



# T4F TIME FOR FUN

## 2018 Earnings Release

### **T4F Entretenimento S.A.**

B3: SHOW3

Closing on December 31, 2018: R\$7.38  
2018 Average Volume: 189.1 thousand  
(0.54% of the free float)  
Price on February 27, 2019: R\$7.40  
Market Cap: R\$499.5 million

### **Earnings Presentation through webcast**

[www.t4f.com.br/ri](http://www.t4f.com.br/ri)

**Date: February 28, 2019**

#### **English**

09:00 a.m. (US ET) | 11:00 a.m. (BR)

#### **Portuguese**

08:00 a.m. (US ET) | 10:00 a.m. (BR)

Sao Paulo, February 27, 2019 – T4F Entretenimento S.A. (“T4F” or “Company”) (B3: SHOW3), leading live entertainment company in South America, announces the audited results for the 2018 fiscal year. The financial and operational information herein were prepared according to International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil.

## 2018 Highlights

- T4F announces association with Popload, music and culture platform and promoter of the Popload Festival;
- 1.9 million tickets sold and net revenue of R\$598.4 million;
- Gross profit of R\$96.9 million (-28% vs. 2017);
- Expense of R\$64.8 million (-3% vs. 2017);
- EBITDA of R\$37.4 million (-50% vs. 2017); and
- Net Income of R\$10.6 million (-77% vs. 2017).

Financial Indicators (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Net Revenue	652.9	598.4	-8%	211.2	223.7	6%
Events Promotion	406.6	410.7	1%	141.6	167.2	18%
Live Music	355.1	369.5	4%	130.1	149.3	15%
Family Events and Theater	39.8	29.8	-25%	6.4	14.2	123%
Sports Events	11.6	11.4	-2%	5.1	3.6	-30%
Ticketing, F&B and Venues Operation	153.8	95.9	-38%	35.9	35.6	-1%
Sponsorship	92.5	91.8	-1%	33.7	21.0	-38%
Events Promotion	74.7	80.6	8%	30.1	18.1	-40%
Ticketing, F&B and Venues Operation	17.8	11.2	-37%	3.6	2.9	-20%
Cost	(518.2)	(501.5)	-3%	(174.7)	(205.0)	17%
Gross Profit	134.7	96.9	-28%	36.5	18.7	-49%
<i>Gross Margin (%)</i>	20.6%	16.2%	-4.4 p.p.	17.3%	8.4%	-8.9 p.p.
SG&A	(66.6)	(64.8)	-3%	(15.5)	(18.8)	21%
EBITDA	75.0	37.4	-50%	22.8	1.1	-95%
<i>EBITDA Margin (%)</i>	11.5%	6.3%	-5.2 p.p.	10.8%	0.5%	-10.3 p.p.
Financial Result	1.7	(4.4)	n.a.	0.2	(9.2)	n.a.
Net Income	45.3	10.6	-77%	19.0	(12.8)	n.a.
<i>Net Margin (%)</i>	6.9%	1.8%	-5.2 p.p.	9.0%	-5.7%	-14.7 p.p.
Operational Indicators	2017	2018	Chg. %	4Q17	4Q18	Chg. %
<b>Live Music</b>						
Events Promoted	301	261	-13%	88	90	2%
Tickets Sold (000)	1,557	1,642	5%	539	652	21%
Average Ticket Price (R\$)	223	217	-3%	241	223	-7%
<b>Family Events and Theater</b>						
Events Promoted	453	195	-57%	132	87	-34%
Tickets Sold (000)	394	229	-42%	65	122	87%
Average Ticket Price (R\$)	120	142	18%	106	144	37%
<b>Total</b>						
Events Promoted	754	456	-40%	220	177	-20%
Tickets Sold (000)	1,951	1,870	-4%	604	774	28%
Average Ticket Price (R\$)	202	207	3%	226	210	-7%

## Message from the Management

The year of 2018 was quiet challenging for the live entertainment market, especially in our two largest markets, Brazil and Argentina.

In Brazil, we were affected by the occasions of the Truck Drivers' Strike, followed by the World Cup, and, in the second half of the year, by the strong polarization of the elections, which concentrated the attentions of the media and, consequently, of our audience. This sequence of events generated a very adverse environment for tickets sales, mainly in live music, intensified by a reduced artist flow to the region, especially from the second quarter of 2018 on.

In Argentina, the crisis also negatively affected our business, mainly in the outdoor live music segment, as the tours we promoted had a much lower demand for tickets than in previous years. It is important to highlight that the accounting standards adopted from 2018 onwards also had impact in our results, especially in the last quarter in which the hyperinflation adjustment of the balance sheet generated a negative effect of R\$10.5 million in our financial result, and, therefore, in our net result.

