



UNICASA

**Earnings Release
2Q18**



Bento Gonçalves, Rio Grande do Sul, August 9, 2018. Unicasa Indústria de Móveis S.A. (BM&FBovespa: UCAS3, Bloomberg: UCAS3:BZ, Reuters: UCAS3), one of the leading companies in Brazil's custom-made furniture industry and the only Brazilian publicly held company in the sector, announces today its results for the second quarter of 2018. Except where stated otherwise, all variations and comparisons are in relation to the same period of the previous year. The following financial and operating information, except where stated otherwise, is presented with consolidated data (including Unicasa Comércio de Móveis Ltda.), in thousands of Brazilian reais and in accordance with the International Financial Reporting Standards (IFRS).

Investor relations

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Period highlights

- Reversal of the loss in 2Q17;
- Selling and Administrative expenses down 31.0%;
- Positive cash flow in the quarter, as against cash burn in 2Q17
- Net margin up 8.5 p.p.
- EBITDA margin up 15.3 p.p.

| Executive Summary | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|---|----------------|----------------|-------------------|----------------|----------------|------------------|
| Gross Revenue ex-IPI | 48,914 | 44,613 | -8.8% | 99,033 | 82,966 | -16.2% |
| Net Revenue | 37,006 | 35,352 | -4.5% | 74,726 | 65,644 | -12.2% |
| Cost of Goods Sold | (21,889) | (22,240) | +1.6% | (42,959) | (40,586) | -5.5% |
| Gross Income | 15,117 | 13,112 | -13.3% | 31,767 | 25,058 | -21.1% |
| Gross Margin | 40.9% | 37.1% | -3.8 p.p. | 42.5% | 38.2% | -4.3 p.p. |
| Selling and Administrative Expenses | (22,281) | (15,363) | -31.0% | (40,785) | (29,008) | -28.9% |
| Other Revenues and Operating Expenses | (252) | 960 | -481.0% | 1,396 | 1,405 | +0.6% |
| Operating Income | (7,416) | (1,291) | -82.6% | (7,622) | (2,545) | -66.6% |
| Operating Margin | -20.0% | -3.7% | +16.3 p.p. | -10.2% | -3.9% | +6.3 p.p. |
| Financial Income (Expenses) Net | 1,130 | 1,342 | +18.8% | 2,542 | 2,392 | -5.9% |
| Operating Income before Income Tax and Social Contribution | (6,286) | 51 | -100.8% | (5,080) | (153) | -97.0% |
| Income Tax and Social Contribution | 3,146 | (37) | -101.2% | 3,093 | (201) | -106.5% |
| Net Profit | (3,140) | 14 | -100.4% | (1,987) | (354) | -82.2% |
| Net Margin | -8.5% | 0.0% | +8.5 p.p. | -2.7% | -0.5% | +2.2 p.p. |
| EBITDA | (4,827) | 820 | -117.0% | (2,383) | 2,263 | -195.0% |
| EBITDA Margin | -13.0% | 2.3% | +15.3 p.p. | -3.2% | 3.4% | +6.6 p.p. |

Disclaimer: The forward-looking statements in this document related to the business prospects, projections of operating and financial results and growth prospects of Unicasa are merely estimates and as such are based exclusively on Management's expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, industry and international markets, and are subject to known and unknown risks and uncertainties, which can cause such expectations to not materialize or cause actual results to differ materially from those expected and, therefore, are subject to change without prior notice.

SALES PERFORMANCE

Gross revenue in 2Q18 decreased 8.8% from 2Q17, due to: (i) the reduction in the distribution network, responsible for 5.8% decline; (ii) the shutdown of the own store operation, which accounted for about 4.1% of the decline, partially offset by the decrease in operating expenses arising from this business unit; and (iii) the economic performance of other sales channels, which grew 1.2%, driven by the performance of the Export and Corporate channels.

The Unicasa Corporate and Export Markets segments are affected by significant oscillations due to the specific aspects of the projects sold in the period. In case of the Export Market, include the oscillation of the exchange rate.

| Dell Anno and Favorita – Exclusive and Own Stores | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|--|-------------|-------------|----------|-------------|-------------|----------|
| Gross Revenue, ex-IPI | 26,964 | 21,859 | -18.9% | 54,820 | 42,190 | -23.0% |
| Number of Modules Sold (thousand units) | 77.5 | 57.7 | -25.5% | 152.1 | 112.9 | -25.8% |
| New and Casa Brasileira Exclusive Dealers | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
| Gross Revenue, ex-IPI | 12,386 | 10,115 | -18.3% | 25,178 | 19,692 | -21.8% |
| Number of Modules Sold (thousand units) | 65.0 | 45.5 | -30.0% | 133.3 | 89.4 | -32.9% |
| Multibrands | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
| Gross Revenue, ex-IPI | 5,788 | 5,557 | -4.0% | 11,304 | 10,214 | -9.6% |
| Number of Modules Sold (thousand units) | 34.9 | 27.2 | -22.1% | 69.0 | 52.1 | -24.5% |
| Unicasa Corporate | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
| Gross Revenue, ex-IPI | 2,028 | 4,126 | +103.5% | 4,727 | 5,928 | +25.4% |
| Number of Modules Sold (thousand units) | 6.0 | 9.2 | +53.3% | 14.7 | 14.6 | -0.7% |
| Export Market | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
| Gross Revenue, ex-IPI | 1,000 | 2,219 | +121.9% | 1,621 | 3,766 | +132.3% |
| Number of Modules Sold (thousand units) | 3.9 | 7.6 | +94.9% | 6.4 | 14.4 | +125.0% |

