Earnings Release – 1Q18

São Paulo, May 10, 2018: Liq Participações S.A. (“Company”, “Liq”) (B3: LIQO3) announces today the results for the first quarter of 2018. The financial information in this report was prepared in accordance with the International Financial Reporting Standards (“IFRS”) and the accounting practices adopted in Brazil, including the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (“CPC”) and approved by the Brazilian Securities and Exchange Committee (“CVM”) applicable to the Company’s operations.

Investor Relations

André Tavares Paradizi
CFO & IRO

Gil S. Neto
IR, M&A and Debt Manager

Investor Relations
+55 (11) 3131-5136
+55 (11) 3131-5131

ri@liq.com.br
ri.liq.com.br

Conference Call in Portuguese May 11, 2018

Schedule:
10:00 a.m. (Brasília) / 09:00 a.m. (US EST)
Connection Number:
+55 (11) 3127-4971 ou 3728-5971
Code: Liq
Webcast: click here

HIGHLIGHTS

- **Growth of 76.6%** in **NOR** from **Omnichannel Live & Trade Marketing** services compared to **1Q17**, from 5% in 1Q17 to 10% in 1Q18 (+5 p.p). The result consolidates our position as a differentiated player that provides **All-Line communication solutions to clients**;

- Liq was **honored** with **two Omnichannel Live & Trade Marketing awards** granted by a client in the Telecommunications sector;

- **Four new clients acquired** from different sectors: **technology, consumer goods, services and insurance**, thereby contributing to the **diversification** of our **client base**. The Company also signed a **new Omnichannel Live & Trade Marketing** services **agreement** with a large client in the consumption sector;

- **Conclusion** of **debt reprofiling** after the 5th and 6th issues of debentures, enabling the **conversion of debt** into shares, thereby laying the foundation for **strengthening** the Company’s **capital structure**;

- **Reduction** of Debt by **R$34 million in 1Q18** (haircut), on top of the reduction of **R$63 million** in 4Q17, for total reduction of **R$97 million** as part of debt reprofiling;

- Reversal to **positive shareholders’ equity of R$123 million** due to the **positive impact** on shareholders’ equity of approximately R$620 million from the application of IFRS 9 due to the recognition of the fair value of total reprofiled debt;

- **Better operational efficiency in 1Q18**, with a return to **Gross Income**[1] of **R$15.4 million**, thanks to the reduction in main cost lines:
  - **Reduction of 24%** in total **operational headcount** in the Contact Center segment, resulting in a decline of **R$58 million** in personnel costs when compared to 1Q17;
  - **Decline** of **R$5 million (22%)** in expenses with rent compared to 1Q17, due to the adjustment of the operational sites;

- **Adjusted EBITDA** of R$(12.0) million in 1Q18, an improvement of R$14 million (+53%) when compared to the previous quarter (4Q17), thanks to better gross income.

- In **1Q18**, **Liq** recorded Cash Balance of R$ **R$220.9 million**.

[1] Excluding depreciation and amortization

Message from the Management

Liq's vision is to be recognized as the best alternative for companies that wish to improve the way they maintain relations with their clients. This vision is grounded on a strategy based on three pillars that guide the business: Innovation, Quality and Operational Efficiency, and Financial Sustainability. In this regard, the Company registered important achievements in the first quarter of 2018.

In 1Q18, Liq concluded the final phase of reprofiling of its debt, whose new terms and conditions include a grace period of one year for payment of interest and two years for payment of principal. According to the new amortization schedules, the duration of the new debentures is now more than 9 years, with maturities concentrated in 2030 and 2035.

Debt reprofiling was concluded after the payment of the fifth and sixth issues of Liq Debentures. The new issues enabled creditors to use their credits with the Company to subscribe to and pay new debenture issues. As a result, Debt decreased by approximately R$34 million, due to the option of certain creditors to subscribe to the 1st series of the 5th issue of Debentures at a premium. Note that the 3rd and 4th series of the 5th and the 6th issues of Debentures are convertible into shares, which enables the company to reduce debt if the creditors opt for conversion, creating the fundamentals for improving the Company's capital structure.

Also worth pointing is the reversal to positive shareholders' equity of R$123 million in 1Q18, due to the recognition of the fair value of Reprofiled Debt, which had a positive impact on shareholders' equity of approximately R$620 million, due to the application of IFRS 9.

The Company's achievements are not confined only to financial sustainability - in 1Q18, Liq received two awards in the Omnichannel Live & Trade Marketing segment at event organized by an important client in the telecommunication sector. The Company was elected by the client as the "*Best Retail Company*" and *"Benchmark in relationship with clients and end consumers".* The results obtained are based on the implementation of a differentiated strategy at the client's points of sale, which involves working on different fronts, offering a group of mobile, fixed and virtual salesmen who boosted sales. It is also worth highlighting the use of technologies by salesmen, such as artificial intelligence and analytics for the ongoing reorganization of our sales force and promoters, thereby ensuring better performance and cost efficiency at points of sale.

Liq was also recognized on the theme of Innovation, with an award granted to the Company's CIO, João Mendes, who was elected by "IT Mídia" as the "*Best IT Executive of 2018*" in the Sundry Services segment. This recognition would not be possible without the strategy devised by LIQ's IT department, which aims to transform the service provided to end consumers by using the omnichannel service platform, which diversifies service through different channels, besides concentrating in the platform the entire history of interactions with the client. The implementation of technological tools shipped in Liq's All-Line solutions is aimed at penetrating new markets and to leverage business with current clients.

Note that the Company has been making efforts to improve operational efficiency. One example is the adoption of new supply contract frameworks, backed by a process of interdisciplinary effort, which are structured and focused on control, efficiency and adherence to business needs. Moreover, Liq has been adjusting the operational capacity of the Contact Center segment to adapt to the current demand for voice services from clients. These and other initiatives led to a reduction in the main cost and expense lines.

