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Company Information / Capital Breakdown

Number of Shares (in thousands)	Current Quarter 6/30/2019
Paid-in Capital	
Common	66,086,346
Preferred	0
Total	66,086,346
Treasury Shares	
Common	0
Preferred	0
Total	0

Parent Company Financial Statements / Balance Sheet – Assets**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2019	Previous year 12/31/2018
1	Total Assets	220,959	214,208
1.01	Current Assets	113,253	96,592
1.01.01	Cash and Cash Equivalents	38,565	28,664
1.01.02	Financial Investments	10,149	9,774
1.01.02.03	Financial Investments Measured at Amortized Cost	10,149	9,774
1.01.03	Accounts Receivable	28,945	28,085
1.01.03.01	Accounts Receivable from Clients	28,945	28,085
1.01.04	Inventories	29,091	21,448
1.01.06	Recoverable Taxes	512	875
1.01.08	Other Current Assets	5,991	7,746
1.01.08.03	Other	5,991	7,746
1.01.08.03.01	Advances and Prepayments	99	354
1.01.08.03.02	Loans Granted	1,093	1,803
1.01.08.03.03	Prepaid Expenses	1,843	1,992
1.01.08.03.04	Other Assets	2,956	3,597
1.02	Non-Current Assets	107,706	117,616
1.02.01	Long-Term Assets	23,537	30,144
1.02.01.03	Financial Investments Measured at Amortized Cost	3,133	3,036
1.02.01.04	Accounts Receivable	6,583	8,326
1.02.01.04.01	Trade Receivables	6,583	8,326
1.02.01.07	Deferred Taxes	9,459	13,063
1.02.01.10	Other Non-Current Assets	4,362	5,719
1.02.01.10.01	Non-current Assets for Sale	532	750
1.02.01.10.04	Judicial Deposits	2,099	2,736
1.02.01.10.05	Loans Granted	1,034	1,439
1.02.01.10.06	Other Assets	697	794
1.02.02	Investments	463	382
1.02.02.01	Equity Interest	463	382
1.02.02.01	Interest in Subsidiaries	443	362
1.02.02.01.04	Other Investments	20	20
1.02.03	Property, Plant and Equipment	76,089	78,618
1.02.03.01	Property, Plant and Equipment in Use	75,085	76,757
1.02.03.03	Property, Plant and Equipment in Progress	1,004	1,861
1.02.04	Intangible Assets	7,617	8,472
1.02.04.01	Intangible Assets	7,617	8,472

Parent Company Financial Statements / Balance Sheet – Liabilities**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2019	Previous year 12/31/2018
2	Total Liabilities	220,959	214,208
2.01	Current Liabilities	31,430	31,473
2.01.01	Payroll and Related Charges	3,642	2,622
2.01.01.01	Social Charges	536	647
2.01.01.02	Labor Liabilities	3,106	1,975
2.01.02	Trade Payables	3,595	2,277
2.01.03	Tax Liabilities	2,412	1,123
2.01.03.01	Federal Tax Liabilities	1,467	1,052
2.01.03.02	State Tax Liabilities	942	69
2.01.03.03	Municipal Tax Liabilities	3	2
2.01.05	Other Liabilities	18,254	19,966
2.01.05.02	Other	18,254	19,966
2.01.05.02.04	Advances from Clients	12,753	14,738
2.01.05.02.05	Other Current Liabilities	5,501	5,228
2.01.06	Provisions	3,527	5,485
2.01.06.02	Other Provisions	3,527	5,485
2.01.06.02.04	Provision for Termination of Commercial Relationship with Reseller	3,527	5,485
2.02	Non-Current Liabilities	11,237	11,469
2.02.02	Other Liabilities	394	515
2.02.02.02	Other	394	515
2.02.02.02.03	Tax Liabilities	142	208
2.02.02.02.06	Other Non-Current Liabilities	252	307
2.02.04	Provisions	10,843	10,954
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Liabilities	10,843	10,954
2.03	Equity	178,292	171,266
2.03.01	Paid-in Capital	187,709	187,709
2.03.02	Capital Reserves	-2,658	-2,658
2.03.02.07	Expenses with Share Issue	-2,658	-2,658
2.03.05	Retained Earnings/Accumulated Losses	-6,759	-13,785

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2019 to 6/30/2019	Year-to-date 1/1/2019 to 6/30/2019	Same quarter of previous year 4/1/2018 to 6/30/2018	Previous year 1/1/2018 to 6/30/2018
3.01	Income from Sale of Goods and/or Services	34,983	65,644	33,703	62,305
3.02	Cost of Goods Sold and/or Services	-21,249	-40,658	-21,980	-40,302
3.03	Gross Profit	13,734	24,986	11,723	22,003
3.04	Operating Expenses/Income	-8,832	-16,789	-12,997	-24,501
3.04.01	Selling Expenses	-5,522	-9,976	-6,637	-12,821
3.04.02	General and Administrative Expenses	-4,080	-8,142	-7,143	-12,275
3.04.04	Other Operating Income	535	1,226	616	1,258
3.04.05	Other Operating Expenses	0	22	135	-158
3.04.06	Equity Income (Loss)	235	81	32	-505
3.05	Earnings Before Financial Result and Taxes	4,902	8,197	-1,274	-2,498
3.06	Financial Result	1,162	2,433	1,325	2,345
3.06.01	Financial Income	1,650	3,186	1,496	2,866
3.06.02	Financial Expenses	-488	-753	-171	-521
3.07	Earnings Before Income Taxes	6,064	10,630	51	-153
3.08	Income and Social Contribution Taxes on Income	-2,011	-3,604	-37	-201
3.08.02	Deferred	-2,011	-3,604	-37	-201
3.09	Net Income (Loss) from Continuing Operations	4,053	7,026	14	-354
3.11	Net Income (Loss) for the Period	4,053	7,026	14	-354
3.99	Earnings per Share - (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.06133	0.10632	0.00021	-0.00536