Considering this scenario, we registered net revenue of R\$598 million in 2018 with 1.9 million tickets sold, and EBITDA of R\$37.4 million, close to the guidance review we reported in our third quarter results webcast.

We believe that the year of 2018 was atypically affected by the negative mood in our main market and that from 2019, with a better macroeconomic scenario, we will return to our historical levels of activity in both operational and financial terms. In addition, we are focusing in our strategy of investing in projects with greater potential both for sponsorship and for the generation of a higher recurrence in revenue and results.

As part of this movement, we announce the association with Popload, a 13-year pop and culture platform that has been promoting the annual Popload Festival since 2013 in Sao Paulo with several national and international attractions, which included Lorde, Blondie, MGMT, Phoenix, Tame Impala and Iggy Pop. We believe that this association presents significant growth potential for the next editions of the festival, both in terms of box office and sponsorship.

In addition to Popload, we expect to announce in the medium term new associations and acquisitions that will contribute to a greater level of results recurrence for the Company, mainly in the segments of (i) festivals, which also have high potential for sponsorship sales, given the experience and interaction with the brands that they provide, and (ii) ticketing companies, in which there is the possibility of consolidation of the sector that is currently pulverized with several regional leaderships.

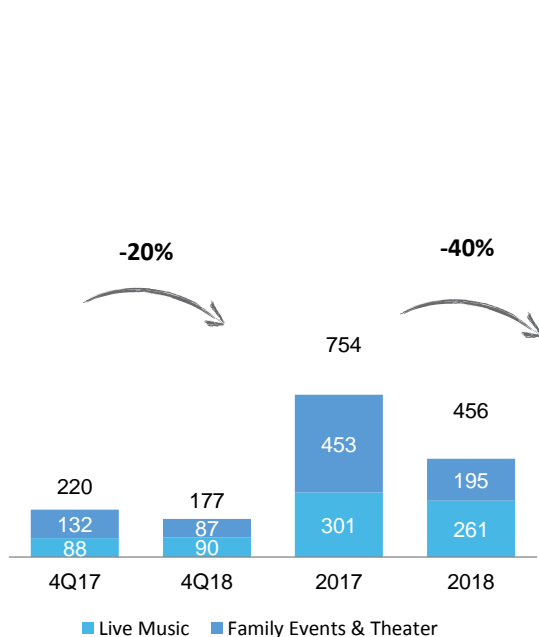
As a result, combining our medium-long term strategy with a positive macroeconomic outlook, we are confident that our results will grow again in a sustainable manner.

**Fernando Alterio**  
CEO

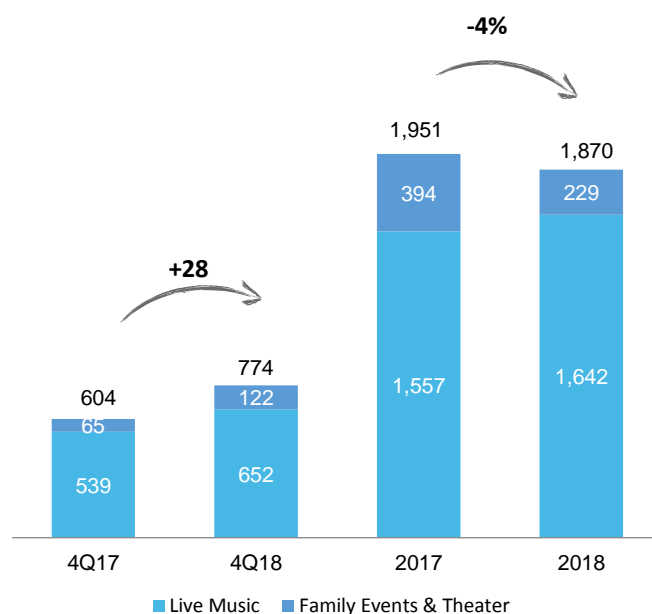
We report below comments on the financial statements related to the year ended on December 31, 2018. We recommend reading this material together with the Financial Statements ("DFP").

## Comments on the Consolidated Financial Performance

### # Events



### Tickets Sold (000)



## Operating Indicators

In 2018, we promoted 456 live music, theater and family events with 1.9 million tickets sold, which represented a decrease of 40% and 4% from 2017, respectively.