For 2018, the Company maintains its focus on closely monitoring and accelerating the actions aimed at recovering margins that are compatible with the sector, already obtaining consistent results in reducing costs and expenses.

1. Operating and Financial Indicators

In the charts below we present the numbers without depreciation, for EBITDA purposes. In Attachment II, we present the consolidated Income Statement pursuant to IFRS, considering depreciation.

Financial Indicators (R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Net Operating Revenue	368.4	445.6	393.0	-17.3%	-6.3%
Gross Income	15.4	23.1	(25.5)	-33.5%	n.m.
Gross Margin	4.2%	5.2%	-6.5%	-0.2 p.p.	n.m.
EBITDA	(22.5)	(8.3)	(107.8)	169.2%	-79.2%
EBITDA Margin	-6.1%	-1.9%	-27.4%	2.3 p.p.	-0.8 p.p.
EBIT	(39.4)	(36.9)	(112.5)	6.8%	-64.9%
EBIT Margin	-10.7%	-8.3%	-28.6%	0.3 p.p.	-0.6 p.p.
Net Income (Loss)	(65.5)	(78.1)	(100.3)	-16.0%	-34.7%
Net Margin	-17.8%	-17.5%	-25.5%	0.0 p.p.	-0.3 p.p.
Net Debt*	47.7	1,276.1	1,012.6	-96.3%	-95.3%
Capex	2.0	5.7	7.3	-64.8%	-72.4%
Capex/NOR - %	0.5%	1.3%	1.8%	-0.6 p.p.	-0.7 p.p.

**Debt at present value*

Financial Indicators Adjusted (R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Net Operating Revenue	368.4	455.2	393.0	-19.1%	-6.3%
Gross Income	15.4	32.7	6.8	-53.1%	125.4%
Gross Margin	4.2%	7.2%	1.7%	-3.0 p.p.	2.4 p.p.
EBITDA	(12.0)	1.3	(26.0)	n.m.	-53.6%
EBITDA Margin	-3.3%	0.3%	-6.6%	n.m.	3.3 p.p.
EBIT	(29.0)	(27.3)	(30.6)	6.2%	-5.3%
EBIT Margin	-7.9%	-6.0%	-7.8%	-1.9 p.p.	-0.1 p.p.
Net Income (Loss)	(55.1)	(69.1)	(18.5)	-20.3%	198.3%
Net Margin	-15.0%	-15.2%	-4.7%	0.2 p.p.	-10.3 p.p.

n.m. – not measurable

Operating Indicators	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Workstations Installed	24,572	28,233	25,692	-13.0%	-4.4%
Employees	44,541	55,619	45,764	-19.9%	-2.7%
Contact Center	39,410	51,575	41,758	-23.6%	-5.6%
Promotional and Trade Marketing	2,919	1,359	1,624	114.8%	79.7%
Administrative	2,212	2,685	2,382	-17.6%	-7.1%

2. Net Operating Revenue

Liq has been consolidating itself as a differentiated customer experience player that provides integrated communication solutions to its clients, which follow the consumer's relationship journey in several relationship channels (voice, face-to-face and digital). As a result, the **Omnichannel Live & Trade Marketing** services registered significant growth, with **Net Operating Revenue (NOR)** in **1Q18** from these services increasing by **76.6%** compared to 1Q17 and **33.4%** compared to 4Q17.

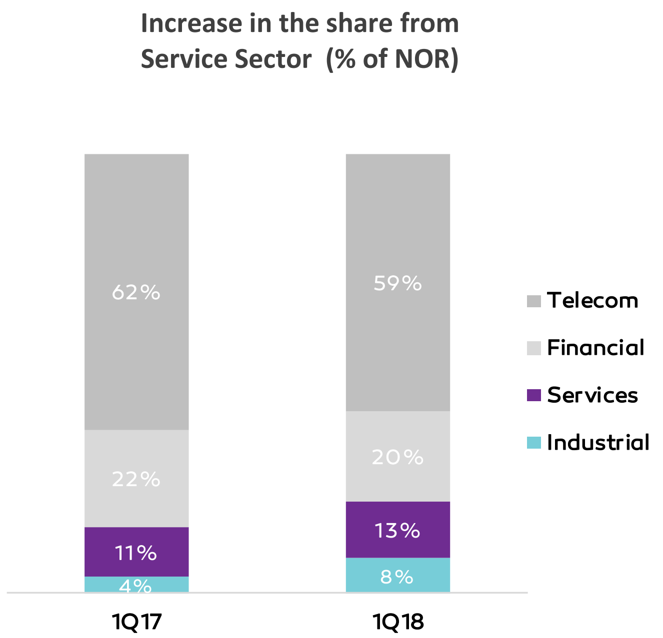
The increase in revenue from Omnichannel Live & Trade Marketing partially offset the drop in revenue from the voice segment. In **1Q18**, the Company recorded **NOR** of **R$368.4** million, 17.3% down from 1Q17 and 6.3% in 4Q17, mainly related to the new service levels demanded by clients.

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Net Operating Revenue	**368.4**	**445.6**	**393.0**	**-17.3%**	**-6.3%**
Contact Center & BPO	331.3	424.6	365.3	-22.0%	-9.3%
Customer and e-Care	159.0	214.5	177.6	-25.9%	-10.5%
CRM Services	100.7	116.1	105.2	-13.2%	-4.2%
Debt Collection	19.7	23.0	23.7	-14.2%	-17.0%
Other Services	51.9	71.0	58.8	-26.9%	-11.7%
Live & Trade Marketing	37.0	21.0	27.8	76.6%	33.4%

We highlight below the other points that influenced the variation in NOR:

(i) ***Contact Center & BPO:*** reduction of 22.2% in NOR in 1Q18 compared to 1Q17 and 9.3% compared to 4Q17, mainly due to the new volume of voice services required by clients in the telecommunications and financial sectors. Note, however, that the Company acquired a new Contact Center client in the technology segment.