Consolidated Indicators – Unicasa

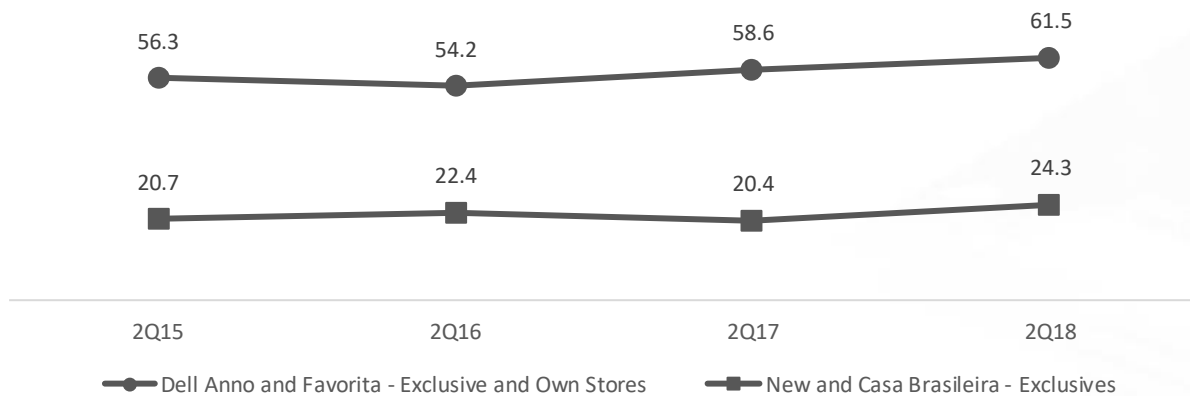
| Unicasa Indústria de Móveis | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|---|-------------|-------------|----------|-------------|-------------|----------|
| Gross Revenue, ex-IPI | 48,914 | 44,613 | -8.8% | 99,033 | 82,966 | -16.2% |
| Number of Modules Sold (thousand units) | 187.7 | 147.2 | -21.6% | 377.8 | 283.4 | -25.0% |

SALES AND DISTRIBUTION CHANNELS

| Period | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | Δ |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Exclusive and Own Stores | 344 | 287 | 278 | 265 | 249 | (16) |
| Dell Anno and Favorita | 150 | 136 | 129 | 122 | 115 | (7) |
| New and Casa Brasileira | 194 | 151 | 149 | 143 | 134 | (9) |
| Multibrand | 598 | 598 | 597 | 595 | 587 | (8) |
| New and Casa Brasileira Multibrand | 598 | 598 | 597 | 595 | 587 | (8) |

⁽¹⁾ Variation compared to 1Q18.

Average productivity per Dell Anno and Favorita store in 2Q18 was R\$61.5/month, 5.0% higher than the R\$58.6 in 2Q17. Average productivity in the quarter per New and Casa Brasileira store in 2Q18 was R\$24.3/month, 19.1% higher than the R\$20.4 in 2Q17, due to the closure of less productive operations. The graph below shows historical productivity in the second quarter.



FINANCIAL PERFORMANCE

Gross Profit and Gross Margin

Gross profit in the quarter was R\$13.1 million. Gross margin fell 3.8 p.p., from 40.9% in 2Q17 to 37.1% this quarter. The main variations in margin are: (i) sales mix for channels with more competitive pricing, which reduced gross margin by 2.4 p.p.; (ii) closure of own stores, a 1.7 p.p. reduction; (iii) in January 2018, the Company started deducting Social Contribution in the payroll instead of in the Revenue, as option allowed by Law 12,546/2011. This change reduced margin by 0.2 p.p., despite the overall reduction in the Contribution expense; (iv) reduction in personnel expenses contributed to a margin increase of 0.5 p.p.

Selling, General and Administrative Expenses (SG&A)

| Selling General and Administrative Expenses | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|---|----------|----------|------------|----------|----------|------------|
| Total | (22,281) | (15,363) | -31.0% | (40,785) | (29,008) | -28.9% |
| SG&A % of Net Revenue | 60.2% | 43.5% | -16.7 p.p. | 54.6% | 44.2% | -10.4 p.p. |

The following chart presents the evolution of Selling, General and Administrative ⁽¹⁾:



Expenses with consumers were R\$3.0 million lower, mainly due to the provision accrued in 2Q17. These expenses mainly include expenses with goods, freight and assembly.

Expenses with own stores declined by R\$1.8 million, mainly due to the closure of the own store operation, as disclosed in the 4Q16 earnings release.

Personnel expenses declined R\$1.5 million, mainly due to the restructuring carried out at the Company during 2017.

The amortization of points of sale declined R\$0.6 million due to the end of the amortization period for one of our points of sale.

