	3.3%
LIABILITIES AND EQUITY	605,953	608,760	-0.5%	280,165	116.3%
Current	61,539	55,639	10.6%	40,797	50.8%
Loans and financing	13,542	18,286	-25.9%	6,820	98.6%
Leasing	5,387	2,815	91.4%	2,195	145.4%
Trade payables	3,055	4,509	-32.2%	2,687	13.7%
Advances from customers	2,140	3,083	-30.6%	2,814	-24.0%
Labor liabilities	16,718	16,069	4.0%	14,847	12.6%
Tax liabilities	3,374	3,115	8.3%	2,820	19.6%
Liabilities arising from invest. acquisition	17,323	7,762	123.2%	8,614	101.1%
Non-current	111,748	129,753	-13.9%	150,710	-25.9%
Loans and financing	32,344	40,480	-20.1%	57,481	-43.7%
Leasing	26,416	20,048	31.8%	24,642	7.2%
Tax liabilities	2,717	2,891	-6.0%	3,889	-30.1%
Provisions for legal proceedings	37,336	37,990	-1.7%	33,680	10.9%
Liabilities arising from invest. acquisition	12,935	28,344	-54.4%	31,018	-58.3%
Equity	432,666	423,368	2.2%	88,658	388.0%
Share capital	413,261	413,261	0.0%	50,561	717.4%
Treasury shares	(1,689)	(8,355)	-79.8%	-	-
Shares issue expenses	(23,931)	(23,789)	0.6%	-	-
Capital reserve	15,105	12,892	17.2%	12,578	20.1%
Earnings reserve	29,826	29,246	2.0%	25,512	16.9%
Total Equity of controlling shareholders	432,572	423,255	2.2%	88,651	387.9%
Non-controlling interests	94	113	-16.8%	7	1242.9%

Gross debt	76,144	94,872	-19.7%	103,933	-26.7%
Borrowings	45,886	58,766	-21.9%	64,301	-28.6%
Liabilities arising from invest. acquisition	30,258	36,106	-16.2%	39,632	-23.7%
Net debt (cash) position	(260,149)	(246,045)	5.7%	78,644	-
Net debt/Adj. EBITDA LTM	NA	NA		4.3x	

Sinqia S.A. and controlled entities

Quarterly Financial Report – ITR

June 30, 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 June 30, 2020, prepared in accordance with technical standard CPC 21 (R1), international standard IAS 34 applicable for interim financial reporting and Brazilian Securities Commission (CVM) applicable for this report.

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.

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Sinqia S.A. ("Company"), included in the Interim Financial Information Form - ITR, for the quarter ended June 30, 2020, which comprises the balance sheet as at June 30, 2020 and the income statement and statement of comprehensive income for the three- and six-month periods then ended and the statement of changes in equity and statement of cash flows for the six-month period then ended, including the explanatory notes.

The 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 interim financial information 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 Brazilian Securities Commission - CVM.

Other matters

Statements of value added

The aforementioned interim financial information includes the individual and consolidated statements of value added - DVA for the six-month period ended June 30, 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 DVA 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, August 11, 2020


DELOITTE TOUCHE TOHMATSU
Auditores Independentes


Fernando Augusto Lopes Silva
Engagement Partner

SINQIA S.A.
BALANCE SHEET ON JUNE 30, 2020 AND DECEMBER 31, 2019
(In thousands of reais, unless otherwise indicated)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>06.30.2020</u>	<u>12.31.2019</u>	<u>06.30.2020</u>	<u>12.31.2019</u>
ASSETS				
Current				
Cash and cash equivalents (Note 6)	320.196	352.703	336.293	364.985
Trade receivables (Note 7)	13.607	10.671	23.259	21.628
Advanced expenses	580	260	794	288
Taxes and contributions recoverable (Note 8)	2.609	2.308	5.603	4.357
Other receivables	339	279	888	1.782
Total current assets	337.331	366.221	366.837	393.040
Non-current				
Accounts receivable from related parties (Note 9)	4.440	4.459	-	-
Taxes and contributions receivable (Note 8)	2.852	-	3.330	-
Securities	4.244	4.244	4.244	4.692
Deposits in court (Note 16)	244	270	321	309
Deferred income tax and social contribution (Note 22)	18.105	12.989	24.483	22.602
Other receivables	159	159	159	159
Investments (Note 5)	126.455	115.928	-	-
Property and equipment (Note 10)	35.891	29.345	40.703	34.743
Intangible assets (Note 11)	27.787	24.084	165.876	164.447
Total non-current assets	220.177	191.478	239.116	226.952
Total assets	557.508	557.699	605.953	619.992

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

SINQIA S.A.
BALANCE SHEET ON JUNE 30, 2020 AND DECEMBER 31, 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
LIABILITIES				
Current				
Borrowings (Note 12)	13.542	15.503	13.542	15.503
Financial Lease (Note 24)	4.851	2.070	5.387	2.899
Trade payables	2.125	960	3.055	1.884
Advances from customers	987	1.912	2.140	4.635
Labor liabilities (Note 13)	10.347	8.787	16.718	14.236
Tax liabilities (Note 14)	1.127	753	3.374	1.972
Accounts payable with related parties (Note 9)	-	173	-	-
Liabilities arising from investment acquisition (Note 15)	7.973	7.182	17.323	10.404
Total current liabilities	40.952	37.340	61.539	51.533
Non-current				
Borrowings (Note 12)	32.344	45.230	32.344	45.230
Financial Lease (Note 24)	24.884	18.744	26.416	20.569
Accounts payable with related parties (nota 9)	2.157	1.985	-	-
Tax liabilities (Note 14)	2.271	103	2.717	3.462
Provisions for legal proceedings (Note 16)	19.714	15.532	37.336	37.798
Liabilities arising from investment acquisition (Note 15)	2.614	7.304	12.935	29.797
Total non-current liabilities	83.984	88.898	111.748	136.856
Equity (Note 17)				
Share capital	413.261	413.261	413.261	413.261
Treasury shares	(1.689)	-	(1.689)	-
Expenditure on the issue of shares	(23.931)	(23.789)	(23.931)	(23.789)
Capital reserve	15.105	13.186	15.105	13.186
Revenue reserves	29.826	28.803	29.826	28.803
Total equity of controlling shareholders	432.572	431.461	432.572	431.461
Non-controlling interest	-	-	94	142
Total equity	432.572	431.461	432.666	431.603
Total liabilities	557.508	557.699	605.953	619.992