(ii) ***Live & Trade Marketing***: growth of 76.6% in 1Q18 compared to 1Q17 and 33.4% compared to 4Q17. This result demonstrates the Company's capacity to operate in different relationship channels, such as face-to-face, digital or voice (All-Line strategy). Note that, in the first quarter of the year, three new clients were acquired in this segment, including a new agreement with a large client in the consumer goods sector.



The increased share of Service and Industry clients in NOR in 2017 indicates the evolution in the Company's positioning, which seeks to diversify its operations with All-Line solutions (Voice, Digital and Face-to-face) for diverse sectors, operating in all stages of the customer service function. Of the four clients acquired in the first quarter of 2018, two are from the Services sector.

3. Gross Income and Cost of Services

Liq reported a **reduction** across **all Cost of Services lines** in 1Q18, compared to both 1Q17 and 4Q17. The consistent decline in Cost of Services is a result of the strategy of operational efficiency, through which diverse initiatives led to better operational margins, notably (1) the adjustment of the operational capacity of the Contact Center segment; (2) the renegotiation and adoption of new supply contract frameworks; and (3) the reduction of the operational site base to adjust it to the new volume of voice services required by clients.

As a result, Adjusted Gross Income **increased 125.4%** in 1Q18 compared to the previous quarter, gross margin in the period was 4.2%, up 2.4 p.p. from 4Q17, due to said initiatives for improvement.

In the charts below we present the numbers without depreciation, for EBITDA purposes and for reclassification between group costs and expenses for better presentation. In Attachment II, we present the consolidated Income Statement pursuant to IFRS considering depreciation.

(R$ million) Adjusted	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Net Operating Revenue	**368.4**	**455.2**	**393.0**	**-19.1%**	**-6.3%**
Adjusted Cost of Services	(353.0)	(422.5)	(386.2)	-16.4%	-8.6%
Adjusted Gross Income	15.4	32.7	6.8	-53.1%	125.4%
Gross Margin	**4.2%**	**7.2%**	**1.7%**	**-3.0 p.p.**	**2.4 p.p.**

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Costs of Services	(353.0)	(422.5)	(418.5)	-16.4%	-15.7%
Personnel	(277.3)	(335.7)	(285.4)	-17.4%	-2.8%
Labor Contingencies	(16.1)	(18.9)	(70.3)	-14.5%	-77.0%
Third Party Services	(40.5)	(43.1)	(41.5)	-6.0%	-2.4%
Rent and Insurance	(16.3)	(21.0)	(18.5)	-22.4%	-11.9%
Others	(2.8)	(3.8)	(2.9)	-26.6%	-4.6%

In **1Q18,** the Company maintained its **focus** on reducing **Cost of Services**, which totaled **R$353.0 million**, down 16.4% from the same period in 2017. We highlight below the points that influenced the change in costs during the periods analyzed.

Personnel – Efficient capacity management enabled the company to adjust the Contact Center & BPO segment to the new volume of voice services demanded by clients. The Company ended the first quarter of 2018 with 39.4 thousand employees in the Contact Center operation, a **decline** of **23.6%** compared to 1Q17 and of **5.6%** compared to the previous quarter (51.6 thousand employees in 1Q17 and 41.7 thousand employees in 4Q17). This result had a positive impact on Personnel Costs, which decreased **R$58.4 million (17.4%)** in relation to **1Q17**, and **R$ 8.1 million (2.8%)** compared to the previous quarter, partially offset by the costs resulting from the cost of lay-offs.

Third-Party Services – The reduction of **R$ 2.6 million** (**6.0%**) in 1Q18 from 1Q17, and of R$ 1.0 million (2.4%) from 4Q17, is related to the supply initiatives aimed at identifying opportunities for savings and synergies, besides reducing operational sites that resulted in lower costs with site maintenance and utilities.

Rent and Insurance – Reduction of **R$ 4.7 million** (**22.4%**) compared to **1Q17** and of **R$ 2.2 million** (**11.9%**) compared to **4Q17,** resulting from the renegotiation of rental agreements and the reduction in operational sites.

Labor Contingencies – costs totaled **R$ 16.1 million** in 1Q18, compared to **R$ 18.9 million** in **1Q17** and **R$ 70.3 million** in **4Q17**. The **reduction** of **77.0%** from the previous quarter was due to fewer new lawsuits filed in the first quarter of the year, as well as the revision of the labor contingency provisioning model, which resulted in an adjustment to the provision amount of R$ 41 million in the fourth quarter of last year.

4. SG&A Expenses and Other Expenses

In the charts below we present the numbers without depreciation, for EBITDA purposes. In Attachment II, we present the consolidated Income Statement according to IFRS, considering depreciation.

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Selling, General and Administrative	(35.0)	(30.2)	(44.8)	15.8%	-21.9%
Personnel	(17.5)	(17.6)	(20.5)	-0.2%	-14.5%
Third-Party Services	(10.7)	(10.2)	(14.6)	4.1%	-27.1%
Rent and Insurance	(1.26)	(0.9)	(1.33)	35.6%	-4.6%
Labor Contingencies	(3.1)	(0.8)	(3.5)	277.0%	-11.7%
Other	(2.4)	(0.6)	(4.8)	275.1%	-49.8%
Other Operating Revenue and Expenses	(2.8)	(1.2)	(37.6)	128.8%	-92.4%
Total Expenses	**(37.8)**	**(31.4)**	**(82.3)**	**20.3%**	**-54.1%**
Total Expenses (%NOR)	**10.3%**	**7.1%**	**21.0%**	**3.2 p.p.**	**-10.7 p.p.**

SG&A Expenses in **1Q18** totaled **R$ 35.0 million**, an **increase** of **15.8%** when compared to **1Q17,** and a **decrease** of **21.9%** when compared to **4Q17.** The quarter-on-quarter reduction is chiefly due to the adjustment of the administrative structure and the renegotiation of contracts with suppliers.