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2019 to 6/30/2019	Year-to-date 1/1/2019 to 6/30/2019	Same quarter of previous year 4/1/2018 to 6/30/2018	Previous year 1/1/2018 to 6/30/2018
4.01	Net Income for the Period	4,053	7,026	14	-354
4.03	Comprehensive Income (Loss) for the Period	4,053	7,026	14	-354

Parent Company Financial Statements / Statement of Cash Flows – Indirect Method**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2019 to 6/30/2019	Previous year 1/1/2018 to 6/30/2018
6.01	Net Cash from Operating Activities	11,843	12,520
6.01.01	Cash Provided by Operations	14,708	7,241
6.01.01.01	Net Income before Income and Social Contribution Taxes	10,630	-153
6.01.01.02	Depreciation and Amortization	4,353	4,795
6.01.01.03	Exchange Variation – Trade Receivables	179	-138
6.01.01.06	Provision for Labor, Tax, Civil and Termination of Commercial Relationship Risks	-111	738
6.01.01.07	Provision for Obsolescence		
6.01.01.08	Allowance for Doubtful Accounts	145	253
6.01.01.10	Other Provisions	-590	740
6.01.01.14	Disposal of Property, Plant and Equipment	-318	-700
6.01.01.15	Equity Income (Loss)	501	1,201
6.01.02	Changes in Assets and Liabilities	-81	505
6.01.02.01	Trade Receivables	-2,865	5,279
6.01.02.02	Inventories	1,200	641
6.01.02.03	Taxes Recoverable	-7,788	-2,248
6.01.02.05	Loans Granted	363	50
6.01.02.08	Other Current and Non-Current Assets	1,209	361
6.01.02.09	Non-Current Assets Held for Sale	1,779	-1,125
6.01.02.14	Trade Payables	218	1,821
6.01.02.15	Advances from Clients	1,318	2,092
6.01.02.17	Other Current and Non-Current Liabilities	-1,985	3,674
6.02	Net Cash Provided By (Used In) Investment Activities	821	13
6.02.01	Financial Investments	-1,942	-5,819
6.02.02	Investments in Subsidiary	-472	-1,000
6.02.03	Investments	0	-2,100
6.02.04	Acquisition of Property, Plant and Equipment	0	11
6.02.05	Acquisition of Intangible Assets	-1,125	-2,341
6.05	Increase (Decrease) in Cash and Cash Equivalents	-345	-389
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	9,901	6,701
6.05.02	Cash and Cash Equivalents at the End of the Period	28,664	29,227
		38,565	35,928

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ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Changes in Equity – 1/1/2019 to 6/30/2019

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings	Other Comprehensive Income	Equity
5.01	Opening Balances	187,709	-2,658	0	-13,785	0	171,266
5.03	Adjusted Opening Balances	187,709	-2,658	0	-13,785	0	171,266
5.05	Total Comprehensive Income (Loss)	0	0	0	7,026	0	7,026
5.05.01	Net Income for the Period	0	0	0	7,026	0	7,026
5.07	Closing Balances	187,709	-2,658	0	-6,759	0	178,292

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Changes in Equity– 1/1/2018 to 6/30/2018

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings	Other Comprehensive Income	Equity
5.01	Opening Balances	187,709	-2,658	0	-13,785	0	171,266
5.03	Adjusted Opening Balances	187,709	-2,658	0	-13,785	0	171,266
5.05	Total Comprehensive Income (Loss)	0	0	0	7,026	0	7,026
5.05.01	Net Income for the Period	0	0	0	7,026	0	7,026
5.07	Closing Balances	187,709	-2,658	0	-6,759	0	178,292

Parent Company Financial Statements / Statement of Value Added**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2019 to 6/30/2019	Previous year 1/1/2018 to 6/30/2018
7.01	Income	86,007	79,398
7.01.01	Sales of Goods, Products and Services	84,350	81,047
7.01.02	Other Income	1,067	-909
7.01.04	Reversal of/Allowance for Doubtful Accounts	590	-740
7.02	Inputs Acquired from Third Parties	-52,321	-54,176
7.02.01	Cost of Products Sold and Services Rendered	-37,090	-36,502
7.02.02	Supplies, Electricity, Outsourced Services and Others	-13,438	-13,713
7.02.04	Other	-1,793	-3,961
7.03	Gross Value Added	33,686	25,222
7.04	Retentions	-4,353	-4,795
7.04.01	Depreciation, Amortization and Depletion	-4,353	-4,795
7.05	Net Added Value Produced	29,333	20,427
7.06	Added Value from Transfers	3,382	2,456
7.06.01	Equity Income (Loss)	81	-505
7.06.02	Financial Income	3,301	2,961
7.07	Total Value Added to Distribute	32,715	22,883
7.08	Distribution of Added Value	32,715	22,883
7.08.01	Personnel	10,971	10,578
7.08.01.01	Direct Compensation	8,627	8,331
7.08.01.02	Benefits	1,410	1,390
7.08.01.03	F.G.T.S. (Government Severance Fund)	934	857
7.08.02	Taxes, Fees and Contributions	14,148	11,863
7.08.02.01	Federal	10,266	7,360
7.08.02.02	State	3,838	4,458
7.08.02.03	Municipal	44	45
7.08.03	Remuneration of Loan Capital	570	796
7.08.03.02	Rentals	134	399
7.08.03.03	Other	436	397
7.08.04	Remuneration of Own Capital	7,026	-354
7.08.04.03	Accumulated Losses/Retained Earnings in the Period	7,026	-354