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

SINQIA S.A.
STATEMENT OF INCOME FOR THE THREE AND SIX-MONTH PERIODS ENDED ON JUNE 30, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

	Controladora				Consolidado			
	01.01.2020	01.01.2019	04.01.2020	04.01.2019	01.01.2020	01.01.2019	04.01.2020	04.01.2019
	a	a	a	a	a	a	a	a
	06.30.2020	06.30.2019	06.30.2020	06.30.2019	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Net operating income (nota 18)	48.532	41.282	25.428	20.980	98.183	80.706	49.561	42.166
Cost of services rendered (Note 19)	(38.652)	(28.462)	(18.762)	(14.788)	(65.662)	(56.121)	(32.800)	(29.782)
Gross profit	9.880	12.820	6.666	6.192	32.521	24.585	16.761	12.384
General, administrative and selling (Note 20)	(24.445)	(14.047)	(12.480)	(6.209)	(32.087)	(27.450)	(15.040)	(12.530)
Equity in the results of subsidiaries (Note 5)	9.625	(2.255)	4.407	(579)	-	-	-	-
Operating income (loss) before finance result	(4.940)	(3.482)	(1.407)	(596)	434	(2.865)	1.721	(146)
Finance result, net (Note 21)	2.028	(4.202)	274	(2.959)	518	(4.299)	(415)	(3.014)
Income (loss) before income tax and social contribution	(2.912)	(7.684)	(1.133)	(3.555)	952	(7.164)	1.306	(3.160)
Current income tax and social contribution (Note 22)	-	-	-	-	(1.841)	(774)	(731)	(558)
Deferred income tax and social contribution (Note 22)	3.935	1.765	1.713	(23)	1.880	2.020	(14)	146
Income (loss) after income tax and social contribution	1.023	(5.919)	580	(3.578)	991	(5.918)	561	(3.572)
Non-controlling interest	-	-	-	-	32	(1)	19	(6)
Income (loss) for the period	1.023	(5.919)	580	(3.578)	1.023	(5.919)	580	(3.578)
Basic earnings (loss) per share – in Reais (Note 23)					0,015	(0,502)	0,009	(0,299)
Diluted earnings (loss) per share – in Reais (Note 23)					0,014	(0,499)	0,008	(0,300)

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

SINQIA S.A.
STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX-MONTH PERIODS ENDED ON JUNE 30, 2020 AND 2019
 (In thousands of reais, unless otherwise indicated)

	Controladora				Consolidado			
	01.01.2020 a 06.30.2020	01.01.2019 a 06.30.2019	04.01.2020 a 06.30.2020	04.01.2019 a 06.30.2019	01.01.2020 a 06.30.2020	01.01.2019 a 06.30.2019	04.01.2020 a 06.30.2020	04.01.2019 a 06.30.2019
Net profit (loss) for the year	1.023	(5.919)	580	(3.578)	1.023	(5.919)	580	(3.578)
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	1.023	(5.919)	580	(3.578)	1.023	(5.919)	580	(3.578)

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

SINQIA S.A. AND SUBSIDIARIES
June 30, 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 shareholders' 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	-	-	-	-	-	(5.918)	(5.918)	(1)	(5.919)
Capital decrease	-	-	-	-	-	-	-	(58)	(58)
Stock-based compensation (note 17)	-	123	-	-	-	-	123	-	123
Treasury shares sold	-	6.876	2.220	-	-	-	9.096	-	9.096
Balances on June 30, 2019	50.561	12.578	-	(1.952)	2.285	25.179	88.651	7	88.658

	Share capital	Capital reserve	Treasury shares	Expenses on issue of shares	Profit Reserves		Equity	Non-controlling interest	Consolidated shareholders' 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	-	-	-	-	-	1.023	1023	(32)	991
Capital decrease	-	-	-	-	-	-	-	(16)	(16)
Stock-based compensation (note 17)	-	(103)	-	-	-	-	(103)	-	(103)
Cost of issued shares	-	-	-	(142)	-	-	(142)	-	(142)
Purchase of treasury shares (note 17)	-	-	(8.355)	-	-	-	(8.355)	-	(8.355)
Treasury shares sold (note 17)	-	2.022	6.666	-	-	-	8.688	-	8.688
Balances on June 30, 2020	413.261	15.105	(1.689)	(23.931)	2.285	27.541	432.572	94	432.666