Other Operating Expenses and Revenues were an expense of R$ 2.8 million in 1Q18, compared to expense of R$1.2 million in the same quarter of 2017. The year-on-year increase is mainly a result of non-recurring effects related to tax and civil contingencies in the quarter. The reduction when compared to the previous quarter is due to the non-recurring effects in 4Q17 related to the revision of the labor contingencies provisioning model and the discount granted to the client Oi within the scope of its Court-supervised reorganization. **Total Expenses** in **1Q18** came to **R$37.8 million**, compared to R$31.4 million in 1Q17 and R$82.3 million in 4Q17.

5. EBITDA

In 1Q18, adjusted EBITDA was negative by R$12.0 million. Despite negative, adjusted EBITDA improved by approximately R$14 million when compared to the previous quarter (4Q17), in view of the better operational efficiency that led to a reduction in the main cost lines in relation to 4Q17, in addition to the fewer labor contingencies filed against the Company in 1Q18 compared to the previous quarter.

The Company is focused on operational efficiency in order to reverse the negative result, with efforts to reduce costs and expenses through strong capacity management, revision of supplier hiring models, as well as other initiatives already mentioned. The efforts made during the last quarters to improve operational efficiency were reflected in the increase in gross income, as mentioned above.

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q17 vs. 4Q17
Net Operating Revenue	**368.4**	**445.6**	**393.0**	**-17.3%**	**-6.3%**
Cost of Rendered Services	(353.0)	(422.5)	(418.5)	-16.4%	-15.7%
Gross Incoe	**15.4**	**23.1**	**(25.5)**	**-33.5%**	**n.m.**
SG&A	(35.0)	(30.2)	(44.8)	15.8%	-21.9%
Other Operating Revenues and Expenses	(2.8)	(1.2)	(37.6)	128.8%	-92.4%
EBITDA	**(22.5)**	**(8.3)**	**(107.8)**	**169.2%**	**-79.2%**
EBITDA Margin	**-6.1%**	**-1.9%**	**-27.4%**	**-4.2 p.p.**	**21.3 p.p.**
Non recurring effect	10.4	9.6	81.8	8.6%	-87.3%
Adjusted EBITDA	(12.0)	1.3	(26.0)	n.m.	-53.6%
Adjusted EBITDA Margin	-3.3%	0.3%	-6.6%	n.m.	3.3 p.p.

n.m. – not measurable

Including non-recurring expenses, related to tax and civil contingencies in the quarter, as mentioned above, EBITDA was a negative R$ 22.5 million in 1Q18. EBITDA margin was -6.1% in the same period, compared to 1.9% in 1Q17 and -27.4% in 4Q17.

6. Financial Result

In **1Q18**, net financial result was an **expense of R$39.7 million**, compared to **an expense of R$41.8 million** in **1Q17** and **income** of **R$238.4 million** in **4Q17**.

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Financial Revenues	41.2	11.5	333.3	258.3%	-87.6%
Financial Expenses	(80.9)	(53.3)	(94.9)	51.8%	-14.7%
Net Financial Result	**(39.7)**	**(41.8)**	**238.4**	**-4.9%**	**-116.7%**

The increase in Financial Income in 1Q18 compared to 1Q17 is due to the partial relief of debt granted to certain creditors who opted to subscribe at a premium in the fifth issue of debentures of Liq Participações, resulting in a financial income of approximately R$34 million. Compared to 4Q17, the reduction in financial income is due to the accounting in the previous quarter of gain from the recognition of certain debts that were significantly changed after the approval of reprofiling in December, which had a positive impact on financial income of approximately R$263 million in 4Q17.

The increase in financial expenses in 1Q18 compared to 1Q17 is due to the non-recurring effect of the recognition of Reprofiled Debt at its Fair Value. Under the reprofiling, Convertible Debentures, which are hybrid financial instruments (debt and embedded derivative) were issued. The recognition of embedded derivatives and other effects related to the fair value adjustment of reprofiled debt had a negative impact on financial expenses of approximately R$41 million in 1Q18.

Excluding this effect, financial expenses would be lower compared to 1Q17, chiefly due to the reduction in the debt balance of approximately R$97 million, due to discounts granted under the reprofiling, thereby reducing the interest calculation base. Additionally, the decline in the CDI rate led to a reduction in financial expenses, resulting in lower interest expenses since 99% of the debt after reprofiling is pegged to this index.

7. Depreciation and Amortization

Costs and expenses with depreciation and amortization totaled **R$17.0 million** in **1Q18,** compared to **R$28.6 million** in **1Q17**. The reduction is due to the revaluation of the useful life of assets that led to a reduction in depreciation rates.

8. Net Income/Loss and Income Tax and Social Contribution (IRPJ/CSLL)

In 1Q18, Net Loss before taxes was R$79.2 million, remaining stable compared to net loss of R$78.7 million in 1Q17. In relation to 4Q17, with net income of R$126.0 million, the decline is due to the recognition of a financial gain of R$263 million in 4Q17related to the accounting of the fair value of liabilities that have been significantly changed under the debt reprofiling, as mentioned above.