In live music, we promoted 261 concerts with 1.6 million ticket sold. Due to the mix of events of the year, the number of shows decreased 13%, while the number of tickets sold increased 5%. The promotion of a lower number of shows is a consequence of the reduced activity in indoor events, mainly in June and July due to the World Cup, while the increase in the number of tickets sold reflects the promotion of more outdoor concerts in 2018 versus 2017. It is important to remember that, as we had previously explained, in 2018 we were impacted by a reduction in the demand for live music tickets from June, which we believe is a consequence of the events of the Truck Drivers' Strike (Brazil), followed by the World Cup, the crisis in Argentina and the strong polarization of the elections in Brazil.

In family and theater, we held 195 events with 229 thousand tickets sold. The reduction of 57% in the number of events and of 42% in the number of tickets sold is due mainly to the fact that while in 2017 we promoted the musical *Les Misérables* from March to December and the musical *2 Filhos de Francisco* from October to December, in 2018 we started to present the musical *The Phantom of the Opera* only in August. Besides, in the family segment, in 2018 we promoted only the show *Fuerza Bruta* while in 2017 we held the shows *Fuerza Bruta*, *Disney on Ice*, *Circus of China*, *Harlem Globetrotters* and *Masters of Illusion*.

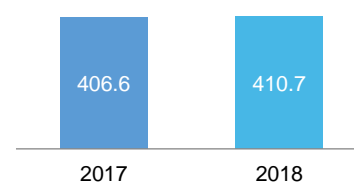
## Net Revenue

Net Revenue (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Events Promotion	406.6	410.7	1%	141.6	167.2	18%
Live Music	355.1	369.5	4%	130.1	149.3	15%
Family Events and Theater	39.8	29.8	-25%	6.4	14.2	123%
Sports Events	11.6	11.4	-2%	5.1	3.6	-30%
Ticketing, F&B and Venues Operation	153.8	95.9	-38%	35.9	35.6	-1%
Sponsorship	92.5	91.8	-1%	33.7	21.0	-38%
Events Promotion	74.7	80.6	8%	30.1	18.1	-40%
Ticketing, F&B and Venues Operation	17.8	11.2	-37%	3.6	2.9	-20%
<b>TOTAL</b>	<b>652.9</b>	<b>598.4</b>	<b>-8%</b>	<b>211.2</b>	<b>223.7</b>	<b>6%</b>

In 2018, net revenue totaled R\$598.4 million, down 8% from 2017. In 4Q18, net revenue increased 6% from 4Q17, reaching R\$223.7 million.

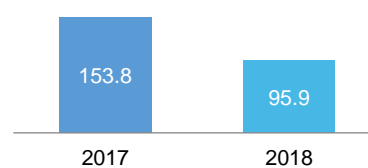
Net revenue in event promotion totaled R\$410.7 million in 2018, practically in line with 2017. The reduction in the family and theater segment was offset by an increase in live music revenue, due to a higher number of outdoor concerts in 2018. In 4Q18, revenue increased 18% as a consequence of the good sales performance of the musical *The Phantom of the Opera* and the promotion of a higher number of outdoor shows compared to 4Q17.

**Events Promotion**  
R\$ mn



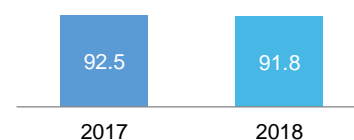
Net revenue of ticketing, F&B and venues operation decreased 38% in 2018, as a result of less activity in event promotion, but mainly due to the lower tickets sales for live music events. In 4Q18, net revenue remained in line with 4Q17.

**Ticketing, F&B and Venues Operation**  
R\$ mn



Net revenue of sponsorship totaled R\$91.8 million in 2018, in line with 2017. The lower performance in ticketing, F&B and venues operation was offset by the growth in event promotion. In 4Q18, sponsorship revenue reduced 38%, as a result of lower number of sales openings versus 4Q17, when the pre-sales sponsorships are registered.

**Sponsorship**  
R\$ mn



### Gross Profit

Gross Profit (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Events Promotion	(1.3)	(24.4)	1750%	(9.9)	(18.0)	82%
Ticketing, F&B and Venues Operation	43.5	29.5	-32%	12.6	15.7	25%
Sponsorship	92.5	91.8	-1%	33.7	21.0	-38%
<b>Gross Profit</b>	<b>134.7</b>	<b>96.9</b>	<b>-28%</b>	<b>36.5</b>	<b>18.7</b>	<b>-49%</b>
<i>Gross Margin (%)</i>	<i>20.6%</i>	<i>16.2%</i>	<i>-4.4 p.p.</i>	<i>17.3%</i>	<i>8.4%</i>	<i>-8.9 p.p.</i>

Gross profit reached R\$96.9 million in 2018 versus R\$134.7 million in 2017, impacted by the performance below our expectations in tickets sales to the live music content presented in 2018.