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

SINQIA S.A.
STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED ON
JUNE 30, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit (loss) for the year	1.023	(5.919)	1.023	(5.919)
Items not affecting cash				
Equity in the results of subsidiaries	(9.625)	2.255	-	-
Share-based compensation plan	(103)	123	(103)	123
Depreciation and amortization	6.438	4.682	10.183	6.321
Provision for legal claims	825	(1.426)	(245)	(1.679)
Estimated losses with doubtful accounts	-	(1)	-	95
Provision for bonuses and profit sharing	-	520	-	807
Result on write-offs	14	-	163	-
Interest and present value adjustments incurred	3.614	3.818	5.018	3.705
Provision for income tax and social contribution	(3.936)	(1.765)	(39)	(2.022)
Changes in assets and liabilities				
Trade receivables	(1.585)	(583)	(1.631)	(3.544)
Judicial deposits	26	(222)	(12)	(154)
Taxes and contributions recoverable	(3.153)	(1.493)	(4.576)	(2.307)
Other receivables	(380)	(391)	(119)	(513)
Trade payables	1.165	298	1.171	(101)
Labor liabilities	1.560	2.547	2.482	(1.100)
Tax liabilities	2.542	609	657	5
Legal claims paid	(318)	(65)	(375)	(639)
Receipts (payment) from related parties	18	(94)	-	(3)
Advancements	(925)	482	(2.495)	(2.170)
CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES				
	(2.800)	3.375	11.102	(9.095)
Income tax and social contribution paid	-	-	(1.841)	(1.538)
Interest on loans paid	(2.472)	(1.617)	(4.033)	(1.617)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES				
	(5.272)	1.758	5.228	(12.250)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment and Intangible Assets	(5.318)	(5.421)	(5.891)	(6.266)
Acquisition of companies, net of cash acquired	-	(35.215)	-	(31.884)
Amortization of liabilities arising from investment acquisition	(4.047)	(2.204)	(10.268)	(3.739)
Investment in securities	-	(3.000)	448	(3.000)
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES				
	(9.365)	(45.840)	(15.711)	(44.889)
CASH FLOWS FROM FINANCING ACTIVITIES				
Amortization of loans, financing and leases	(18.061)	(1.915)	(18.400)	(2.057)

SINQIA S.A. AND SUBSIDIARIES

June 30, 2020

(In thousands of reais, unless otherwise indicated)

Loans and financing	-	50.000	-	50.000
Dividends paid	-	(648)	-	(648)
Purchase of treasury shares	(8.355)	-	(8.355)	-
Treasury shares sold	8.688	9.096	8.688	9.096
Cost of issued shares	(142)	-	(142)	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	(17.870)	56.533	(18.209)	56.391
INCREASE IN CASH AND CASH EQUIVALENTS	(32.507)	12.451	(28.692)	(748)
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	320.196	17.490	336.293	25.289
INCREASE IN CASH AND CASH EQUIVALENTS	(32.507)	12.451	(28.692)	(748)

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

SINQIA S.A.
STATEMENTS OF VALUE ADDED FOR THE SIX-MONTH PERIODS ENDED ON
JUNE 30, 2020 AND 2019
(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
1 – REVENUE	54.526	46.317	110.572	90.569
1.1 - Sales of products and services	54.526	46.318	110.572	90.474
1.2 - Estimated losses with doubtful accounts - Reversal (Provision)	-	(1)	-	95
2 - INPUTS ACQUIRED FROM THIRD PARTIES (ICMS, IPI, PIS and COFINS)	(10.081)	(4.616)	(13.197)	(10.130)
2.1 - Costs of products and services sold	(4.014)	(2.835)	(5.659)	(4.583)
2.2 - Materials, electricity, outsourced services and other	(6.067)	(1.781)	(7.538)	(5.547)
3 - GROSS VALUE ADDED (1-2)	44.445	41.701	97.375	80.439
4 - DEPRECIATION AND AMORTIZATION	(6.438)	(4.682)	(10.183)	(6.321)
5 - NET VALUE ADDED GENERATED BY THE ENTITY (3-4)	38.007	37.019	87.192	74.118
6 - VALUE ADDED RECEIVED THROUGH TRANSFERS	15.532	(1.668)	6.124	867
6.1 - Equity in the results of subsidiaries	9.625	(2.255)	-	-
6.2 - Finance income	5.907	587	6.124	867
7 - TOTAL VALUE ADDED TO DISTRIBUTE (5+6)	53.539	35.351	93.316	74.985
8 - DISTRIBUTION OF VALUE ADDED	53.539	35.351	93.316	74.985
8.1 - Personnel	47.004	30.476	75.084	64.026
8.1.1 - Direct compensation and F.G.T.S	39.657	25.289	64.063	54.882
8.1.2 - Benefits	7.347	5.187	11.021	9.144
8.2 - Taxes, fees and contributions	2.056	5.037	12.349	9.769
8.2.1 – Federal	527	3.775	9.012	6.855
8.2.2 - Municipal	1.529	1.262	3.337	2.914
8.3 - Remuneration of third-party capital	3.456	5.757	4.860	7.109
8.3.1 - Interest	2.351	4.789	3.665	5.163
8.3.2 - Rentals	1.105	968	1.195	1.946
8.4 - Remuneration of own capital	1.023	(5.919)	1.023	(5.919)
8.4.1 – Profit (loss) for the year	1.023	(5.919)	991	(5.919)
8.4.2 - Non-controllers' share of retained earnings	-	-	32	-

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

NOTES ON THE QUARTERLY FINANCIAL REPORT ON JUNE 30, 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 August 11, 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

As for the dissemination of the new coronavirus ("COVID-19"), we adopted the measures disclosed in the Notice to the Market of 03/19/2020, as well as maintaining all the commitments assumed with our customers and we remain prepared to support them in facing this scenario.