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Results before taxes	(79.2)	(78.7)	126.0	0.6%	n.m.
IR/CSLL Current	(4.1)	(0.0)	0.0	n.m.	n.m.
IR/CSLL Deferred	17.7	0.7	(226.3)	2403.6%	n.m.
IR/CSLL Total	13.6	0.7	(226.3)	1934.0%	n.m.
Net Income (Loss)	(65.5)	(78.1)	(100.3)	-16.0%	-34.7%

n.m. – not measurable

In the period, the Company's IRPJ/CSLL was R$13.6 million, compared to R$0.7 million in 1Q17, and a negative R$226.3 million in 4Q17. The variation in IR/CSLL taxes from 1Q17 was mainly due to the recognition of deferred IR/CSLL on hybrid financial instruments (convertible debentures and embedded derivatives) issued as part of debt reprofiling, as well as the recognition of current IR/CSLL in 1Q18 due to the tax profit recorded in Liq Participações on account of the discount granted to certain creditors, totaling R$34 million, also under reprofiling process. In relation to 4Q17, the difference is mainly related to the write-off of tax asset in that quarter.

Considering the income tax and social contribution in the quarter, Net Loss was **R$65.5 million** in **1Q18**, compared to a Net Loss of **R$78.1 million** in 1Q17 and Net Loss of **R$100.3 million** in **4Q17**.

The Company maintains its focus on closely monitoring and accelerating the structured actions for the operational turnaround, obtaining **consistent results** in reducing costs and expenses, as already mentioned, in order to recover its profitability over the coming years.

9. Investments (Capex)

In **1Q18**, capital expenditure totaled **R$2.0 million**, compared to **R$5.7 million** in **1Q17**. Investments in the period were mainly allocated to maintenance and improvements in Company's operational sites.

10. Debt

In 2017, the Company started renegotiations with creditors to lengthen the financial flow of its debts. At the Debenture holders Meetings held on August 14 and 21, 2017 and September 13, 2017, new amendments to this debt were executed.

On December 14, 2017, all conditions for the effectiveness of debt extension were met by the Company, and the new amendments with new terms and conditions of the Reprofiled Debt become effective, which include a grace period of one year for payment of interest and two years for payment of principal. As per the new repayment schedules, the weighted average maturity (duration) of the new debentures is now more than 9 years, with maturities concentrated in 2030 and 2035.

On March 20 and 21, 2018, the Restricted Offers of the Fifth and Sixth Issue of Company's Debentures were concluded. The new issues enabled creditors to use their credits with the Company to subscribe to and pay the new debenture issues.

As a result, Debt decreased by approximately **R$34 million**, due to the option of certain creditors to subscribe to the 1st series of the 5th issue of Debentures at a premium. Note that the 3rd and 4th series of the 5th and the 6th issues of Debentures are convertible into shares, which enables the Company to reduce debt if the creditors opt for conversion, creating the fundamentals for improving the Company's capital structure.

Fair Value of Financial Instruments

(R$ million)	1Q18 Fair Value	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
(-) Total Debt	**(268.6)**	**(1,493.2)**	**(1,219.1)**	**-82.0%**	**-78.0%**
Short Term	(30.7)	(163.4)	(60.1)	-81.2%	-48.9%
Long Term	(237.9)	(1,329.8)	(1,159.1)	-82.1%	-79.5%
(+) Cash	**220.9**	**217.1**	**206.5**	**1.7%**	**6.9%**
Short Term	220.9	217.1	206.5	1.7%	6.9%
Long Term	-	-	-	n.m.	n.m.
Net Cash/(Debt)	**(47.7)**	**(1,276.1)**	**(1,012.6)**	**-96.3%**	**-95.3%**

Contractual Flow of Financial Instruments[1]

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
(-) Total Debt	(1,476.1)	(1,493.2)	(1,482.9)	**-1.1%**	**-0.5%**
Short Term	(30.7)	(163.4)	(60.1)	-81.2%	-48.9%
Long Term	(1,445.4)	(1,329.8)	(1,422.8)	8.7%	1.6%
(+) Cash	**220.9**	**217.1**	**206.5**	**1.7%**	**6.9%**
Short Term	220.9	217.1	206.5	1.7%	6.9%
Long Term	-	-	-	n.m.	n.m.
Net Cash/(Debt)	(1,255.2)	(1,276.1)	(1,276.4)	**-1.6%**	**-1.7%**

[1]Includes contractual flow of financial debt, with no recognition at fair value.

In the first quarter of 2018, the fair value of total reprofiled financial debt from the application of IFRS 9 was recognized, causing a positive impact on shareholders' equity of approximately R$620 million. Additionally, due to the new issues of convertible debentures (3rd and 4th series of the 5th Issue of Debentures and the 6th Issue of Debentures) and the stock warrants granted to debenture holders of the 1st series of the 2nd issue of debentures, the fair value of these hybrid financial statements were recorded.

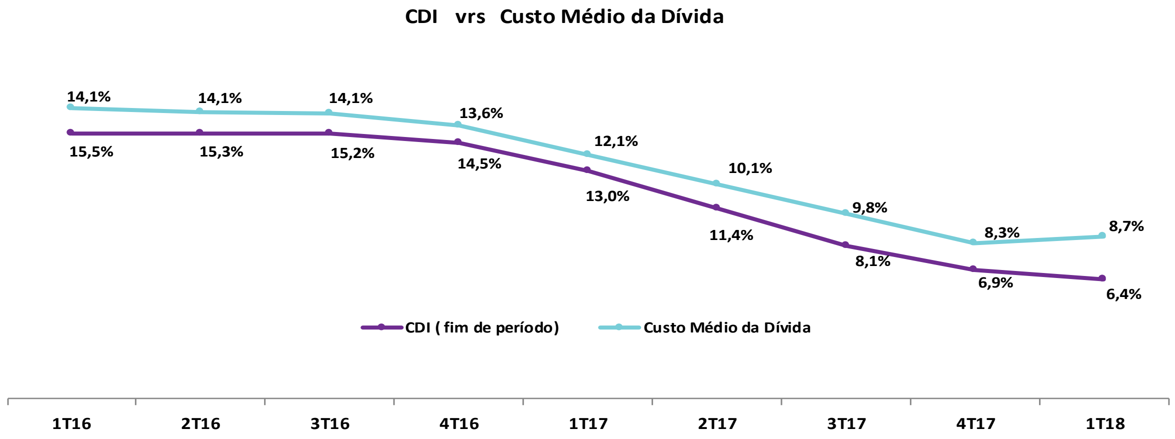
The method used to assess the fair value of derivatives embedded in said hybrid financial instruments was the Black-Scholes model, using the Monte-Carlo simulation. The

Company used ANBIMA's average indicative trading rate to calculate the Fair Value of the Debt.