Other Operating Income and Expenses

In 2Q18, the result of this line was net revenue, compared to net expense in 2Q17. The main variation corresponds to the result from the sale of assets.

| Other Operating Income and Expenses | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|-------------------------------------|--------------|-------------|------------------|--------------|--------------|------------------|
| Total | (252) | 960 | -481.0% | 1,396 | 1,405 | +0.6% |
| Bank Premium | 441 | 350 | -20.6% | 869 | 650 | -25.2% |
| Result From Sale of Assets | (977) | 81 | -108.3% | (577) | 129 | -122.4% |
| Trademark Rights | - | - | n/a | 570 | - | -100.0% |
| Other Operating Income | 284 | 529 | +86.3% | 534 | 626 | +17.2% |
| % of Net Revenue | 0.7% | 2.7% | +2.0 p.p. | 1.9% | 2.1% | +0.2 p.p. |

Financial Result

Financial result increased 18.8%, mainly due to the R\$0.6 million decline in expenses with interest which, in 2Q17, was affected by the decision to join the Tax Regularization Program, by which tax debts were settled with interest expense, as disclosed in the 2Q17 earnings release. Revenue from short-term investments also declined, mainly due to the reduction in the SELIC interest rate in the period.

| Financial Result | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|-----------------------------------|--------------|--------------|---------------|----------------|--------------|---------------|
| Net Financial Result | 1,130 | 1,342 | 18.8% | 2,542 | 2,392 | -5.9% |
| Financial Expenses | (745) | (179) | -76.0% | (1,389) | (537) | -61.3% |
| IOF charge and bank fees | (91) | (50) | -45.1% | (180) | (133) | -26.1% |
| Exchange variation expenses | (34) | (89) | -60.6% | (139) | (201) | 44.6% |
| Present value adjustment - AVP | (33) | (13) | n/a | (350) | (129) | -63.1% |
| Other financial expenses | (587) | (27) | -95% | (720) | (74) | -89.7% |
| Financial Income | 1,875 | 1,521 | -18.9% | 3,931 | 2,929 | -25.5% |
| Interest income | 425 | 391 | -8.0% | 911 | 812 | -10.9% |
| Discounts | 20 | 9 | -55.0% | 51 | 23 | -54.9% |
| Yield from short-term investments | 604 | 403 | -33.3% | 1,431 | 814 | -43.1% |
| Exchange variation income | 103 | 244 | 136.9% | 161 | 349 | 116.8% |
| Present value adjustment - AVP | 551 | 307 | -44.3% | 1,079 | 579 | -46.3% |
| Other financial income | 172 | 167 | -2.9% | 298 | 352 | 18.1% |

EBITDA and EBITDA Margin

| EBITDA | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|--------|------|------|---|------|------|---|
|--------|------|------|---|------|------|---|

| | | | | | | |
|------------------------------------|----------------|----------------|-------------------|----------------|----------------|------------------|
| Net Income for the Period | (3,140) | 14 | -100.4% | (1,987) | (354) | -82.2% |
| Income Tax and Social Contribution | (3,146) | 37 | -101.2% | (3,093) | 201 | -106.5% |
| Financial Result | (1,130) | (1,342) | +18.8% | (2,542) | (2,392) | -5.9% |
| EBIT | (7,416) | (1,291) | -82.6% | (7,622) | (2,545) | -66.6% |
| Depreciation and Amortization | 2,589 | 2,111 | -18.5% | 5,239 | 4,808 | -8.2% |
| EBITDA | (4,827) | 820 | -117.0% | (2,383) | 2,263 | -195.0% |
| EBITDA Margin | -13.0% | 2.3% | +15.3 p.p. | -3.2% | 3.4% | +6.6 p.p. |

Cash Flow

The main variations in cash that contributed to the generation of R\$3.4 million in 2Q18, compared to a cash burn of R\$9.3 million in 2Q17, were: (i) reversal of the loss in 2Q17; (ii) reduction in expenses with suppliers as a result of strategic purchases made in 2Q17; and, (iii) reduction in expenses with the acquisition of property, plant and equipment.

| Cash Flow | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|--|----------------|--------------|----------------|-----------------|-----------------|----------------|
| Cash Flows from Operating Activities | (4,816) | 5,212 | -208.2% | 654 | 6,970 | +965.7% |
| Changes in Assets and Liabilities | (1,939) | (682) | -64.8% | (4,399) | 3,294 | -174.9% |
| Financial Investments | 12,867 | (1,000) | -107.8% | 4,779 | (1,000) | -120.9% |
| Cash generated by investment activities | (2,547) | (1,108) | -56.5% | (3,204) | (2,733) | -14.7% |
| Cash flow (burn) | 3,565 | 2,422 | -32.1% | (2,824) | (439) | -84.5% |
| Financial Investments | (12,867) | 1,000 | -107.8% | (4,779) | 1,000 | -120.9% |
| Cash flow and Financial Investments | (9,302) | 3,422 | -136.8% | (7,603) | 561 | -107.4% |
| At the Beginning of the Period | 34,964 | 33,582 | -4.0% | 27,832 | 29,473 | +5.9% |
| At the End of the Period | 25,662 | 37,004 | +44.2% | 25,662 | 36,004 | +40.3% |
| Cash flow and Financial Investments | (9,302) | 3,422 | -136.8% | (27,832) | (29,473) | +5.9% |