Regarding the effects on Sinqia in the first half, we observe: (i) irrelevant effects on revenue, costs, gross profit and expenses, (ii) irrelevant effects on accounts receivable, and (iii) increased investment for acquisition of notebooks for the full home office.

Finally, we remained in a comfortable financial situation, with gross cash of R\$ 336.293 at the end of the semester.

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, issued on March 4, 2020.

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.

SINQIA S.A. AND SUBSIDIARIES
June 30, 2020
(In thousands of reais, unless otherwise indicated)

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 decrease	-	34.674	-	-	-	-	541	35.215
Equity pickup	(711)	(3.609)	1.084	982	-	-	-	(2.254)
Corporate reorganization (i)	-	-	-	(88)	-	(4.215)	(1)	(4.304)
Balance on June 30, 2019	2.796	53.025	5.430	894	3.454	40.005	1.134	106.738
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)
Equity pickup	3.921	5.994	-	-	-	-	(290)	9.625
Corporate reorganization (i)	-	-	(3.331)	4.383	-	-	-	1.052
Balance on June 30, 2020	6.948	69.923	2.724	2.559	3.454	40.003	844	126.455

(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	
					06.30.2020	12.31.2019	06.30.2020	06.30.2019
Senior Solution Serviços em Informática Ltda.	6.948	100%	-	3.921	6.948	3.027	3.921	(711)
Senior Solution Consultoria em Informática Ltda.	69.923	100%	-	5.994	69.923	63.929	5.994	(3.609)
Controlpart Consultoria e Participações Ltda.	N/A	N/A	2.724	-	2.724	6.055	-	1084
Consult Brasil. Ltda.	N/A	N/A	2.559	-	2.559	(1.824)	-	982
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.	937	90%	-	(322)	844	1.284	(290)	-
					126.455	115.928	9.625	(2.254)

Section E – Selected significant notes

6 CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Cash	-	-	-	1
Banks	299	512	1.917	1.474
Financial investments (i)	319.897	352.191	334.376	363.510
	320.196	352.703	336.293	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	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Invoiced amounts	6.328	5.888	13.566	14.068
Unbilled services (i)	7.380	4.884	9.851	7.718
(-)Estimated impairment losses receivables (ii)	(101)	(101)	(158)	(158)
	13.607	10.671	23.259	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 June 30, 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.

SINQIA S.A. AND SUBSIDIARIES
June 30, 2020
(In thousands of reais, unless otherwise indicated)

The aging analysis of trade receivables is as follows:

	Parent company		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Unbilled services	7.380	4.884	9.851	7.718
To be due	2.559	3.667	7.215	9.217
Overdue from 1 to 90 days	2.007	1.402	3.456	3.158
Overdue from 91 to 180 days	622	464	901	820
Overdue from 181 to 270 days	478	155	707	456
Overdue from 271 to 360 days	199	119	435	320
Overdue accounts - more than 360 days	463	81	852	97
	13.708	10.772	23.417	21.786

8 TAXES AND CONTRIBUTIONS RECOVERABLE

	Parent company		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
IRRF and IRPJ/CSLL to be offset (i)	5.460	2.228	8.869	4.015
PIS, COFINS and CS withheld at source (ii)	-	11	52	261
Other	1	69	12	81
Total	5.461	2.308	8.933	4.357
Current	2.609	2.308	5.603	4.357
Non-current	2.852	-	3.330	-

(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 June 30, 2020 and December 31, 2019:

Related parties	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)
	06.30.2020			12.31.2019		
Senior Solution Serviços em Informática Ltda.	-	2.157	-	-	169	2.517
ConsultBrasil Ltda.	-	-	-	-	631	-
Senior Solution Consultoria em Informática Ltda.	4.440	-	-	4.459	-	3.637
Controlpart Consultoria e Participações Ltda.	-	-	-	-	1.358	-
Non-current assets	4.440	-	-	4.459	-	-
Current liabilities	-	-	-	-	173	-
Non-current liabilities	-	2.157	-	-	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 and the transactions mainly refer to current accounts, with no impact on profit or loss.

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:

SINQIA S.A. AND SUBSIDIARIES

June 30, 2020

(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Salaries, fees and related charges	1.493	1.514	1.493	1.514
Benefits	137	223	137	223
Variable bonuses	348	452	348	452
	1.978	2.189	1.978	2.189

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 56,773.

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.

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

Date	Grants Number of options/shares	Exercise price in reais	Fair value of the shares in reais	Fair Value Assumptions			
				Expectation of:		Risk-free interest rate	Maturity
				Dividends	Volatility		
08/01/2018	177,716	7.38	19.24	0.23%	37.57%	4.50%	5 years

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	11.012	13,07
Canceled/expired	-	-
Balance on June 30, 2020	60.522	15,92

10 PROPERTY, PLANT AND EQUIPMENT

a) Opening of property, plant and equipment

	Useful life (years)	Cost	Accrued Depreciation	Parent company	
				06.30.2020	12.31.2019
				Net	Net
Facilities and improvements	9 – 10	7.266	(1.336)	5.930	5.276
Electrical appliances and materials	9 – 12	719	(345)	374	391
Furniture and fittings	9 – 12	3.054	(1.234)	1.820	1.479
Rights of use – lease	2 – 10	25.389	(3.591)	21.798	18.656
Computers and Peripherals	4 – 5	9.719	(3.750)	5.969	3.543
		46.147	(10.256)	35.891	29.345