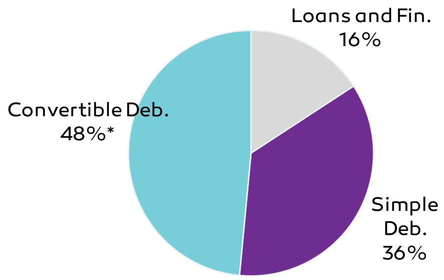
Consolidated Net Debt, adjusted to present value, at the end of **1Q18** was **R$47.7 million**, **R$1,228.4 million** lower compared to **1Q17** and **lower** by **R$964.9 million** compared to the previous quarter.

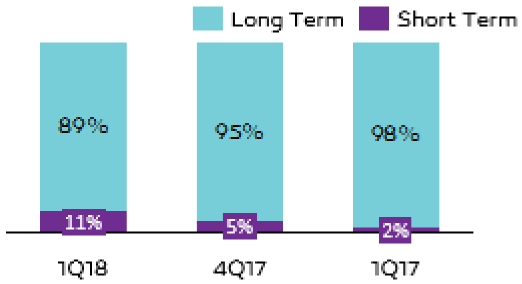
a. Average Cost of Debt

The average cost of debt was 8.7% p.a., 0.4 p.p. up from 4Q17. The increase in average cost of debt is due to the two new issues of Company debentures, carried out in March 2018.

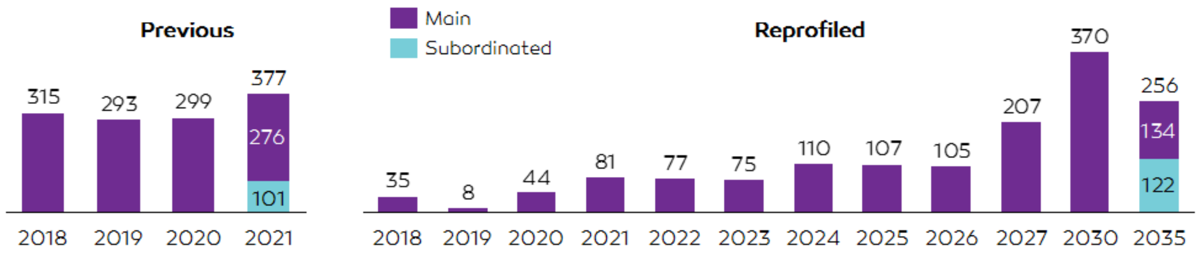


b. Debt Breakdown – 1Q18





c. Debt Repayment Schedule* – R$ million



** Gross Debt equals principal balance without debt service, excluding any accounting at fair value.*

11. Net Working Capital

At the close of 1Q18, the Company recorded **positive Net Working Capital** due to the conclusion of the extension of the Company's financial debt. As per the new repayment schedules, the weighted average maturity (duration) of the senior debentures is now more than 9 years, with maturities concentrated in 2030 and 2035.

(R$ million)	1Q18	4Q17	1Q17
Current Asset	574,1	614,0	782,0
Current Liability	387,2	421,6	637,4
Net Working Capital	**186,9**	**192,4**	**144,6**

12. *Ownership Structure*

	Share in total capital (%)		
Shareholder	Mar/18	Dec/17	Mar/17
Relevant Shareholders[1]	26.88%	16.86%	29.36%
Telis Participações	8.43%	8.43%	8.43%
JPSP Participações	8.43%	8.43%	8.43%
Skopos	-	-	9.50%
Bams Adm. de Bens e Part. Ltda	5.01%	-	-
Zenith Asset	5.01%	-	-
Treasury	1.63%	1.63%	1.63%
Executive Management	1.67%	1.67%	-
FREE FLOAT[2]	96.70%	96.70%	98.37%

[1] Shareholders with more than 5% of a single class of shares. The Extraordinary Shareholders Meeting of April 20, 2016 approved the conversion of preferred shares to common shares. As a result, Liq has fragmented control in the market.
[2] For free float calculation, shares held in treasury and shares owned by Directors and Executive Officers are excluded.

13. *Events Subsequent to the Reporting Period*

Capital Increase Approved at Board of Directors' Meetings held on April 16, 17 and 20 and May 10, 2018

Four capital increases arising from conversion of debentures into shares were approved, as per Notices to Shareholders disclosed on April 16, 17 and 20 and May 10, 2018. At the meetings held on these dates, the Board of Directors approved the capital increase of R$6,141,312.00, through the issue of 2,665,790 registered common shares with no par value, issued by the Company, at R$4.89 per share, within the authorized capital, due to the voluntary conversion of debentures of the 5th and 6th issues of the Company, carried out between April 4, 2018 and May 4, 2018, as per the conversion requests submitted by debenture holders interested in conversion and duly received and confirmed by the Company, as detailed below:

(i) R$3,868,244.28, corresponding to 791,052 common shares, resulting from the conversion of 3,838,479 Debentures of the 3rd series of the 5th issue of the Company,

(ii) R$3,661,514.64, corresponding to 748,776 common shares, resulting from the conversion of 3,634,528 Debentures of the 4th series of the 5th issue of the Company,

(iii) R$5,505,954.18, corresponding to 1,125,962 common shares, resulting from the conversion of 5,718,160 Debentures of the single series of the 6th issue of the Company.