Consolidated Financial Statements / Balance Sheet – Assets**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2019	Previous year 12/31/2018
1	Total Assets	225,109	216,982
1.01	Current Assets	117,545	98,844
1.01.01	Cash and cash equivalents	41,131	28,788
1.01.02	Financial Investments	10,149	9,774
1.01.02.03	Financial Investments Measured at Amortized Cost	10,149	9,774
1.01.03	Accounts Receivable	29,284	28,485
1.01.03.01	Trade Receivables	29,284	28,485
1.01.04	Inventories	29,148	21,563
1.01.06	Recoverable Taxes	534	892
1.01.08	Other Current Assets	7,299	9,342
1.01.08.03	Other	7,299	9,342
1.01.08.03.01	Advances and Prepayments	101	399
1.01.08.03.02	Loans Granted	1,093	1,803
1.01.08.03.03	Prepaid Expenses	1,843	1,992
1.01.08.03.04	Other Assets	4,262	5,148
1.02	Non-Current Assets	107,564	118,138
1.02.01	Long-Term Assets	23,800	30,983
1.02.01.03	Financial Investments Measured at Amortized Cost	3,133	3,036
1.02.01.04	Accounts Receivable	6,583	8,326
1.02.01.04.01	Trade Receivables	6,583	8,326
1.02.01.07	Deferred Taxes	9,459	13,063
1.02.01.07.01	Deferred Income and Social Contribution Taxes	9,459	13,063
1.02.01.10	Other Non-Current Assets	4,625	6,558
1.02.01.10.01	Non-current Assets for Sale	532	750
1.02.01.10.04	Judicial Deposits	2,113	2,830
1.02.01.10.05	Loans Granted	1,034	1,439
1.02.01.10.06	Other Assets	946	1,539
1.02.02	Investments	20	20
1.02.03	Property, Plant and Equipment	76,127	78,663
1.02.03.01	Property, Plant and Equipment in Use	75,123	76,802
1.02.03.03	Property, Plant and Equipment in Progress	1,004	1,861
1.02.04	Intangible assets	7,617	8,472
1.02.04.01	Intangible Assets	7,617	8,472

Consolidated Financial Statements / Balance Sheet – Liabilities**(In thousands of R\$)**

Code	Description	Current quarter 6/30/2019	Previous year 12/31/2018
2	Total Liabilities	225,109	216,982
2.01	Current Liabilities	35,580	34,247
2.01.01	Payroll and Related Charges	3,837	2,876
2.01.01.01	Social Charges	559	697
2.01.01.02	Labor Liabilities	3,278	2,179
2.01.02	Trade Payables	3,616	2,299
2.01.03	Tax Liabilities	2,430	1,179
2.01.03.01	Federal Tax Liabilities	1,484	1,090
2.01.03.02	State Tax Liabilities	942	87
2.01.03.03	Municipal Tax Liabilities	4	2
2.01.05	Other Liabilities	22,170	22,408
2.01.05.02	Other	22,170	22,408
2.01.05.02.04	Advances from Clients	16,310	16,717
2.01.05.02.05	Other Current Liabilities	5,860	5,691
2.01.06	Provisions	3,527	5,485
2.01.06.02	Other Provisions	3,527	5,485
2.01.06.02.04	Provision for Termination of Commercial Relationship	3,527	5,485
2.02	Non-Current Liabilities	11,237	11,469
2.02.02	Other Liabilities	394	515
2.02.02.02	Other	394	515
2.02.02.02.03	Tax Liabilities	142	208
2.02.02.02.06	Other Non-Current Liabilities	252	307
2.02.04	Provisions	10,843	10,954
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Liabilities	10,843	10,954
2.03	Consolidated Equity	178,292	171,266
2.03.01	Paid-in Capital	187,709	187,709
2.03.02	Capital Reserves	-2,658	-2,658
2.03.02.07	Expenses with Share Issue	-2,658	-2,658
2.03.05	Retained Earnings/Accumulated Losses	-6,759	-13,785

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Consolidated Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2019 to 6/30/2019	Year-to-date 1/1/2019 to 6/30/2019	Same quarter of previous year 4/1/2018 to 6/30/2018	Previous year 1/1/2018 to 6/30/2018
3.01	Income from Sale of Goods and/or Services	35,470	66,367	35,352	65,644
3.02	Cost of Goods Sold and/or Services	-21,183	-40,540	-22,240	-40,586
3.03	Gross Profit	14,287	25,827	13,112	25,058
3.04	Operating Expenses/Income	-9,457	-17,734	-14,403	-27,603
3.04.01	Selling Expenses	-6,060	-11,097	-8,220	-16,733
3.04.02	General and administrative expenses	-4,080	-8,142	-7,143	-12,275
3.04.04	Other Operating Income	682	1,483	825	1,563
3.04.05	Other Operating Expenses	1	22	135	-158
3.05	Earnings Before Financial Result and Taxes	4,830	8,093	-1,291	-2,545
3.06	Financial Result	1,234	2,537	1,342	2,392
3.06.01	Financial Income	1,723	3,292	1,521	2,929
3.06.02	Financial Expenses	-489	-755	-179	-537
3.07	Earnings Before Income Taxes	6,064	10,630	51	-153
3.08	Income and Social Contribution Taxes on Income	-2,011	-3,604	-37	-201
3.08.02	Deferred	-2,011	-3,604	-37	-201
3.09	Net Income (Loss) from Continuing Operations	4,053	7,026	14	-354
3.11	Consolidated Losses/Earnings in the Period	4,053	7,026	14	-354
3.11.01	Attributable to Controlling Shareholders	4,053	7,026	14	-354
3.99	Earnings per Share - (R\$/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.06133	0.10632	0.00021	-0.00536