	Useful life (years)	Cost	Accrued Depreciation	Consolidated	
				06.30.2020	12.31.2019
				Net	Net
Facilities and improvements	9 – 10	9.157	(2.147)	7.010	6.523
Electrical appliances and materials	9 – 12	822	(380)	442	463
Furniture and fittings	9 – 12	3.809	(1.714)	2.095	1.778
Rights of use - lease	2 – 10	28.902	(4.675)	24.227	21.336
Computers and Peripherals	4 – 5	12.868	(5.939)	6.929	4.643
		55.558	(14.855)	40.703	34.743

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

	Facilities and improvements	Electrical appliances and materials	Furniture and fittings	Rights of use - lease	Computers and Peripherals	Total
Balance on December 31, 2018	2.758	129	441	-	1.956	5.284
Additions	2.042	274	1.026	-	689	4.031
Additions related to corporate reorganization	344	22	70	-	207	643
Additions related to CPC 06 (R2)	-	-	-	22.348	-	22.348
Write-offs	(81)	-	-	-	-	(81)
Depreciation	(262)	(22)	(70)	(1.155)	(205)	(1.714)
Balance on June 30, 2019	4.801	403	1.467	21.193	2.647	30.511

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	Facilities and improvements	Electrical appliances and materials	Furniture and fittings	Rights of use - lease	Computers and Peripherals	Total
Balance on December 31, 2019	5.276	391	1.479	18.656	3.543	29.345
Additions	947	25	485	-	2.841	4.298
Additions related to CPC 06 (R2) (i)	-	-	-	4.602	-	4.602
Write-offs	(11)	-	-	-	(3)	(14)
Depreciation	(282)	(42)	(144)	(1.460)	(412)	(2.340)
Balance on June 30, 2020	5.930	374	1.820	21.798	5.969	35.891

(i) Additions related to CPC 06 (R2) refer to the right of use of new lease agreements entered into in the period, which include real estate.

c) **Changes in property, plant and equipment – Consolidated**

	Facilities and improvements	Electrical appliances and materials	Furniture and fittings	Rights of use - lease	Computers and Peripherals	Total
Balance on December 31, 2018	3.567	200	695	-	2.374	6.836
Additions	2.779	274	1.026	-	777	4.856
Additions related to corporate reorganization	349	326	55	-	1.200	1.930
Additions related to CPC 06 (R2) (i)	-	-	-	26.656	-	26.656
Write-offs	(81)	-	-	-	-	(81)
Depreciation	(611)	(25)	(96)	(1.398)	(286)	(2.416)
Balance on June 30, 2019	6.003	775	1.680	25.258	4.065	37.781

	Facilities and improvements	Electrical appliances and materials	Furniture and fittings	Rights of use - lease	Computers and Peripherals	Total
Balance on December 31, 2019	6.523	463	1.778	21.336	4.643	34.743
Additions	965	25	489	-	2.842	4.321
Additions related to CPC 06 (R2) (i)	-	-	-	4.690	-	4.690
Write-offs	(111)	(1)	-	-	(3)	(115)
Depreciation	(367)	(45)	(172)	(1.799)	(553)	(2.936)
Balance on June 30, 2020	7.010	442	2.095	24.227	6.929	40.703

(i) Additions related to CPC 06 (R2) refer to the right of use of new lease agreements entered into in the period, which include real estate.

11 INTANGIBLE ASSETS

a) Opening of the Intangible assets

	Useful life (years)	Cost	Accumulated Amortization and impairment	Parent company	
				06.30.2020	12.31.2019
				Net	Net
Software usage rights	5	6.174	(4.347)	1.827	1.487
Trademarks and patents	5-10	2.277	(1.192)	1.085	1.279
Acquired Software	5	6.860	(4.660)	2.200	2.814
Customer portfolio	10	20.241	(4.632)	15.609	16.151
Non-competition agreements	5	4.574	(4.098)	476	1.143
Development of new products(i)	-	6.301	(5.091)	1.210	1.210
Rights of use – lease	1-3	6.696	(1.316)	5.380	-
		53.123	(25.336)	27.787	24.084

	Useful life (years)	Cost	Accumulated Amortization and impairment	Consolidated	
				06.30.2020	12.31.2019
				Net	Net
Goodwill on acquisitions of subsidiaries	-	100.332	(2.860)	97.472	97.060
Acquired Software	5	8.412	(5.776)	2.636	2.080
Software usage rights	5-10	7.125	(1.743)	5.382	5.576
Customer portfolio	5	21.581	(12.252)	9.329	11.405
Non-competition agreements	10	53.198	(12.327)	40.871	42.448
Trademarks and patents	5	8.850	(5.254)	3.596	4.668
Development of new products(i)	-	6.301	(5.091)	1.210	1.210
Rights of use – lease	1-3	6.696	(1.316)	5.380	-
		212.495	(46.619)	165.876	164.447

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

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b) Changes in intangible assets – Parent Company

	Software usage rights	Trademarks and patents	Acquired Software	Customer portfolio	Non-competition agreements	Development of new products	Rights of use – lease	Total
Balance on December 31, 2018	436	1.611	3.696	14.730	2.287	1.189	-	23.949
Additions	1.371	-	-	-	-	19	-	1.390
Additions by corporate reorganization	450	114	700	3.416	-	-	-	4.680
Additions related to CPC 06 (R2)	-	-	-	-	-	-	-	-
Amortization	(450)	(280)	(756)	(911)	(571)	-	-	(2.968)
Balance on June 30, 2019	1.807	1.445	3.640	17.235	1.716	1.208	-	27.051
	Software usage rights	Trademarks and patents	Acquired Software	Customer portfolio	Non-competition agreements	Development of new products	Rights of use – lease	Total
Balance on December 31, 2019	1.487	1.279	2.814	16.151	1.143	1.210	-	24.084
Additions	1.020	-	-	-	-	-	-	1.020
Additions by corporate reorganization(i)	84	-	-	-	-	-	-	84
Additions related to CPC 06 (R2) (ii)	-	-	-	-	-	-	6.697	6.697
Amortization	(765)	(194)	(614)	(542)	(667)	-	(1.316)	(4.098)
Balance on June 30, 2020	1.826	1.085	2.200	15.609	476	1.210	5.381	27.787

(i) The increase in the corporate reorganization balance was due to the merger of Controlpart and Consult Brasil.