### Operating Expenses (Revenue)

SG&A (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Sales	(1.5)	(1.2)	-18%	(0.5)	(0.3)	-38%
General and Administrative	(61.0)	(58.8)	-4%	(14.6)	(17.4)	19%
Management Compensation	(8.9)	(9.7)	8%	(2.2)	(1.9)	-15%
<b>SG&amp;A</b>	<b>(71.4)</b>	<b>(69.7)</b>	<b>-2%</b>	<b>(17.4)</b>	<b>(19.6)</b>	<b>13%</b>
Other Operating Revenues (Expenses)	4.8	4.9	4%	1.9	0.8	-59%
<b>Total</b>	<b>(66.6)</b>	<b>(64.8)</b>	<b>-3%</b>	<b>(15.5)</b>	<b>(18.8)</b>	<b>21%</b>
<i>% Total/Net Revenue</i>	<i>10.2%</i>	<i>10.8%</i>	<i>0.6 p.p.</i>	<i>7.3%</i>	<i>8.4%</i>	<i>1.1 p.p.</i>

SG&A expenses decreased 2% compared to 2017. Adding other operating revenues (expenses), the reduction was of 3%.

### EBITDA

EBITDA Reconciliation (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
<b>Net Result</b>	<b>45.3</b>	<b>10.6</b>	<b>-77%</b>	<b>19.0</b>	<b>(12.8)</b>	<b>n.a.</b>
(+) Income Tax and Social Contribution	24.6	17.2	-30%	2.3	3.5	55%
(+) Net Financial Result	(1.7)	4.4	n.a.	(0.2)	9.2	n.a.
(+) Depreciation	6.9	5.3	-24%	1.8	1.2	-34%
<b>=EBITDA</b>	<b>75.0</b>	<b>37.4</b>	<b>-50%</b>	<b>22.8</b>	<b>1.1</b>	<b>-95%</b>
<i>EBITDA Margin (%)</i>	<i>11.5%</i>	<i>6.3%</i>	<i>-5.2 p.p.</i>	<i>10.8%</i>	<i>0.5%</i>	<i>-10.3 p.p.</i>

As a consequence of the aforementioned reasons, EBITDA in 2018 amounted to R\$37.4 million versus R\$75.0 million in 2017.

In 4Q18, EBITDA totaled R\$1.1 million versus R\$22.8 million in 4Q17.

## Financial Result

Financial Result (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Financial Income	15.2	11.0	-28%	4.7	2.6	-45%
Interest Income	3.0	2.3	-22%	0.9	1.9	115%
Income over Financial Investments	12.0	7.6	-37%	3.8	(0.3)	n.a.
Others	0.2	1.0	460%	0.0	1.0	2894%
Financial Expenses	(14.6)	(21.4)	46%	(4.1)	(16.3)	298%
Interest Cost	(5.3)	(0.2)	-97%	(2.3)	0.4	n.a.
Interests with Borrowings - Debentures	(4.2)	(1.0)	-76%	(0.6)	0.3	n.a.
Losses with Swap Operations	(0.7)	(0.7)	-2%	-	(0.3)	n.a.
Tax on Financial Transactions	(3.1)	(2.3)	-26%	(0.8)	(1.0)	25%
Taxes and Others	(1.5)	(17.3)	1085%	(0.3)	(15.7)	5140%
Exchange Variance	1.1	6.0	427%	(0.4)	4.5	n.a.
Net Financial Result	1.7	(4.4)	n.a.	0.2	(9.2)	n.a.

In 2018, net financial result was negative in R\$4.4 million, versus positive R\$1.7 million in 2017. The result was impacted by the new accounting standard on hyperinflation in Argentina which, as from 2018, adjusts the balance sheet by the inflation of the period and its effects are reflected in the financial result. Without the effect of hyperinflation, financial income would have been R\$10.0 million and expenses would have totaled R\$9.9 million, generating a positive financial result of R\$0.1 million. Adding the positive result of R\$6.0 million in the exchange variation of our cash position in US dollars and the hedge agreements assumed for artists' fees payment, net financial result would have reached R\$ 6.1 million.

## Net Result

Net Result (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Result Before Taxes	69.8	27.8	-60%	21.2	(9.3)	n.a.
(-) Income Tax and Social Contribution (Current)	(10.9)	(8.4)	-22%	(0.5)	0.9	n.a.
(-) Income Tax and Social Contribution (Deferred)	(13.7)	(8.7)	-36%	(1.7)	(4.4)	154%
Net Result	45.3	10.6	-77%	19.0	(12.8)	n.a.
<i>Net Margin (%)</i>	<i>6.9%</i>	<i>1.8%</i>	<i>-5.2 p.p.</i>	<i>9.0%</i>	<i>-5.7%</i>	<i>-14.7 p.p.</i>

As a consequence, the year ended on December 31, 2018, posted net income of R\$10.6 million versus R\$45.3 million in 2017.