Net Cash

| Net Cash | 6/30/2017 | 6/30/2018 | Δ |
|--------------------------------|------------------|------------------|---------------|
| Short Term Debt | - | - | n/a |
| Long Term Debt | - | - | n/a |
| Gross Debt | - | - | n/a |
| Cash and Cash Equivalents | 25,662 | 36,004 | +40.3% |
| Financial Investments | - | 1,000 | n/a |
| Net Debt/(Cash Surplus) | (25,662) | (37,004) | +44.2% |

Return on Invested Capital (ROIC) and Return on Equity (ROE) in the last twelve months (LTM)

| NOPLAT (Net Operating Profit Less Adjusted Taxes) | 2Q18 | 1Q18 | 4Q17 | 3Q17 | 2Q17 |
|--|-------------|-------------|-------------|-------------|-------------|
|--|-------------|-------------|-------------|-------------|-------------|

| | | | | | |
|---|----------------|-----------------|----------------|-----------------|-----------------|
| (=) EBITDA | 820 | 1,443 | (3,803) | 2,079 | (4,827) |
| Depreciation | 2,111 | 2,697 | 2,642 | 2,608 | 2,589 |
| (=) EBIT | (1,291) | (1,254) | (6,445) | (529) | (7,416) |
| Income Tax and Social Contribution | (37) | (164) | 658 | (116) | 3,146 |
| Financial Result Income Tax Reversal | 456 | 357 | 404 | 298 | 384 |
| (=) Operating Net Income (NOPLAT) | (872) | (1,061) | (5,383) | (348) | (3,886) |
| (=) Operating Net Income (NOPLAT) - Last Twelve Months | (7,664) | (10,678) | (9,396) | (29,185) | (34,667) |

| ROIC (Return on Invested Capital) | 2Q18 | 1Q18 | 4Q17 | 3Q17 | 2Q17 |
|--|--------------|--------------|--------------|---------------|---------------|
| Invested Capital - LTM | 134,682 | 138,698 | 140,322 | 141,127 | 151,701 |
| ROIC - LTM | -5.7% | -7.7% | -6.7% | -20.7% | -22.9% |
| ROE (Return on Equity) | 2Q18 | 1Q18 | 4Q17 | 3Q17 | 2Q17 |
| Net Profit – Last Twelve Months | (1,181) | (1,970) | (1,589) | (6,470) | (7,600) |
| Shareholders' equity | 167,518 | 167,504 | 167,872 | 172,472 | 172,242 |
| ROE - LTM | -0.7% | -1.2% | -0.9% | -3.7% | -4.2% |

ANNEX I – WORKING CAPITAL AND INVESTED CAPITAL

| Invested Capital | 6/30/2018 | 3/31/2018 | 12/31/2017 | 9/30/2017 | 6/30/2017 |
|--|----------------|----------------|----------------|----------------|----------------|
| Operational Asset | 70,270 | 69,763 | 69,272 | 72,317 | 80,792 |
| (+) Trade Accounts Receivable | 24,348 | 21,606 | 23,641 | 23,528 | 23,734 |
| (+) Long Term Trade Accounts Receivable | 9,708 | 10,704 | 11,633 | 11,654 | 12,574 |
| (+) Long Term Loans Granted | 1,945 | 2,241 | 2,606 | 2,823 | 3,497 |
| (+) Inventories | 21,227 | 21,835 | 19,770 | 20,672 | 25,599 |
| (+) Advances to Suppliers | 141 | 124 | 837 | 142 | 566 |
| (+) Loans Granted | 1,756 | 1,655 | 1,456 | 2,510 | 2,467 |
| (+) Prepaid Expenses | 2,293 | 2,184 | 1,089 | 1,624 | 1,461 |
| (+) Recoverable Taxes | 5,022 | 5,383 | 5,096 | 6,303 | 7,590 |
| (+) Other Assets | 3,830 | 4,031 | 3,144 | 3,061 | 3,304 |
| Operational Liabilities | 40,950 | 41,744 | 38,445 | 46,504 | 48,005 |
| (-) Suppliers | 5,370 | 7,077 | 3,266 | 5,520 | 3,912 |
| (-) Tax Liabilities | 2,505 | 2,212 | 2,718 | 3,312 | 3,590 |
| (-) Payroll and Related Charges | 4,223 | 3,461 | 2,973 | 5,176 | 4,663 |
| (-) Advances from Customers | 18,992 | 17,877 | 17,568 | 22,667 | 24,688 |
| (-) Provisions | 6,215 | 7,506 | 8,703 | 6,655 | 8,209 |
| (-) Other Liabilities | 3,645 | 3,611 | 3,217 | 3,174 | 2,943 |
| (=) Working Capital | 29,320 | 28,019 | 30,827 | 25,813 | 32,787 |
| Non-current operating assets | 111,912 | 115,454 | 117,618 | 119,754 | 122,402 |
| (+) Assets Held for Sale | 1,057 | 2,410 | 2,878 | 4,139 | 4,889 |
| (+) Deferred Income and Social Contribution | 16,037 | 16,074 | 16,238 | 15,680 | 15,733 |
| Taxes | | | | | |
| (+) Recoverable Taxes | - | - | - | - | - |
| (+) Prepaid Expenses | - | - | - | - | - |
| (+) Judicial Deposits | 2,730 | 2,636 | 2,946 | 2,894 | 3,138 |
| (+) Other Assets | 2,559 | 2,826 | 2,454 | 2,898 | 2,706 |
| (+) Investments | 20 | 20 | 31 | 31 | 31 |
| (+) Property, Plant and Equipment | 80,287 | 81,873 | 82,398 | 82,364 | 83,096 |
| (+) Intangible Assets | 9,222 | 9,615 | 10,673 | 11,748 | 12,809 |
| Non-current operating liabilities | 10,718 | 9,551 | 10,046 | 9,676 | 8,609 |
| (-) Tax Liabilities | 405 | 438 | 471 | 504 | 537 |
| (-) Provisions | 10,313 | 9,113 | 9,575 | 9,172 | 8,072 |
| (=) Fixed Capital | 101,194 | 105,903 | 107,572 | 110,078 | 113,793 |
| (+) Cash and Cash Equivalents | 36,004 | 33,582 | 29,473 | 32,965 | 25,662 |
| (+) Short Term Financial Investments | 1,000 | - | - | 3,616 | - |
| (+) Long Term Financial Investments | - | - | - | - | - |
| (-) Short Term Loans Granted | - | - | - | - | - |
| (-) Long Term Loans Granted | - | - | - | - | - |
| (-) Dividends and interest on Equity Payable | - | - | - | - | - |
| (-) Shareholders' equity | 167,518 | 167,504 | 167,872 | 172,472 | 172,242 |
| (=) Total Financing | 130,514 | 133,922 | 138,399 | 135,891 | 146,580 |