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2019 to 6/30/2019	Year-to-date 1/1/2019 to 6/30/2019	Same quarter of previous year 4/1/2018 to 6/30/2018	Previous year 1/1/2018 to 6/30/2018
4.01	Consolidated Net Income in the Period	4,053	7,026	14	-354
4.03	Consolidated Comprehensive Income (Loss) in the Period	4,053	7,026	14	-354
4.03.01	Attributable to Controlling Shareholders	4,053	7,026	14	-354

Consolidated Financial Statements / Statement of Cash Flows – Indirect Method**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2019 to 6/30/2019	Previous year 1/1/2018 to 6/30/2018
6.01	Net Cash from Operating Activities	14,285	10,264
6.01.01	Cash Provided by Operations	14,646	6,970
6.01.01.01	Net Income before Income and Social Contribution Taxes	10,630	-153
6.01.01.02	Depreciation and Amortization	4,360	4,808
6.01.01.03	Exchange Variation – Trade Receivables	179	-138
6.01.01.06	Provision for Labor, Tax, Civil and Termination of Commercial Relationship Risks	-111	738
6.01.01.07	Provision for Obsolescence		
6.01.01.08	Allowance for Doubtful Accounts	145	253
6.01.01.10	Other Provisions	-636	664
6.01.01.14	Disposal of Property, Plant and Equipment	-422	-700
6.01.02	Changes in Assets and Liabilities	501	1,498
6.01.02.01	Accounts Receivable from Clients	-361	3,294
6.01.02.02	Inventories	1,307	692
6.01.02.03	Taxes Recoverable	-7,730	-1,710
6.01.02.05	Loans Granted	358	74
6.01.02.08	Other Current and Non-Current Assets	1,209	361
6.01.02.09	Non-Current Assets Held for Sale	2,643	-1,083
6.01.02.14	Trade Payables	218	1,821
6.01.02.15	Advances from Clients	1,317	2,104
6.01.02.17	Other Current and Non-Current Liabilities	-407	1,424
6.02	Net Cash Provided By (Used In) Investment Activities	724	-389
6.02.01	Financial investments	-1,942	-3,733
6.02.03	Investments	-472	-1,000
6.02.04	Acquisition of Property, Plant and Equipment	0	11
6.02.05	Acquisition of Intangible Assets	-1,125	-2,355
6.05	Increase (Decrease) in Cash and Cash Equivalents	-345	-389
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	12,343	6,531
6.05.02	Cash and Cash Equivalents at the End of the Period	28,788	29,473
		41,131	36,004

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2019 to 6/30/2019

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	187,709	-2,658	0	-13,785	0	171,266	0	171,266
5.03	Adjusted Opening Balances	187,709	-2,658	0	-13,785	0	171,266	0	171,266
5.05	Total Comprehensive Income (Loss)	0	0	0	7,026	0	7,026	0	7,026
5.05.01	Net Income for the Period	0	0	0	7,026	0	7,026	0	7,026
5.07	Closing Balances	187,709	-2,658	0	-6,759	0	178,292	0	178,292

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 30, 2019 - UNICASA INDUSTRIA DE MOVEIS S.A.

Version: 1

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2018 to 6/30/2018

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	187,709	-2,658	0	-17,179	0	167,872	0	167,872
5.03	Adjusted Opening Balances	187,709	-2,658	0	-17,179	0	167,872	0	167,872
5.05	Total Comprehensive Income (Loss)	0	0	0	-354	0	-354	0	-354
5.05.01	Net Income for the Period	0	0	0	-354	0	-354	0	-354
5.07	Closing Balances	187,709	-2,658	0	-17,533	0	167,518	0	167,518

Notes to the Financial Statements**Consolidated Financial Statements / Statement of Value Added****(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2019 to 6/30/2019	Previous year 1/1/2018 to 6/30/2018
7.01	Income	87,459	84,756
7.01.01	Sales of Goods, Products and Services	85,499	86,024
7.01.02	Other Income	1,324	-604
7.01.04	Provision/Reversal of Allowance for Doubtful Accounts	636	-664
7.02	Inputs acquired from third parties	-52,814	-56,615
7.02.01	Cost of Products Sold and Services Rendered	-37,182	-37,259
7.02.02	Supplies, Electricity, Outsourced Services and Others	-13,835	-15,229
7.02.04	Other	-1,797	-4,127
7.03	Gross Value Added	34,645	28,141
7.04	Retentions	-4,360	-4,808
7.04.01	Depreciation, Amortization and Depletion	-4,360	-4,808
7.05	Net Added Value Produced	30,285	23,333
7.06	Added Value from Transfers	3,412	3,027
7.06.02	Financial Income	3,412	3,027
7.07	Total Value Added to Distribute	33,697	26,360
7.08	Distribution of Added Value	33,697	26,360
7.08.01	Personnel	11,427	12,364
7.08.01.01	Direct Compensation	8,978	9,676
7.08.01.02	Benefits	1,440	1,472
7.08.01.03	F.G.T.S. (Government Severance Fund)	1,009	1,216
7.08.02	Taxes, Fees and Contributions	14,515	13,156
7.08.02.01	Federal	10,503	8,046
7.08.02.02	State	3,956	5,028
7.08.02.03	Municipal	56	82
7.08.03	Remuneration of Loan Capital	729	1,194
7.08.03.02	Rentals	291	781
7.08.03.03	Other	438	413
7.08.04	Remuneration of Own Capital	7,026	-354
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	7,026	-354