In 4Q18, net result was negative in R\$12.8 million versus positive result of R\$19.0 million in 4Q17. Without the hyperinflation adjustment in Argentina in financial result, net result would be negative in R\$2.3 million in 4Q18 and net income for the year would be R\$21.1 million.

### Working Capital

Working Capital (R\$ million)	2017	9M18	2018	Var. % (2018/9M18)	Var. % (2018/2017)
<b>Assets</b>	224.0	241.8	208.7	-14%	-7%
Accounts Receivable	174.2	104.9	141.2	35%	-19%
Inventories	1.0	1.5	1.5	1%	47%
Advances to Suppliers and Anticipated Costs	48.8	135.5	66.0	-51%	35%
<b>Liabilities</b>	265.0	235.4	184.2	-22%	-30%
Accounts Payable (Suppliers)	69.1	78.6	64.6	-18%	-7%
Advances from Clients	196.0	156.7	119.6	-24%	-39%
<b>Net Working Capital</b>	(41.1)	6.4	24.5	280%	n.a.

We ended the year with working capital of R\$24.5 million versus R\$6.4 million in 3Q18 and negative working capital of R\$41.1 million in 2017. Our business model is of negative working capital, but at the end of the third quarter we had a concentration of sales of sponsorship and tickets (in installments) for the Lollapalooza festival, which continued throughout the fourth quarter. In addition, we also had a concentration of ticket sales for Paul McCartney's tour at the end of 4Q18, increasing, together, the line of accounts receivable in R\$36.4 million.

On the other hand, compared to 2017, there was an increase in the line of advances to suppliers and anticipated costs due to the payment of most part of the artists' fees of 2019's tours.

### Cash and Indebtedness

Cash and Indebtedness (R\$ million)	2017	2018	Chg. %	4Q17	4Q18	Chg. %
Operating Cash Flow	86.4	(77.9)	n.a.	(19.1)	(17.2)	-10%
Investment Cash Flow	11.6	(6.4)	n.a.	(0.3)	(5.2)	1389%
Financing Cash Flow	(29.5)	70.9	n.a.	(4.5)	112.0	n.a.
Exchange Variance	6.3	12.4	96%	3.9	2.6	-34%
<b>Increase (Reduction) in Cash and Equivalents</b>	74.9	(1.1)	n.a.	(20.0)	92.2	n.a.
<b>Balance in Cash and Financial Investments</b>	198.0	202.0	2%	198.0	202.0	2%
Borrowings and Financing - Short Term	17.4	0.9	-95%	17.4	0.9	-95%
Borrowings and Financing - Long Term	8.3	120.0	1340%	8.3	120.0	1340%
<b>Total Indebtedness</b>	25.7	120.9	370%	25.7	120.9	370%
<b>Net Cash (Debt)</b>	172.3	81.1	-53%	172.3	81.1	-53%

We ended 2018 with R\$202.0 million in cash and financial investments, or R\$206.1 million considering the restricted cash.

- Operating cash: we consumed R\$77.9 million due to an atypical use of working capital, with a concentration of installments sales at the end of the year for 2019 events and payment in advance of artists' fees for outdoor concerts hired for the following year;
- Investments: we spent R\$1.4 million in maintenance capex and we invested R\$5.0 million in financial investments.



- Financing: we generated R\$70.9 million with our financing activities due to: (i) the third issuance of debentures of R\$120.0 million; (ii) the payment of R\$27.3 million related to the balance and interest of the debentures of the second issuance; (iii) the payment of R\$21.1 million in dividends; (iv) the acquisition of our own shares in the amount of R\$1.9 million; and (v) the generation of R\$1.1 million in transactions with related parties.

We thus concluded 2018 with total indebtedness of R\$120.9 million and net cash of R\$81.1 million.

### **Subsequent events: Association with Popload**

We announce the association with Popload, pop music and culture platform that presents shows and daily content, in addition to the annual Popload Festival that brings together the best of the international and local independent scene. In 2019, the brand completes 13 years and continues to influence millions of music fans across Brazil through different work fronts.

Among the various operations, Popload involves a digital platform, a show brand, special citizenship, sustainability and accessibility actions and the Popload Festival, annual event held in Sao Paulo since 2013. Throughout the six editions, the festival has already presented on the line-up names like Lorde, Blondie, MGMT, Phoenix, Wilco, Tame Impala, among many others.