ANNEX II – FINANCIAL STATEMENTS – INCOME STATEMENT – CONSOLIDATED

| Income Statement | 2Q17 | AV | 2Q18 | AV | Δ | AH | 1H17 | AV | 1H18 | AV | AH |
|---|----------------|---------------|----------------|---------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|
| Gross Revenue from Sales | 51,049 | 137.9% | 46,547 | 131.7% | (4,502) | -8.8% | 103,284 | 138.2% | 86,535 | 131.8% | -16.2% |
| Domestic Market | 50,049 | 135.2% | 44,328 | 125.4% | (5,721) | -11.4% | 101,663 | 136.0% | 82,769 | 126.1% | -18.6% |
| Dell Anno and Favorita | 28,067 | 75.8% | 22,779 | 64.4% | (5,288) | -18.8% | 56,972 | 76.2% | 43,934 | 66.9% | -22.9% |
| New and Casa Brasileira Exclusive Dealers | 13,000 | 35.1% | 10,617 | 30.0% | (2,383) | -18.3% | 26,423 | 35.4% | 20,668 | 31.5% | -21.8% |
| New and Casa Brasileira Multibrand | 6,076 | 16.4% | 5,836 | 16.5% | (240) | -3.9% | 11,869 | 15.9% | 10,727 | 16.3% | -9.6% |
| Unicasa Corporate | 2,131 | 5.8% | 4,333 | 12.3% | 2,202 | +103.3% | 4,964 | 6.6% | 6,225 | 9.5% | +25.4% |
| Other Revenues | 775 | 2.1% | 763 | 2.2% | (12) | -1.5% | 1,435 | 1.9% | 1,215 | 1.9% | -15.3% |
| Exports | 1,000 | 2.7% | 2,219 | 6.3% | 1,219 | +121.9% | 1,621 | 2.2% | 3,766 | 5.7% | +132.3% |
| Sales Deductions | (14,043) | 37.9% | (11,195) | -31.7% | 2,848 | -20.3% | (28,558) | -38.2% | (20,891) | -31.8% | -26.8% |
| Net Revenue from Sales | 37,006 | 100.0% | 35,352 | 100.0% | (1,654) | -4.5% | 74,726 | 100.0% | 65,644 | 100.0% | -12.2% |
| Cost of Goods Sold | (21,889) | 59.1% | (22,240) | -62.9% | (351) | +1.6% | (42,959) | -57.5% | (40,586) | -61.8% | -5.5% |
| Gross Profit | 15,117 | 40.9% | 13,112 | 37.1% | (2,005) | -13.3% | 31,767 | 42.5% | 25,058 | 38.2% | -21.1% |
| Selling Expenses | (17,786) | 48.1% | (8,220) | -23.3% | 9,566 | -53.8% | (30,531) | -40.9% | (16,733) | -25.5% | -45.2% |
| General and Administrative Expenses | (4,495) | 12.1% | (7,143) | -20.2% | (2,648) | +58.9% | (10,254) | -13.7% | (12,275) | -18.7% | +19.7% |
| Other Operating Income, Net | (252) | 0.7% | 960 | 2.7% | 1,212 | -481.0% | 1,396 | 1.9% | 1,405 | 2.1% | +0.6% |
| Operating Income | (7,416) | 20.0% | (1,291) | -3.7% | 6,125 | -82.6% | (7,622) | -10.2% | (2,545) | -3.9% | -66.6% |
| Financial Expenses | (745) | 2.0% | (179) | -0.5% | 566 | -76.0% | (1,389) | -1.9% | (537) | -0.8% | -61.3% |
| Financial Income | 1,875 | 5.1% | 1,521 | 4.3% | (354) | -18.9% | 3,931 | 5.3% | 2,929 | 4.5% | -25.5% |
| Operating Income before Income Tax and Social Contribution | (6,286) | 17.0% | 51 | 0.1% | 6,337 | -100.8% | (5,080) | -6.8% | (153) | -0.2% | -97.0% |
| Income Tax and Social Contribution | 3,146 | 8.5% | (37) | -0.1% | (3,183) | -101.2% | 3,093 | 4.1% | (201) | -0.3% | -106.5% |
| Current | 89 | 0.2% | - | 0.0% | (89) | -100.0% | (37) | 0.0% | - | 0.0% | -100.0% |
| Deferred | 3,057 | 8.3% | (37) | -0.1% | (3,094) | -101.2% | 3,130 | 4.2% | (201) | -0.3% | -106.4% |
| Net Income for the Period | (3,140) | 8.5% | 14 | 0.0% | 3,154 | -100.4% | (1,987) | -2.7% | (354) | -0.5% | -82.2% |
| Earnings per Share (R\$) | 0.05 | | 0.00 | 0.0% | 0.05 | -100.4% | 0.03 | +0.0% | 0.01 | +0.0% | -82.1% |