UNICASA

**Earnings Release
2Q19**





Investor relations

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Bento Gonçalves, Rio Grande do Sul, August 06, 2019. 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 2019. 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).

Period highlights

- Net income of R\$1.4 million in the quarter;
- Net margin up 11.4 p.p.;
- EBITDA margin up 17.5 p.p.;
- Operating Margin up 17.3 p.p.;
- Gross margin up 3.2 p.p.;
- Selling and Administrative expenses down 34.0%.

Executive Summary	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue ex-IPI	44,613	44,143	-1.1%	82,966	82,440	-0.6%
Net Revenue	35,352	35,470	0.3%	65,644	66,367	1.1%
Cost of Goods Sold	(22,240)	(21,183)	-4.8%	(40,586)	(40,540)	-0.1%
Gross Income	13,112	14,287	+9.0%	25,058	25,827	+3.1%
Gross Margin	37.1%	40.3%	+3.2 p.p.	38.2%	38.9%	+0.7 p.p.
Selling and Administrative Expenses	(15,363)	(10,140)	-34.0%	(29,008)	(19,239)	-33.7%
Other Revenues and Operating Expenses	960	683	-28.9%	1,405	1,505	+7.1%
Operating Income	(1,291)	4,830	-474%	(2,545)	8,093	-418%
Operating Margin	-3.7%	13.6%	+17.3 p.p.	-3.9%	12.2%	+16.1 p.p.
Financial Income (Expenses) Net	1,342	1,234	-8.0%	2,392	2,537	+6.1%
Operating Income before Income Tax and Social Contribution	51	6,064	+11790%	(153)	10,630	-7047%
Income Tax and Social Contribution	(37)	(2,011)	+5335%	(201)	(3,604)	+1693%
Net Profit	14	4,053	+28850%	(354)	7,026	-2084%
Net Margin	0.0%	11.4%	+11.4 p.p.	-0.5%	10.6%	+11.1 p.p.
EBITDA	820	7,019	+756%	2,263	12,453	+450.3%
EBITDA Margin	2.3%	19.8%	+17.5 p.p.	3.4%	18.8%	+15.4 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.

MESSAGE FROM MANAGEMENT

Dear Shareholders,

In the second quarter we could notice that, excluding closed stores, net revenue grew 3.7%, driven by the performance of stores as per the Same Store Sales (SSS) criterion. Also worth noting is the increased productivity of our stores, due to the SSS performance and the closure of less productive stores. This performance is in line with what we delivered in the last two quarters and the respective year-on-year comparisons.

It can be noted that the size of the distribution network tends to normalize. We continue our efforts towards the development of our storeowners and of opening stores in specific regions to ensure the sustainable growth of the network.

Gross margin registered significant growth this quarter due to the sale of specific projects in the exports and corporate channels, which incorporated the increase in variable expenses in their prices and which was responsible for the increase of around 1.5 p.p. in gross margin this quarter, besides improving the sales mix.

Operating expenses, which fell more than 30% from the same period last year, are generally in line with what we recorded in the first quarter this year. In addition, these continue on track with our budget expectations. The bulk of the reduction happened with contingency and own store expenses. The reduction in contingencies results from our greater diligence in store openings, whereby we aim to open stores that are aligned with our strategy, which reduced our risk in the event of store closures. The reduction in own store expenses, on the other hand, is due to the shutdown of the operation. This quarter, we could also observe a non-recurring reversal of the allowance for doubtful accounts due to the recovery of amounts that had been already written off.

It is worth noting that the Company continues to invest in developing its U.S. operation, which is still being rolled out and already has revenue-generating stores.

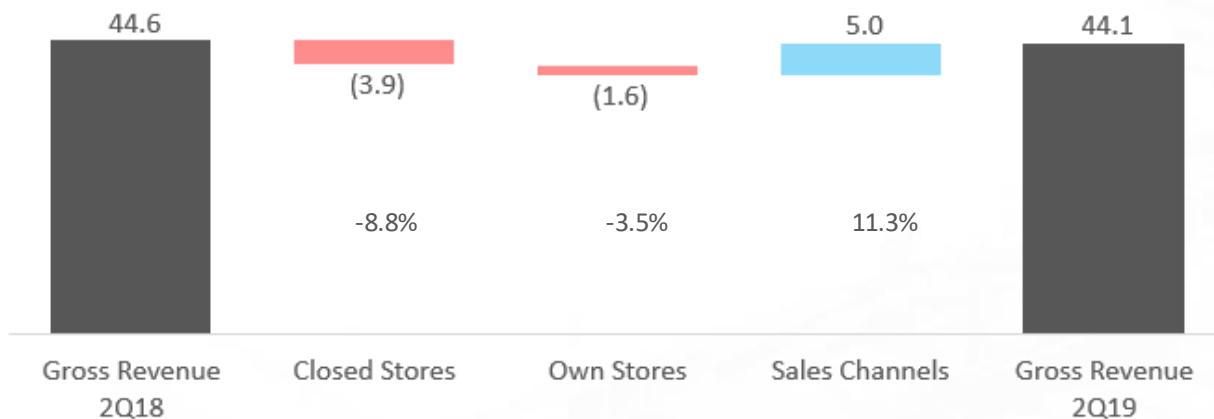
Cash flow in the quarter shows that the Company made one-off advances to suppliers to maintain the purchase price of raw materials, which contributed to lower cash generation this quarter.