The association takes place through the acquisition of the majority stake of the company that owns with exclusivity the brands and the rights of promotion of the Popload Festival, in addition to other related assets. This transaction reinforces the Company's strategy focused on festivals with the potential for greater recurrence of revenues and results.

### **Events Pipeline**

- **Live Music**

#### ***Outdoor***

In March, we will promote 4 concerts of Paul McCartney's tour in the cities of Sao Paulo (2 shows), Curitiba and Buenos Aires, with the first concert in Sao Paulo and the show in Buenos Aires already sold out.

In April, we will present the 7<sup>th</sup> edition of the Lollapalooza Brazil Festival with almost 70 attractions, of which we highlight: Arctic Monkeys, Sam Smith, Kings of Leon, Post Malone, Lenny Kravitz, Kendrick Lamar, Twenty One Pilots and Tribalistas. Still in April, we will promote a *sideshow* of Arctic Monkeys in Rio de Janeiro.

#### ***Indoor***

In indoor music, we have already booked around 40 concerts for 1H19 including important international and national artists like: Bush and Stone Temple Pilots, Aurora, Clean Bandit, Djavan, Jorge & Mateus, Bruno & Marrone, Jota Quest, Os Paralamas do Sucesso and Skank.

- **Family Events and Theater**

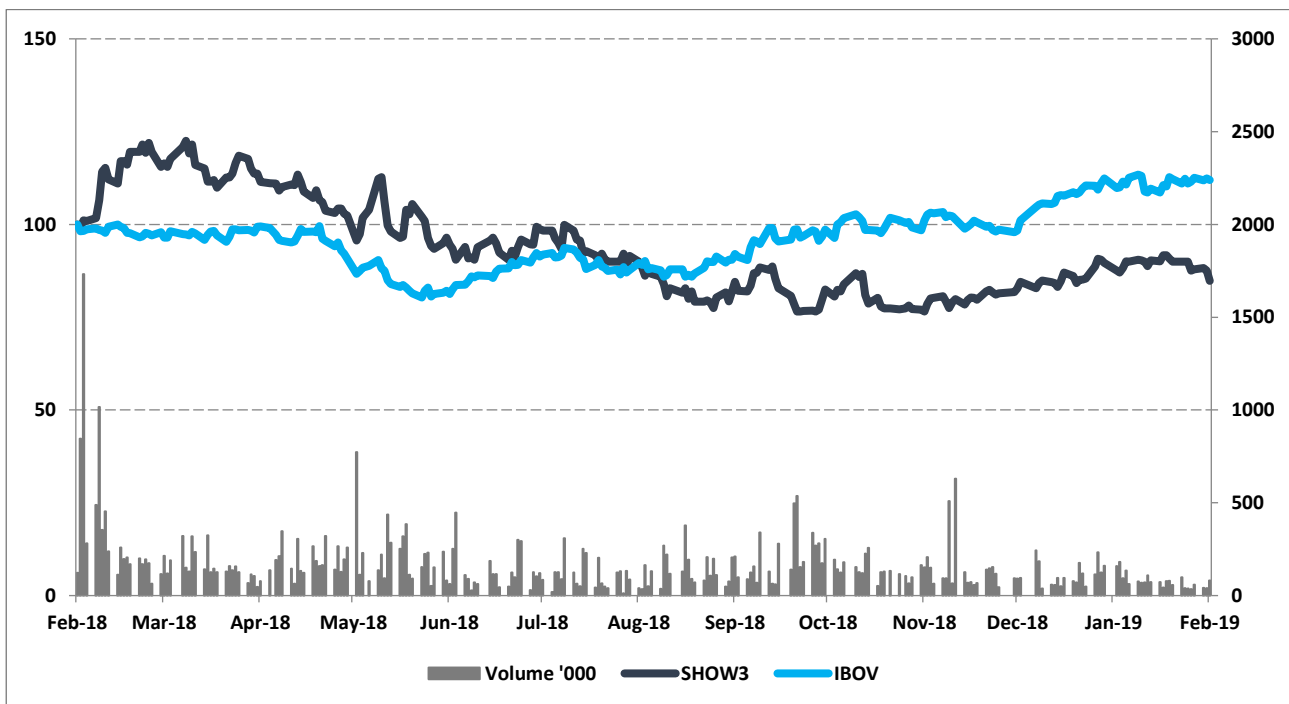
In 2019, we will continue to promote the musical The Phantom of the Opera which in this version continues to be the biggest box office success among all the musicals we have presented. Besides that, in January and February, we promoted the show Circus of China at the Credicard Hall in Sao Paulo.