ANNEX III - FINANCIAL STATEMENTS – BALANCE SHEET – CONSOLIDATED

| Assets | 12/31/2017 | AV | 6/30/2018 | AV | Δ |
|--------|------------|----|-----------|----|---|
|--------|------------|----|-----------|----|---|

| | | | | | |
|---|----------------|--------------|----------------|--------------|---------------|
| Current Assets | 84,506 | 39.1% | 95,621 | 43.6% | +13.2% |
| Cash and Cash Equivalents | 29,473 | 13.6% | 36,004 | 16.4% | +22.2% |
| Restricted Marketable Securities | - | 0.0% | 1,000 | 0.5% | n/a |
| Trade Accounts Receivable | 23,641 | 10.9% | 24,348 | 11.1% | +3.0% |
| Inventories | 19,770 | 9.1% | 21,227 | 9.7% | +7.4% |
| Advances to Suppliers | 837 | 0.4% | 141 | 0.1% | -83.2% |
| Loans Granted | 1,456 | 0.7% | 1,756 | 0.8% | +20.6% |
| Prepaid Expenses | 1,089 | 0.5% | 2,293 | 1.0% | +110.6% |
| Recoverable Taxes | 5,096 | 2.4% | 5,022 | 2.3% | -1.5% |
| Other Assets | 3,144 | 1.5% | 3,830 | 1.7% | +21.8% |
| Non-Current Assets | 131,857 | 60.9% | 123,565 | 56.4% | -6.3% |
| Trade Accounts Receivable | 11,633 | 5.4% | 9,708 | 4.4% | -16.5% |
| Loans Granted | 2,606 | 1.2% | 1,945 | 0.9% | -25.4% |
| Assets Held for Sale | 2,878 | 1.3% | 1,057 | 0.5% | -63.3% |
| Deferred Income and Social Contribution Taxes | 16,238 | 7.5% | 16,037 | 7.3% | -1.2% |
| Judicial Deposits | 2,946 | 1.4% | 2,730 | 1.2% | -7.3% |
| Other Assets | 2,454 | 1.1% | 2,559 | 1.2% | +4.3% |
| Investments | 31 | 0.0% | 20 | 0.0% | -35.5% |
| Property, Plant and Equipment | 82,398 | 38.1% | 80,287 | 36.6% | -2.6% |
| Intangible Assets | 10,673 | 4.9% | 9,222 | 4.2% | -13.6% |
| Total Assets | 216,363 | 100% | 219,186 | 100% | +1.3% |

| Liabilities | 12/31/2017 | AV | 6/30/2018 | AV | Δ |
|---|-------------------|--------------|------------------|--------------|--------------|
| Current Liabilities | 38,445 | 17.8% | 40,950 | 18.7% | +6.5% |
| Suppliers | 3,266 | 1.5% | 5,370 | 2.4% | +64.4% |
| Tax Liabilities | 2,718 | 1.3% | 2,505 | 1.1% | -7.8% |
| Payroll and Related Charges | 2,973 | 1.4% | 4,223 | 1.9% | +42.0% |
| Advances from Customers | 17,568 | 8.1% | 18,992 | 8.7% | +8.1% |
| Provisions | 8,703 | 4.0% | 6,215 | 2.8% | -28.6% |
| Other Liabilities | 3,217 | 1.5% | 3,645 | 1.7% | +13.3% |
| Non-Current Liabilities | 10,046 | 4.6% | 10,718 | 4.9% | +6.7% |
| Tax Liabilities | 471 | 0.2% | 405 | 0.2% | -14.0% |
| Provisions | 9,575 | 4.4% | 10,313 | 4.7% | +7.7% |
| Shareholders' equity | 167,872 | 77.6% | 167,518 | 76.4% | -0.2% |
| Capital Stock | 187,709 | 86.8% | 187,709 | 85.6% | +0.0% |
| Capital Reserve | (2,658) | -1.2% | (2,658) | -1.2% | +0.0% |
| Accumulated Loss | (17,179) | -7.9% | (17,533) | -8.0% | +2.1% |
| Total Liabilities and Shareholders' Equity | 216,363 | 100% | 219,186 | 100% | +1.3% |