The results show that we remain on track of having stores aligned with our strategies and on maintaining a policy of austerity with regard to expenses.

SALES PERFORMANCE

Gross revenue in 2Q19 decreased 1.1% from 2Q18, due to: (i) the reduction in the distribution network, responsible for 8.9% decline; (ii) the shutdown of the own store operation, which accounted for about 3.5% of the decline, partially offset by the decrease in operating expenses arising from this business unit; and (iii) Growth of 11.3% in other sales channels, mainly driven by the performance of same-store sales and the maturation of new stores opened in.

Below is the evolution of revenue between 2Q18 and 2Q19⁽¹⁾:



⁽¹⁾in millions.

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	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue, ex-IPI	21,859	20,184	-7.7%	42,190	37,900	-10.2%
Number of Modules Sold (thousand units)	57.7	48.7	-15.6%	112.9	92.1	-18.4%
New and Casa Brasileira Exclusive Dealers	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue, ex-IPI	10,115	10,393	+2.7%	19,692	21,003	+6.7%
Number of Modules Sold (thousand units)	45.5	41.9	-7.9%	89.4	87.6	-2.0%
Multibrands	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue, ex-IPI	5,557	6,005	+8.1%	10,214	11,629	+13.9%
Number of Modules Sold (thousand units)	27.2	30.9	+13.6%	52.1	59.2	+13.6%
Unicasa Corporate	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue, ex-IPI	4,126	4,643	+12.5%	5,928	5,931	+0.1%
Number of Modules Sold (thousand units)	9.2	6.0	-34.8%	14.6	8.7	-40.4%
Export Market	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue, ex-IPI	2,219	2,202	-0.8%	3,766	4,366	+15.9%
Number of Modules Sold (thousand units)	7.6	9.3	+22.4%	14.4	18.0	+25.0%

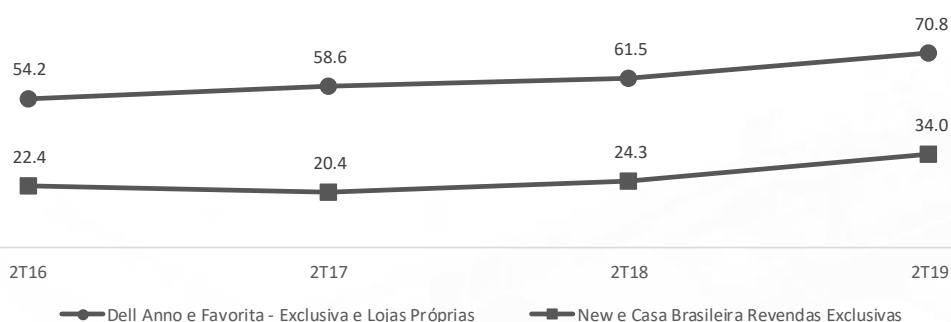
Consolidated Indicators – Unicasa

Unicasa Indústria de Móveis	2Q18	2Q19	Δ	1H18	1H19	Δ
Gross Revenue, ex-IPI	44,613	44,143	-1.1%	82,966	82,440	-0.6%
Number of Modules Sold (thousand units)	147.2	137.2	-6.8%	283.4	266.3	-6.0%

SALES AND DISTRIBUTION CHANNELS

Period	2Q18	3Q18	4Q18	1Q19	2Q19	Δ
Exclusive and Own Stores	249	233	220	202	192	(10)
Dell Anno and Favorita	115	104	102	96	94	(2)
New and Casa Brasileira	134	129	118	106	98	(8)
Multibrand	587	566	498	456	422	(34)
New and Casa Brasileira Multibrand	587	566	498	456	422	(34)