Thus, the Company's capital stock increased from R$188,865,909.64, divided into 4,185,596 registered common shares with no par value, to R$201,901,622.74, divided into 6,851,386 registered common shares with no par value.

Attachment I – Financial Performance

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Net Operating Revenue	**368.4**	**445.6**	**393.0**	**-17.3%**	**-6.3%**
Cost of Rendered Services	(353.0)	(422.5)	(418.5)	-16.4%	-15.7%
Personnel	(277.3)	(335.7)	(285.4)	-17.4%	-2.8%
Labor Contingencies	(16.1)	(18.9)	(70.3)	-14.5%	-77.0%
Third-Party Services	(40.5)	(43.1)	(41.5)	-6.0%	-2.4%
Rent and Insurance	(16.3)	(21.0)	(18.5)	-22.4%	-11.9%
Other	(2.8)	(3.8)	(2.9)	-26.6%	-4.6%
Gross Income	**15.4**	**23.1**	**(25.5)**	**-33.5%**	**n.m.**
Expenses	(37.8)	(31.4)	(82.3)	20.3%	-54.1%
Selling	(1.0)	(1.2)	(2.7)	-17.9%	-62.5%
General and Administrative	(34.0)	(29.0)	(42.0)	17.2%	-19.3%
Other Operating Revenue and Expenses	(2.8)	(1.2)	(37.6)	128.8%	-92.4%
EBITDA	**(22.5)**	**(8.3)**	**(107.8)**	**169.2%**	**-79.2%**
Depreciation and amortization	(17.0)	(28.6)	(4.7)	-40.6%	264.5%
EBIT	**(39.4)**	**(36.9)**	**(112.5)**	**6.8%**	**-64.9%**
Net Financial Result	(39.7)	(41.8)	238.4	-4.9%	n.m.
Income before Income Tax	**(79.2)**	**(78.7)**	**126.0**	**0.6%**	**n.m.**
IRPJ & CSLL	13.6	0.7	(226.3)	1934.0%	n.m.
Equity result	-	-	-	n.m.	n.m.
Net Income (Loss)	**(65.5)**	**(78.1)**	**(100.3)**	**-16.0%**	**-34.7%**

n.m. – not measurable

Attachment II – Income Statement – IFRS Consolidated

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Gross Revenue	**408.1**	**494.6**	**435.1**	**-17.5%**	**-6.2%**
Deduction of Gross Revenue	(39.7)	(49.0)	(42.0)	-18.9%	-5.4%
Net Revenue	**368.4**	**445.6**	**393.0**	**-17.3%**	**-6.3%**
Cost of Services	(362.5)	(446.8)	(410.4)	-18.9%	-11.7%
Gross Income	**5.8**	**(1.2)**	**(17.3)**	**n.m.**	**n.m.**
Selling	(1.0)	(1.2)	(2.7)	-17.9%	-62.5%
General and Administrative	(41.4)	(33.2)	(54.8)	24.7%	-24.5%
Financial	(39.7)	(41.8)	238.4	-4.9%	n.m.
Financial Revenues	41.2	11.5	333.3	258.3%	-87.6%
Financial Expenses	(80.9)	(53.3)	(94.9)	51.8%	-14.7%
Other Operating Revenue and Expenses	(2.8)	(1.2)	(37.6)	128.8%	-92.4%
Earnings before Taxes	**(79.2)**	**(78.7)**	**126.0**	**0.6%**	**n.m.**
IRPJ & CSLL	13.6	0.7	(226.3)	1932.7%	n.m.
Equity Result	-	-	-	n.m.	n.m.
Net Income (Loss)	**(65.5)**	**(78.1)**	**(100.3)**	**-16.0%**	**-34.7%**
# of shares, Ex. Treasury (‘000)	**4,117.5**	**4,117.5**	**4,117.5**	0.0%	0.0%

n.m. – not measurable

Attachment III – EBITDA Reconciliation

(R$ million)	1Q18	1Q17	4Q17	1Q18 vs. 1Q17	1Q18 vs. 4Q17
Net Income (Loss)	(65.5)	(78.1)	(100.3)	-16.0%	-34.7%
(+) Income tax and social contribution	(13.6)	(0.7)	226.3	1932.7%	n.m.
Income before Taxes	(79.2)	(78.7)	126.0	0.6%	n.m.
(+) Financial Expenses	80.9	53.3	94.9	51.8%	-14.7%
(-) Financial Revenues	(41.2)	(11.5)	(333.3)	258.3%	-87.6%
(+) Depreciation and Amortization	17.0	28.6	4.7	-40.6%	264.5%
EBITDA	(22.5)	(8.3)	(107.8)	169.2%	-79.2%

n.m. – not measurable

Attachment IV – Statement of Financial Position – Consolidated

The information released in 1Q16 was adjusted to allow quarter-over-quarter analysis. Therefore, certain items will be different than those presented in the Quarterly Report.