(ii) Additions related to CPC 06 (R2) refer to the right of use of new lease agreements entered into in the period, which include mainly servers.

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c) Changes in intangible assets – Consolidated

	Goodwill on acquisition of subsidiaries	Software usage rights	Trademarks and patents	Acquired Software	Customer portfolio	Non-competition agreements	Development of new products	Rights of use – lease	Total
Balance on December 31, 2018	54.209	1.003	5.909	4.979	22.520	2.289	1.210	-	92.119
Additions	-	1.405	-	-	-	-	-	-	1.405
Additions by acquisition	42.602	511	-	3.751	20.823	3.312	-	-	70.999
Write-offs	-	(2)	-	-	-	-	-	-	(2)
Amortization	-	(436)	(167)	(1.050)	(1.600)	(652)	-	-	(3.905)
Balance on June 30, 2019	96.811	2.481	5.742	7.680	41.743	4.949	1.210	-	160.616
	Goodwill on acquisition of subsidiaries	Software usage rights	Trademarks and patents	Acquired Software	Customer portfolio	Non-competition agreements	Development of new products	Rights of use – lease	Total
Balance on December 31, 2019	97.060	2.080	5.576	11.405	42.448	4.668	1.210	-	164.447
Additions	-	1.570	-	-	-	-	-	-	1.570
Additions by acquisition (i)	412	-	-	10	36	-	-	-	458
Additions related to CPC 06 (R2) (ii)	-	-	-	-	-	-	-	6.696	6.696
Write-offs	-	(15)	-	(33)	-	-	-	-	(48)
Amortization	-	(999)	(194)	(2.053)	(1.613)	(1.072)	-	(1.316)	(7.247)
Balance on June 30, 2020	97.472	2.636	5.382	9.329	40.871	3.596	1.210	5.380	165.876

(i) In the first quarter of 2020, there was an 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.

(ii) Additions related to CPC 06 (R2) refer to the right of use of new lease agreements entered into in the period, which include mainly servers.

12 LOANS AND FINANCINGS

	Financial charges	Maturity	Parent company		Consolidated	
			06.30.2020	12.31.2019	06.30.2020	12.31.2019
BNDES – nº 14209211 (i)	TJLP + 1.1% a.a.	12/15/2020	-	3.768	-	3.768
BNDES – nº 17203411018 (i)	TJLP + 2.0% a.a.	03/15/2024	-	7.256	-	7.256
Debentures (ii)	CDI+1.50%	02/22/2024	45.886	49.709	45.886	49.709
Total			45.886	60.733	45.886	60.733
Current			13.542	15.503	13.542	15.503
Non-current			32.344	45.230	32.344	45.230

- (i) These contracts were 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 under “Non-current assets”.

We demonstrate the movement of loans and financing below:

	Parent company	Consolidated
Balance on December 31, 2019	60.733	60.733
Interest incurred	1.633	1.633
Interest paid	(1.195)	(1.195)
Amortization (i)	(15.285)	(15.285)
Balance on June 30, 2020	45.886	45.886

(i) In the second quarter of 2020, due to the current market conditions, we carried out an early loan amortization of BNDES financing contracts No. 14209211 and No. 17203411018.

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

	Parent company	Consolidated
2020	6.605	6.605
2021	12.858	12.858
2022	12.444	12.444
2023	12.017	12.017
2024	1.962	1.962
Total	45.886	45.886

(a) **COVENANTS**

The BNDES financing contracts No. 14209211 and No. 17203411018 were 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	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
INSS/FGTS payable	3.333	1.574	4.970	2.917
IRRF on payroll	1.147	1.185	1.704	1.847
Vacation	5.522	5.519	9.318	8.857
Bonus Salary	143	-	304	-
Bonuses, commissions and profit sharing (i)	7	-	7	29
Other	195	509	415	586
	10.347	8.787	16.718	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	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
IR and CS payable	11	3	1.755	155
ISS payable	433	453	800	912
PIS/COFINS payable	339	274	402	419
Tax installments	2.570	103	3.074	3.904
Other taxes payable	45	23	60	44
Total	3.398	856	6.091	5.434
Current	1.127	753	3.374	1.972
Non-current	2.271	103	2.717	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	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Controlpart Acquisition	-	144	-	144
ConsultBrasil Acquisition	601	588	601	588
att/PS Informática Acquisition	9.986	13.754	9.986	13.754
Atena Acquisition	-	-	5.077	5.667
ADSPrev Acquisition	-	-	1.743	2.319
SoftPar Acquisition	-	-	12.353	17.233
Stock&Info Acquisition	-	-	498	496
Total	10.587	14.486	30.258	40.201
Current	7.973	7.182	17.323	10.404
Non-current	2.614	7.304	12.935	29.797

We demonstrate the movement of liabilities arising from investment acquisition below:

	Parent company		Consolidated	
	14.486		40.201	
Balance on December 31, 2019				
Interest incurred	718		2.032	
Interest paid	(570)		(1.707)	
Amortization	(4.047)		(10.268)	
Balance on June 30, 2020	10.587		30.258	