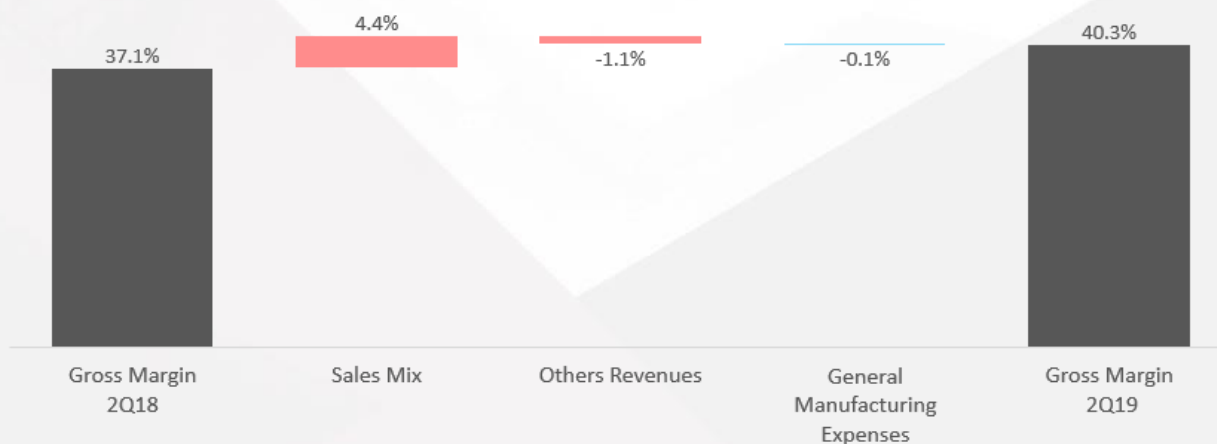
Average productivity per Dell Anno and Favorita store in 2Q19 was R\$70.8/month, 15.2% higher than the R\$61.5 in 2Q18. Average productivity in the quarter per New and Casa Brasileira store in 2Q19 was R\$34.0/month, 39.5% higher than the R\$24.3 in 2Q18, due to the closure of less productive operations. The graph below shows historical productivity in the second quarter.



FINANCIAL PERFORMANCE

Gross Profit and Gross Margin

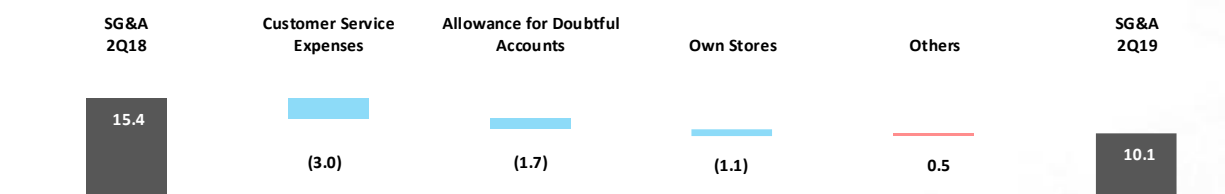
Gross profit in the quarter was R\$14.3 million. Gross margin increased 3.2 p.p., from 37.1% in 2Q18 to 40.3% this quarter. Margin growth was driven by two main factors: (i) sales mix variation, up 4.4 p.p.; and (ii) sale of raw materials of items that were discontinued during 2018 due to product improvements, down 1.1 p.p. During the year, many products were changed and the balance in inventories was sold. Though such sales do not cause losses for the Company, margin is significantly lower than in other sales channels. The following chart shows the evolution of gross margin between 2Q18 and 2Q19:



Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	2Q18	2Q19	Δ	1H18	1H19	Δ
Total	(15,363)	(10,140)	-34.0%	(29,008)	(19,239)	-33.7%
Selling Expenses	(8,220)	(6,060)	-26.3%	(16,733)	(11,097)	-33.7%
% of Net Revenue	23.3%	17.1%	-6.2 p.p.	25.5%	16.7%	-8.8 p.p.
Administrative Expenses	(7,143)	(4,080)	-42.9%	(12,275)	(8,142)	-33.7%
% of Net Revenue	20.2%	11.5%	-8.7 p.p.	18.7%	12.3%	-6.4 p.p.
SG&A % of Net Revenue	43.5%	28.6%	-14.9 p.p.	44.2%	29.0%	-15.2 p.p.

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



⁽¹⁾In million.

Customer service expenses were R\$3.0 million lower. These include expenses with goods, freight and assembling for final consumers that were not served by the closed stores and are being directly served by the factory, and lawsuits.

Expenses with allowance for doubtful accounts fell by R\$1.7 million.

Expenses with own stores declined R\$1.1 million due to the closure of the operation, as reported in the 4Q16 earnings release.

Other expenses were up R\$0.5 million, mainly due to pre-operational expenses linked to our U.S. operation, and to variable expenses with clients in the Corporate segment.

Other Operating Income and Expenses

Other Operating Income and Expenses	2Q18	2Q19	Δ	1H18	1H19	Δ
Total	960	683	-28.9%	1,405	1,505	7.1%
Result from the sale of assets held for sale and of property, plant and equipment	81	8	-90.1%	129	44	-65.9%
Bank Premium	350	179	-48.9%	650	583	-10.3%
Other Operating Income	529	496	-6.2%	626	878	40.3%
% of Net Revenue	2.7%	1.9%	-0.8 p.p.	2.1%	2.3%	0.2 p.p.

Financial Result

Financial result declined 8.0%, mainly due to financial discounts granted as part of negotiations for the settlement of storeowner debts.

Financial Result	2Q18	2Q19	Δ	1H18	1H19	Δ
Net Financial Result	1,342	1,234	-8.0%	2,392	2,537	6.1%
Financial Expenses	(179)	(489)	173.2%	(537)	(755)	40.6%
IOF charge and bank fees	(50)	(28)	-44.0%	(133)	(79)	-40.6%
Exchange variation expenses	(89)	(172)	400.0%	(201)	(328)	63.2%
Present value adjustment - AVP	(13)	(65)	n/a	(129)	(101)	-21.7%
Other financial expenses	(27)	(224)	730%	(74)	(247)	233.8%
Financial Income	1,521	1,723	13.3%	2,929	3,292	12.4%
Interest income	391	362	-7.4%	812	714	-12.1%
Discounts	9	170	1788.9%	23	174	656.5%
Yield from short-term investments	403	702	74.2%	814	1,353	66.2%
Exchange variation income	244	64	-73.8%	349	223	-36.1%
Present value adjustment - AVP	307	307	0.0%	579	598	3.3%
Other financial income	167	118	-29.3%	352	230	-34.7%