- **Sports Events**

We will continue to promote the main categories of national car racing with 12 series of Stock Car and 8 series of Stock Light.

### SHOW3 Performance

SHOW3 closing price on February 27, 2019 was R\$7.40, which represents growth of 0.27% YTD and decrease of 15.2% in 12 months.



### Final Considerations

In compliance with CVM’s Instruction 381, the Company hired the services of an independent audit by PricewaterhouseCoopers. The Company's policy is to meet regulatory constraints that define the services to be provided by independent auditors to public companies. In the fiscal year ended December 31, 2018 no other service but financial auditing related to the financial statements was provided by the independent auditors or parties related to them.

## Income Statement

(R\$ 000)

	4Q17	4Q18
<b>NET OPERATING REVENUE</b>	<b>211,204</b>	<b>223,709</b>
COST OF SERVICES PROVIDED AND PRODUCTS SOLD	(174,744)	(205,029)
<b>GROSS PROFIT</b>	<b>36,460</b>	<b>18,680</b>
OPERATING INCOME (EXPENSES)		
Sales	(491)	(306)
General and administrative	(14,640)	(17,355)
Management compensation	(2,226)	(1,902)
Other operating income (expenses), net	1,899	782
<b>OPERATING PROFIT (LOSS) BEFORE FINANCIAL (EXPENSES) INCOME</b>	<b>21,002</b>	<b>(101)</b>
FINANCIAL RESULT		
Financial expenses	(4,092)	(16,267)
Financial income	4,693	2,585
Net exchange rate and monetary variation	(395)	4,530
<b>OPERATING PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>21,208</b>	<b>(9,253)</b>
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	(524)	901
Deferred	(1,734)	(4,401)
<b>NET RESULT</b>	<b>18,950</b>	<b>(12,753)</b>

	2017	2018
<b>NET OPERATING REVENUE</b>	<b>652,895</b>	<b>598,383</b>
COST OF SERVICES PROVIDED AND PRODUCTS SOLD	(518,171)	(501,454)
<b>GROSS PROFIT</b>	<b>134,724</b>	<b>96,929</b>
OPERATING INCOME (EXPENSES)		
Sales	(1,470)	(1,207)
General and administrative	(60,983)	(58,818)
Management compensation	(8,921)	(9,677)
Other operating income (expenses), net	4,770	4,943
<b>OPERATING PROFIT (LOSS) BEFORE FINANCIAL (EXPENSES) INCOME</b>	<b>68,120</b>	<b>32,170</b>
FINANCIAL RESULT		
Financial expenses	(14,639)	(21,367)
Financial income	15,208	10,992
Net exchange rate and monetary variation	1,141	6,014
<b>OPERATING PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>69,830</b>	<b>27,809</b>
INCOME TAX AND SOCIAL CONTRIBUTION		
Current	(10,873)	(8,448)
Deferred	(13,691)	(8,738)
<b>NET RESULT</b>	<b>45,266</b>	<b>10,623</b>

## Balance Sheet

(R\$ 000)