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

	Parent company		Consolidated	
	2020	5.294		4.742
2021	5.293		14.976	
2022	-		3.732	
2023	-		3.258	
After 2023	-		3.550	
Total	10.587		30.258	

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 as of June 30, 2020 and December 31, 2019:

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	Parent company		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Civil	12.429	12.079	13.461	13.650
Labor	2.428	1.690	11.233	12.017
Fiscal	4.857	1.763	12.642	12.131
	19.714	15.532	37.336	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 (i)	3.053	4.419
Additions for corporate reorganization (ii)	3.517	-
Payments	(318)	(375)
Interest and monetary restatement	158	158
Reversals	(2.228)	(4.664)
Balance on June 30, 2020	19.714	37.336

(i) Additions include new lawsuits and changes to amounts of lawsuits already recorded.

(ii) 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\$15,776 in the Parent Company on June 30, 2020 (on December 31, 2019 – R\$16,965) and R\$22,794 in the Consolidated on June 30, 2020 (on December 31, 2019 – R\$23,354). Additionally, the Company has judicial deposits, corresponding to R\$244 in the Parent Company on June 30, 2020 (on December 31, 2019 - R\$270) and R\$321 in the Consolidated on June 30, 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

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	06.30.2020		12.31.2019	
	Shares	%	Shares	%
SFA Investimentos Ltda.	5.733.600	8,13%	5.728.296	8,12%
HIX Investimentos Ltda.	5.640.796	8,00%	5.438.800	7,71%
Antonio Luciano de Camargo Filho	5.443.006	7,72%	5.327.212	7,55%
Bernardo Francisco Pereira Gomes	5.333.302	7,56%	5.316.344	7,54%
BB DTVM S.A.	-	-	3.552.540	5,03%
Treasury shares	133.468	0,19%	-	0,00%
Other shareholders	48.264.640	68,40%	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 and in the six-month period ended June 30, 2020, no dividends or interest on capital were distributed for the year.

17.3 Capital reserve

The capital reserves balance at June 30, 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 fluctuation of R\$103 in equity.

b) 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

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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 March, 660,400 shares were acquired for R\$8,355 and, in April, there was a partial sale of shares for R\$8,688, the proceeds of which were recorded under "Capital reserve".

18 NET OPERATING REVENUE

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Consulting and Projects	2.801	492	3.150	4.965
Outsourcing	9.901	10.442	29.162	25.054
Software	41.824	35.384	78.260	60.446
Gross service revenue	54.526	46.318	110.572	90.465
ISS	(1.530)	(1.261)	(3.337)	(2.913)
PIS and COFINS	(1.999)	(1.690)	(4.075)	(3.321)
Employer's INSS	(2.465)	(2.085)	(4.977)	(3.525)
Taxes on sales	(5.994)	(5.036)	(12.389)	(9.759)
Consulting and Projects	2.450	234	2.777	4.397
Outsourcing	8.820	9.303	25.925	22.295
Software	37.262	31.745	69.481	54.014
Net operating revenue	48.532	41.282	98.183	80.706

The average tax rate levied on sales in the year was 11.20% in the Consolidated (10.79% on June 30, 2019), comprising PIS/PASEP, COFINS, Tax on Services of Any Kind (ISSQN) and employer's INSS.

19 COST OF SERVICES PROVIDED

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Third-party services	2.314	2.009	3.307	4.074
Personnel, charges and benefits	34.640	24.875	60.002	49.795
Other costs	1.698	1.578	2.353	2.252
	38.652	28.462	65.662	56.121

20 GENERAL, ADMINISTRATIVE AND SELLING EXPENSES

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Third-party services	1.964	895	2.372	1.813
Personnel, charges and benefits	9.314	5.119	12.520	12.818
Commissions	1.011	512	1.251	855
Rentals, insurance, condominium fees and other	986	968	1.422	1.946
Additional (reversal) provision for bonuses and profit sharing	376	520	419	807
Additional (reversal) provision for legal claims	825	(1.426)	(245)	(1.679)
Energy, communications and other	782	407	944	583
Consultants, lawyers and auditors	1.699	1.168	1.878	1.989
Publicity and advertising	398	621	405	738
Transportation and lodging	162	267	216	641
Other expenditures	490	314	722	618
Depreciation and amortization	6.438	4.682	10.183	6.321
	24.445	14.047	32.087	27.450

21 FINANCIAL INCOME, NET

	Parent company		Consolidated	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Financial expenses:				
Investment Acquisition Interest	(718)	(827)	(2.032)	(1.048)
Interest on loans	(1.633)	(2.938)	(1.633)	(2.919)
Bank expenses	(204)	(128)	(185)	(168)
Adjustment to present value	(1.105)	(808)	(1.195)	(935)
IOF expenses	(18)	(26)	(31)	(52)
Expenses with debentures issuance	(158)	-	(158)	-
Other financial expenses	(28)	(63)	(329)	(45)
Installments	(15)	-	(43)	-
Finance income:				
Income from financial investments	5.861	502	6.011	721
Interest income	1	2	14	5
Other financial income	45	84	99	142
	2.028	(4.202)	518	(4.299)

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.

a) Current and deferred income tax

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

	Parent company	
	06.30.2020	06.30.2019
Loss before taxes	(2.912)	(7.684)
Income (loss) tax at the statutory rate (34%)	990	2.612
Adjustments for calculation at the effective rate :		
Equity in the results of subsidiaries	3.273	(766)
Amortization of intangible capital gains	-	(164)
Cost of issued shares	48	
Other permanent differences	(376)	83
Credit at the effective rate	3.935	1.765
Income tax and deferred social contribution	3.935	1.765