ANNEX IV – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED

| Cash Flow Statement | 2Q17 | 2Q18 | Δ | 1H17 | 1H18 | Δ |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Operating Income Before Income And Social Contribution Taxes | (6,286) | 51 | -100.8% | (5,080) | (153) | -97.0% |
| Adjustment to Reconcile the Net Income to Cash from Operating Activities: | | | | | | |
| Depreciation and Amortization | 2,589 | 2,111 | -18.5% | 5,239 | 4,808 | -8.2% |
| Foreign Exchange Variation | (45) | (138) | +206.7% | (40) | (138) | +245.0% |
| Provision for Litigation | (1,771) | 1,200 | -167.8% | (1,388) | 738 | -153.2% |
| Provision for Obsolescence | (111) | 123 | -210.8% | (7) | 253 | -3714.3% |
| Allowance for Doubtful Accounts | 1,001 | 1,015 | +1.4% | 827 | 664 | -19.7% |
| Provision for PPR | (439) | (126) | -71.3% | (1,421) | (700) | -50.7% |
| Disposal of Property, Plant and Equipment | 246 | 976 | +296.7% | 2,524 | 1,498 | -40.6% |
| Cash Flows from Operating Activities | (4,816) | 5,212 | -208.2% | 654 | 6,970 | +965.7% |
| Changes in Assets and Liabilities | | | | | | |
| Trade Accounts Receivable | 1,842 | (2,624) | -242.5% | (3,248) | 692 | -121.3% |
| Inventories | (554) | 485 | -187.5% | (3,774) | (1,710) | -54.7% |
| Recoverable Taxes | (366) | 361 | -198.6% | (996) | 74 | -107.4% |
| Loans Granted | (468) | 195 | -141.7% | (208) | 361 | -273.6% |
| Other Current or Non-Current Assets | 967 | 248 | -74.4% | (3,638) | (1,083) | -70.2% |
| Non-Current Assets Available for Sale | 2,338 | 1,353 | -42.1% | 6,117 | 1,821 | -70.2% |
| Suppliers | (6,381) | (1,707) | -73.2% | 569 | 2,104 | +269.8% |
| Advance from Customers | (1,185) | 1,115 | -194.1% | (808) | 1,424 | -276.2% |
| Other Current or Non-Current Liabilities | 1,868 | (108) | -105.8% | 1,587 | (389) | -124.5% |
| Net Cash from Operating Activities | (6,755) | 4,530 | -167.1% | (3,745) | 10,264 | -374.1% |
| Cash Flows from Investing Activities | | | | | | |
| Financial Investments | 12,867 | (1,000) | -107.8% | 4,779 | (1,000) | -120.9% |
| Investments | 51 | - | -100.0% | 51 | 11 | -78.4% |
| Property, Plant and Equipment | (2,551) | (843) | -67.0% | (3,189) | (2,355) | -26.2% |
| Intangible Assets | (47) | (265) | +463.8% | (66) | (389) | +489.4% |
| Net Cash used in Investing Activities | 10,320 | (2,108) | -120.4% | 1,575 | (3,733) | -337.0% |
| Cash Flows from Financing Activities | | | | | | |
| Cash Flows (used in) from Financing Activities | - | - | n/a | - | - | n/a |
| Increase (Decrease) in Cash and Cash Equivalents | 3,565 | 2,422 | -32.1% | (2,170) | 6,531 | -401.0% |
| Changes in Cash and Cash Equivalents | | | | | | |
| At the Beginning of the Period | 22,097 | 33,582 | +52.0% | 27,832 | 29,473 | +5.9% |
| At the End of the Period | 25,662 | 36,004 | +40.3% | 25,662 | 36,004 | +40.3% |
| Increase (Decrease) in Cash and Cash Equivalents | 3,565 | 2,422 | -32.1% | (2,170) | 6,531 | -401.0% |

⁽¹⁾ The Statement of Cash Flow was prepared by the indirect method and is shown in accordance with CPC 3 - Statement of Cash Flows, issued by Brazil's Accounting Pronouncements Committee (CPC). Transactions that do not affect cash are described in Note 26 to the Quarterly Information (ITR).