Assets	03/31/2018	03/31/2017	12/31/2017
Total Assets	**1,580.1**	**2,074.6**	**1,640.0**
Current Assets	**574.1**	**782.0**	**614.0**
Cash and equivalents	220.9	217.1	206.5
Restricted cash	-	-	-
Accounts receivable	274.7	423.5	323.7
Recoverable taxes	54.3	101.5	60.6
Judicial deposits	-	-	-
Balance Receivable from Related Parties	-	-	-
Dividends Receivable	-	-	-
Prepaid expenses and other assets	24.3	39.9	23.2
Assets available for sale	-	-	-
Non-Current Assets	**1,006.0**	**1,292.7**	**1,026.1**
Long Term Assets	**530.6**	**752.1**	**535.7**
Judicial deposits	412.0	377.0	399.9
Restricted cash	-	-	-
Accounts receivable	92.4	-	90.9
Recoverable taxes	2.2	339.8	23.9
Related Party Transactions	-	-	-
Prepaid expenses and other assets	23.9	35.3	21.0
Investment in Subsidiary Company	-	-	-
Permanent Assets	**475.4**	**540.5**	**490.4**
Fixed	108.7	137.7	115.5
Intangible	366.7	402.8	374.9
Liabilities	03/31/2018	03/31/2017	12/31/2017
Total Liabilities	**1,580.1**	**2,074.6**	**1,640.0**
Current Liabilities	**388.9**	**637.4**	**421.6**
Loans and Financing	30.7	102.5	60.0
Debentures and Promissory Notes	0.0	60.9	0.0
Suppliers	135.5	160.7	146.4
Advances to suppliers	-	-	-
Payroll and related charges	188.0	238.7	180.9
Taxes and contributions	30.8	65.9	29.8
Provisions	0.0	0.1	0.0
Transfer to Shareholders	-	-	-
Balance Payable to Related Parties	-	-	-
Contingent Consideration	-	0.2	-
Liabilities available for sale	-	-	-
Other Liabilities	3.8	8.4	4.4
Non-Current Liabilities	**1.068.4**	**1.502.4**	**1.650.3**
Loans and Financing	74.0	220.0	130.0
Debentures and Promissory Notes	163.9	1.109.8	1.029.1
Provisions	34.6	-	-
Balance Payable to Related Parties	319.0	140.0	291.0
Contingent Consideration	-	-	-
Payroll and related charges	-	-	-
Dividends payable	-	-	-
Deferred and payable taxes	23.1	20.7	22.8
Other	301.0	9.3	23.0
Shareholders' Equity	152.7	2.6	154.4
Capital Stock	**122.8**	**(65.2)**	**(431.9)**
Other Comprehensive Income	188.9	188.9	188.9
Capital Reserve	98.6	(8.5)	(10.1)
Other Reserve	-	-	-
Treasury Stock	(22.6)	(33.2)	(22.5)
Accrued Loss	(20.0)	(20.1)	(20.1)
Minority Interest	(122.1)	(192.3)	(568.1)

Attachment V – Consolidated Cash Flow

(R$ million)	1Q18	1Q17	4Q17
Net Income	**(65.5)**	**(78.1)**	**(100.3)**
Depreciation and Amortization	17.0	28.6	4.7
Gain / (loss) with interest and net monetary variation	33.8	45.3	70.6
Haircut	(34.8)	-	-
Embedded derivatives	34.6	-	-
Contingencies and Other Provisions	24.1	(1.4)	62.0
Instrument Sheet for Share-based Compensation	-	-	-
Deferred Income Tax and Social Contribution	(17.7)	(0.7)	226.3
(Gain) / Loss from the Sale of Fixed Assets	(1.9)	(0.0)	3.4
(Increase) / Decrease in Accounts Receivable	49.4	(36.7)	1.3
Gain (loss) letter of guarantee	-	-	(0.1)
Gain (loss) with debt renegotiation	6.5	-	(69.4)
Adjustment at present value	(1.5)	-	(251.1)
Discount from “Oi” account receivable	-	-	11.5
Write-off of income tax and social contribution	-	-	-
Other Assets	2.3	(7.1)	60.3
Judicial Deposits	(10.4)	(14.5)	(1.1)
Increase / (Decrease) in Payroll and Related Charges	6.7	23.9	(49.8)
Legal, civil and labor risks	(6.4)	-	(5.8)
Increase / (Decrease) in Suppliers	(10.9)	1.2	6.2
Advances to Suppliers	-	(66.8)	-
Suppliers Restructuring Program	-	47.6	0.2
Debt reprofiling costs	-	-	-
Other Liabilities	(3.1)	(8.1)	76.9
Net Cash – Operating Activities	**22.2**	**(66.8)**	**45.8**
Investment in Permanent Asset	(2.0)	(5.7)	(1.2)
Cash Received from the Sale of Permanent Asset	1.9	0.0	0.5
Net Cash – Investing Activities	**(0.1)**	**(5.7)**	**(0.7)**
Commercial Leasing Payment	(0.3)	(0.2)	(2.5)
Financing Obtained	5.0	4.2	7.1
Financing Payments	(10.9)	(2.7)	(10.2)
Debentures	-	-	-
Amortization of the principal from suppliers extension operation	-	-	-
Amortization of interest from suppliers extension operation	-	-	(0.2)
Debentures and Promissory Note Amortization	-	-	-
Loan to Related Parties	-	-	-
Write-off of non-controlling shareholders	-	(0.0)	0.0
Interest Paid	(1.6)	(35.6)	(2.3)
Dividends Paid	-	-	-
Capital Increase	-	-	-
Net Cash – Financing Activities	**(7.8)**	**(34.3)**	**(8.1)**
Exchange Difference on cash and equivalents	**0.0**	**0.0**	**(1.4)**
Cash and equivalents – Beginning of the period	206.5	323.9	170.9
Cash and equivalents classified as held for sale	-	-	-
Cash and equivalents – End of the period	220.9	217.1	206.5
Increase (Decrease) in Cash and Equivalents	**14.3**	**(106.8)**	**35.6**

With a contagious desire to make a difference, Liq is a customer experience company that fosters diversity and has social inclusion as one of its main pillars. It brings brands closer to their consumers through comprehensive BPO and CRM solutions and strategies focused on Promotional and Trade Marketing. With a humane vision and an all-line approach (retail, voice, chat, e-mail, digital), Liq creates, together with its clients, customized, smart, user-friendly solutions focused on the end consumer, using technology and the omnichannel approach as tools that transform customer service into a unique relationship experience.

The statements contained in this document relating to the business prospects, operating and financial results estimates, and growth prospects of Liq are merely projections and as such are based exclusively on the Management's expectations concerning the future of the business. These forward-looking statements estimates depend on changes in market conditions, the performance of the Brazilian economy, the industry and international markets and are therefore subject to change without prior notice.