ASSETS	4Q17	3Q18	4Q18
<b>CURRENT</b>			
Cash and Cash Equivalent	198,015	104,740	196,951
Financial Investments	-	35	5,035
Restricted Cash	6,773	10,782	4,137
Accounts Receivables	174,193	104,855	141,243
Inventories	1,019	1,489	1,503
Recoverable Taxes	24,576	28,068	18,057
Advances to Suppliers	11,379	19,088	36,121
Anticipated Costs	37,372	116,367	29,842
Other Receivables	19,171	23,024	31,597
<b>Total Current Assets</b>	<b>472,498</b>	<b>408,448</b>	<b>464,486</b>
<b>NON-CURRENT</b>			
Deferred Income Tax and Social Contribution	59,527	56,148	53,851
Judicial Deposits	24,698	10,130	10,477
Related Parties	7,957	7,008	7,389
<b>Total Long Term Assets</b>	<b>92,182</b>	<b>88,673</b>	<b>87,104</b>
Fixed Assets (Property, Plant and Equipment)	15,697	13,031	15,991
Intangible:			
Goodwill on investments acquisition	113,008	111,903	111,177
Other intangibles	4,099	3,177	3,113
<b>Total Non-Current Assets</b>	<b>224,986</b>	<b>216,784</b>	<b>217,385</b>
<b>TOTAL ASSETS</b>	<b>697,484</b>	<b>625,232</b>	<b>681,871</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4Q17</b>	<b>3Q18</b>	<b>4Q18</b>
<b>CURRENT</b>			
Suppliers	69,077	78,616	64,575
Borrowings, financing and debentures	17,376	8,349	896
Payroll, Provisions and Social Contributions	5,321	6,436	5,457
Taxes Payable	15,104	8,264	9,831
Advances from Clients	195,959	156,735	119,644
Sponsorships - Culture Incentive Law (Rouanet Act)	4,282	-	-
Dividends Payable	10,534	-	2,001
Other Payables	11,509	9,596	5,492
<b>Total Current Liabilities</b>	<b>329,162</b>	<b>267,996</b>	<b>207,896</b>
<b>NON-CURRENT</b>			
Borrowings, financing and debentures	8,333	-	120,000
Provision for Tax, Civil and Labor Contingencies	23,885	9,189	9,288
Deferred Income Tax and Social Contribution	203	797	3,892
Taxes Payable	5,752	5,340	5,379
Other Payables	3,364	1,049	936
<b>Total Non-Current Liabilities</b>	<b>41,537</b>	<b>16,375</b>	<b>139,495</b>
<b>SHAREHOLDERS' EQUITY</b>			
Capital Stock	243,022	243,022	243,022
Costs with Shares Issuance	(9,665)	(9,665)	(9,665)
Capital Reserve	4,853	5,797	6,056
Revaluation Reserve	935	811	776
Earnings Retention Reserve	70,510	80,771	78,460
Treasury Stocks	(263)	(2,131)	(2,131)
Comprehensive Results	14,131	16,035	12,651
<b>Controlling Shareholders' Stake</b>	<b>323,523</b>	<b>334,640</b>	<b>329,169</b>
Non-controlling Interests in Equity of Subsidiaries	3,262	6,221	5,311
<b>Total Consolidated Shareholders' Equity</b>	<b>326,785</b>	<b>340,861</b>	<b>334,480</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>697,484</b>	<b>625,232</b>	<b>681,871</b>

## Cash Flow

(R\$ 000)

	2017	4Q18	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period	45,266	(12,753)	10,623
Adjustments to reconcile profit for the period to net cash provided by (used in) generated by operating activities:			
Depreciation and amortization	6,893	1,174	5,272
Result on the merger of the subsidiary company Aurolights	(459)	-	(35)
Residual value of property, plant and equipment written-off	13,153	1,033	1,361
Deferred income tax and social contribution	13,417	5,393	9,730
Financial charges and exchange differences on balances with subsidiaries, financing, borrowings and taxes payable	3,382	810	(7,184)
Share-based payments	1,120	259	1,203
Recognition (reversal) of tax, civil and labor contingencies	3	(218)	2,199
Constitution (reversal) of allowance for doubtful accounts	1,155	(272)	(939)
(Increase) Decrease in operating assets and liabilities:			
Trade accounts receivables	(107,380)	(35,110)	33,577
Inventories	251	1	(740)
Recoverable taxes	(2,155)	10,354	733
Advances to suppliers	3,081	(17,025)	(24,874)
Other receivables	(13,085)	(8,415)	(15,085)
Escrow deposits	63	(344)	14,166
Prepaid expenses	(12,192)	86,525	(7,857)
Trade payables	17,569	(14,455)	2,739
Taxes payable	4,228	1,486	(3,611)
Accrued payroll and related taxes	(22)	(997)	447
Advances from customers	99,468	(37,091)	(76,315)
Payments of tax, civil and labor lawsuits	(179)	186	(16,807)
Other payables	12,778	2,218	(6,552)
<b>Cash generated by (used in) operating activities</b>	<b>86,355</b>	<b>(17,241)</b>	<b>(77,949)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Financial Investments	14,314	(5,000)	(5,000)
Goodwill on acquisition of investments	-	-	-
Acquisition of property, plant and equipment and intangible assets	(2,808)	(152)	(1,405)
<b>Net cash generated y (used in) investing activities</b>	<b>11,506</b>	<b>(5,152)</b>	<b>(6,405)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Aquisition of own shares	(263)	-	(1,868)
Related parties	(874)	726	1,130
Payment of dividends	(6,316)	10	(21,058)
Payment of debentures - principal	(16,667)	(8,333)	(25,000)
Payment of debentures - interests	(5,335)	(363)	(2,322)
<b>Net cash generated by (used in) financing activities</b>	<b>(29,455)</b>	<b>112,040</b>	<b>70,882</b>
Exchange Variance on Cash and Cash Equivalents	6,323	2,564	12,408
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>74,729</b>	<b>92,211</b>	<b>(1,064)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of period	123,147	104,740	198,015
Cash and cash equivalents at end of period	198,015	196,951	196,951
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>74,868</b>	<b>92,211</b>	<b>(1,064)</b>