ANNEX V – GROSS REVENUE, GROSS REVENUE EX-IPI AND MODULES SOLD – CONSOLIDATED

| Gross Revenue | 1Q17 | 1Q18 | 2Q17 | 2Q18 | 3Q17 | 4Q17 | 1H17 | 1H18 | 2H17 | 9M17 | 2017 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|----------------|----------------|
| Total Gross Revenue | 52,235 | 39,988 | 51,049 | 46,547 | 56,234 | 57,223 | 103,284 | 86,535 | 113,457 | 159,518 | 216,741 |
| Domestic Market | 51,614 | 38,441 | 50,049 | 44,328 | 54,082 | 54,938 | 101,663 | 82,769 | 109,020 | 155,745 | 210,683 |
| Dell Anno and Favorita - Exclusive Dealers and Own Stores | 28,905 | 21,155 | 28,067 | 22,779 | 29,436 | 30,809 | 56,972 | 43,934 | 60,245 | 86,408 | 117,217 |
| New and Casa Brasileira Exclusive Dealers | 13,423 | 10,051 | 13,000 | 10,617 | 14,288 | 14,082 | 26,423 | 20,668 | 28,370 | 40,711 | 54,793 |
| New and Casa Brasileira Multibrand | 5,793 | 4,891 | 6,076 | 5,836 | 6,653 | 6,551 | 11,869 | 10,727 | 13,204 | 18,522 | 25,073 |
| Unicasa Corporate | 2,833 | 1,892 | 2,131 | 4,333 | 3,115 | 2,952 | 4,964 | 6,225 | 6,067 | 8,079 | 11,031 |
| Other Revenues | 660 | 452 | 775 | 763 | 590 | 544 | 1,435 | 1,215 | 1,134 | 2,025 | 2,569 |
| Export Market | 621 | 1,547 | 1,000 | 2,219 | 2,152 | 2,285 | 1,621 | 3,766 | 4,437 | 3,773 | 6,058 |

| Gross Revenue from Sales Ex-IPI | 1Q17 | 1Q18 | 2Q17 | 2Q18 | 3Q17 | 4Q17 | 1H17 | 1H18 | 2H17 | 9M17 | 2017 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Total Gross Revenue | 50,119 | 38,353 | 48,914 | 44,613 | 53,938 | 54,828 | 99,033 | 82,966 | 108,766 | 152,971 | 207,799 |
| Domestic Market | 49,498 | 36,806 | 47,914 | 42,394 | 51,786 | 52,543 | 97,412 | 79,200 | 104,329 | 149,198 | 201,741 |
| Dell Anno and Favorita - Exclusive Dealers and Own Stores | 27,856 | 20,331 | 26,964 | 21,859 | 28,297 | 29,545 | 54,820 | 42,190 | 57,842 | 83,117 | 112,662 |
| New and Casa Brasileira Exclusive Dealers | 12,792 | 9,577 | 12,386 | 10,115 | 13,616 | 13,418 | 25,178 | 19,692 | 27,034 | 38,794 | 52,212 |
| New and Casa Brasileira Multibrand | 5,516 | 4,657 | 5,788 | 5,557 | 6,337 | 6,239 | 11,304 | 10,214 | 12,576 | 17,641 | 23,880 |
| Unicasa Corporate | 2,699 | 1,802 | 2,028 | 4,126 | 2,966 | 2,812 | 4,727 | 5,928 | 5,778 | 7,693 | 10,505 |
| Other Revenues | 635 | 439 | 748 | 737 | 570 | 529 | 1,383 | 1,176 | 1,099 | 1,953 | 2,482 |
| Export Market | 621 | 1,547 | 1,000 | 2,219 | 2,152 | 2,285 | 1,621 | 3,766 | 4,437 | 3,773 | 6,058 |

| Modules Sold (Units) | 1Q17 | 1Q18 | 2Q17 | 2Q18 | 3Q17 | 4Q17 | 1H17 | 1H18 | 2H17 | 9M17 | 2017 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Gross Revenue | 190,073 | 136,225 | 187,843 | 147,261 | 217,017 | 192,385 | 377,916 | 283,486 | 397,647 | 594,933 | 787,318 |
| Domestic Market | 187,637 | 129,402 | 183,905 | 139,650 | 206,341 | 183,078 | 371,542 | 269,052 | 377,664 | 577,883 | 760,961 |
| Dell Anno and Favorita - Exclusive Dealers and Own Stores | 74,640 | 55,179 | 77,485 | 57,707 | 88,100 | 78,009 | 152,125 | 112,886 | 154,354 | 240,225 | 318,234 |
| New and Casa Brasileira Exclusive Dealers | 68,287 | 43,882 | 65,045 | 45,479 | 70,071 | 61,733 | 133,332 | 89,361 | 131,804 | 203,403 | 265,136 |
| New and Casa Brasileira Multibrand | 34,121 | 24,920 | 34,923 | 27,212 | 37,787 | 34,306 | 69,044 | 52,132 | 72,093 | 106,831 | 141,137 |
| Unicasa Corporate | 8,673 | 5,396 | 6,023 | 9,231 | 9,921 | 8,864 | 14,696 | 14,627 | 18,785 | 24,617 | 33,481 |
| Other Revenues | 1,916 | 25 | 429 | 21 | 462 | 166 | 2,345 | 46 | 628 | 2,807 | 2,973 |
| Export Market | 2,436 | 6,823 | 3,938 | 7,611 | 10,676 | 9,307 | 6,374 | 14,434 | 19,983 | 17,050 | 26,357 |