	Consolidated	
	06.30.2020	06.30.2019
Income (loss) before taxes	952	(7.164)
Income (loss) tax at the statutory rate (34%)	(324)	2.435
Adjustments for calculation at the effective rate :		
Equity in the results of subsidiaries	(12)	(319)
Estimated profit in subsidiaries (i)	-	(151)
Cost of issued shares	48	-
Other permanent differences	327	(719)
Credit (expense) at the effective rate	39	1.246
Income tax and current social contribution	(1.841)	(774)
Income tax and deferred social contribution	1.880	2.020

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

b) Deferred income tax and social contribution assets

Breakdown of deferred income tax and social contribution:

	Parent company		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Non-current assets				
Tax loss and negative basis	14.639	9.941	17.918	13.989
Allowance for doubtful accounts	34	46	54	75
Provision for contingencies and other liabilities (i)	6.703	5.281	12.694	12.684
Goodwill arising from business combination	(3.941)	(2.572)	(6.609)	(3.546)
Other provisions	399	64	335	125
Financial Lease	271	732	91	681
Unbilled services	-	(503)	-	(1.406)
	18.105	12.989	24.483	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	314	3.602
2021	3.846	8.023
2022	4.312	8.446
2023	4.565	4.412
2024	4.011	-
2025	1.057	-
Total	18.105	24.483

23 EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share is made by dividing profit or loss 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:

SINQIA S.A. AND SUBSIDIARIES
June 30, 2020
(In thousands of reais, unless otherwise indicated)

	Parent company and Consolidated	
	06.30.2020	06.30.2019
Earnings per share		
Numerator		
Profit (loss) for the period attributed to the Company's shareholders	1.023	(5.919)
Denominator		
Weighted average number of outstanding common shares	70.292.259	11.787.203
Earnings per share (R\$)	0,015	(0,502)

	Parent company and Consolidated	
	06.30.2020	06.30.2019
Earnings per share - diluted		
Numerator		
Profit (loss) for the period attributed to the Company's shareholders	1.023	(5.919)
Denominator		
Weighted average number of common shares outstanding	70.292.259	11.787.203
Potential increase in common shares due to stock option plan and restricted shares	309.406	78.444
Earnings per share – diluted (R\$)	0,014	(0,499)

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	
		06.30.2020	12.31.2019	06.30.2020	12.31.2019
Belo Horizonte Office	31/12/2028	4.396	4.581	4.396	4.581
São Paulo 1 Office	01/07/2028	12.127	12.668	12.127	12.668
São Paulo 2 Office	11/10/2028	3.046	3.275	3.046	3.276
São Paulo 3 Office	01/08/2028	4.442	-	4.442	-
TORQ Office	11/10/2028	-	-	1.576	1.423
Curitiba Office	02/09/2021	-	-	509	1.230
Morumbi Office	28/10/2020	250	290	250	290
Servers and other assets	31/12/2022 e 2023	5.474	-	5.457	-
Total		29.735	20.814	31.803	23.468
Current		4.851	2.070	5.387	2.899
Non-current		24.884	18.744	26.416	20.569

SINQIA S.A. AND SUBSIDIARIES
June 30, 2020
(In thousands of reais, unless otherwise indicated)

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	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Real flow discounted at nominal rate				
Leasing liabilities	37.913	27.899	40.539	31.151
Adjustment to present value	(8.178)	(7.085)	(8.736)	(7.683)
	29.735	20.814	31.803	23.468
Nominal flow discounted at nominal rate				
Leasing liabilities	39.292	31.917	42.540	35.784
Adjustment to present value	(8.306)	(8.457)	(8.848)	(9.200)
	30.986	23.460	33.692	26.584

We demonstrate the movement of leases below:

	Parent Company	Consolidated
	20.814	23.468
Balance on December 31, 2019		
Additions	11.299	11.386
Interest incurred	1.105	1.195
Interest paid	(707)	(1.131)
Amortization	(2.776)	(3.115)
Balance on June 30, 2020	29.735	31.803

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	
	06.30.2020	06.30.2019	06.30.2020	06.30.2019
Recognition of lease assets	11.299	22.348	11.387	26.642
Recognition of lease liabilities	(11.299)	(22.348)	(11.387)	(26.642)
Retained Installment in Payment for Acquisition of Investments	-	-	-	(23.251)
Assets acquired through business combination	-	-	-	8.140

SINQIA S.A. AND SUBSIDIARIES
June 30, 2020
(In thousands of reais, unless otherwise indicated)

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>06.30.2020</u>	<u>06.30.2019</u>	<u>06.30.2020</u>	<u>06.30.2019</u>
Liabilities acquired through business combination	-	-	-	(8.140)
Torq's capital decrease	166	-	166	-

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 half 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

On August 4, 2020, the Company communicated the Material Fact referring to the signing of the Purchase and Sale Agreement to directly acquire 100% of the capital of Itaú Administração Previdenciária Ltda., Which includes all the operations of Itaú Soluções Social Security ("ISP").

The acquisition price will be R\$ 82.0 million, consisting of a cash installment of R \$ 33.6 million, to be paid at closing, and an installment of R\$ 48.4 million, to be paid in cash. 5 annual installments from the 1st anniversary of the closing.

The signing of the Agreement was authorized by the Company's Board of Directors, under the terms of Article 12, paragraph "n", of the Bylaws, and the closing of the transaction will be subject to compliance with the usual conditions for this type of operation, under the terms established in the contract.