EBITDA and EBITDA Margin

EBITDA	2Q18	2Q19	Δ	1H18	1H19	Δ
Net Income for the Period	14	4,053	+28850.0%	(354)	7,026	-2084.7%
Income Tax and Social Contribution	37	2,011	+5335.1%	201	3,604	+1693.0%
Financial Result	(1,342)	(1,234)	-8.0%	(2,392)	(2,537)	+6.1%
EBIT	(1,291)	4,830	-474.1%	(2,545)	8,093	-418.0%
Depreciation and Amortization	2,111	2,189	+3.7%	4,808	4,360	-9.3%
EBITDA	820	7,019	+756.0%	2,263	12,453	+450.3%
EBITDA Margin	2.3%	19.8%	+17.5 p.p.	3.4%	18.8%	+15.4 p.p.

Cash Flow

This quarter, the main reason behind the decline in cash flow is advances to suppliers related to negotiations of raw material prices. Approximately R\$3.3 million were advanced this quarter.

Cash Flow	2Q18	2Q19	Δ	1H17	1H18	Δ
Cash Flows from Operating Activities	5,212	7,981	+53.1%	6,970	14,646	+110.1%
Changes in Assets and Liabilities	(682)	(4,993)	+632.1%	3,294	(361)	-111.0%
Financial Investments	(1,000)	3,190	-419.0%	(1,000)	(472)	-52.8%
Cash generated by investment activities	(1,108)	(717)	-35.3%	(2,733)	(1,470)	-46.2%
Cash flow (burn)	2,422	5,461	+125.5%	6,531	12,343	+89.0%
Financial Investments	1,000	(3,190)	-419.0%	1,000	472	-52.8%
Cash flow and Financial Investments	3,422	2,271	-33.6%	7,531	12,815	+70.2%
At the Beginning of the Period	33,582	52,142	+55.3%	29,473	41,598	+41.1%
At the End of the Period	37,004	54,413	+47.0%	37,004	54,413	+47.0%
Cash flow and Financial Investments	3,422	2,271	-33.6%	7,531	12,815	+70.2%

Net Cash

Net Cash	12/31/2018	6/30/2019	Δ
Short Term Debt	-	-	n/a
Long Term Debt	-	-	n/a
Gross Debt	-	-	n/a
Cash and Cash Equivalents	28,788	41,131	+42.9%
Financial Investments	12,810	13,282	+3.7%
Net Debt/(Cash Surplus)	(41,598)	(54,413)	+30.8%

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

NOPLAT (Net Operating Profit Less Adjusted Taxes)	2Q19	1Q19	4Q18	3Q18	2Q18
(=) EBITDA	7,019	5,434	3,570	4,649	820
Depreciation	2,189	2,171	2,177	2,100	2,111
(=) EBIT	4,830	3,263	1,393	2,549	(1,291)
Income Tax and Social Contribution	(2,011)	(1,593)	(977)	(1,997)	(37)
Financial Result Income Tax Reversal	420	443	473	472	456
(=) Operating Net Income (NOPLAT)	3,239	2,113	889	1,024	(872)
(=) Operating Net Income (NOPLAT) - Last Twelve Months	7,265	3,155	(20)	(6,292)	(7,664)

ROIC (Return on Invested Capital)	2Q19	1Q19	4Q18	3Q18	2Q18
Invested Capital - LTM	126,478	128,136	131,093	133,275	140,322
ROIC - LTM	5.7%	2.5%	0.0%	-4.7%	-5.5%
Net Profit	4,053	2,973	1,808	1,940	14
ROE (Return on Equity)	2Q19	1Q19	4Q18	3Q18	2Q18
Net Profit - Last Twelve Months	2,694	1,684	849	(754)	(1,181)
Shareholders' equity	178,292	174,239	171,266	169,458	167,518
Shareholders' equity - Last Twelve Months	173,314	170,620	168,937	168,088	168,842
ROE - LTM	1.6%	1.0%	0.5%	-0.4%	-0.7%

ANNEX I – WORKING CAPITAL AND INVESTED CAPITAL

Invested Capital	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Operational Assets	73,882	71,854	70,047	73,713	70,270
(+) Trade Accounts Receivable	29,284	28,668	28,485	28,161	24,348
(+) Long Term Trade Accounts Receivable	6,583	7,436	8,326	8,746	9,708
(+) Long Term Loans Granted	1,034	1,167	1,439	1,706	1,945
(+) Inventories	29,148	25,896	21,563	24,818	21,227
(+) Advances to Suppliers	101	151	399	169	141
(+) Loans Granted	1,093	1,733	1,803	1,798	1,756
(+) Prepaid Expenses	1,843	1,887	1,992	1,372	2,293
(+) Recoverable Taxes	534	807	892	3,365	5,022
(+) Other Assets	4,262	4,109	5,148	3,578	3,830
Operational Liabilities	35,580	39,860	34,247	40,678	40,950
(-) Suppliers	3,616	5,981	2,299	5,602	5,370
(-) Tax Liabilities	2,430	1,696	1,179	2,740	2,505
(-) Payroll and Related Charges	3,837	3,050	2,876	5,101	4,223
(-) Advances from Customers	16,310	18,785	16,717	19,131	18,992
(-) Provisions	3,527	4,593	5,485	5,953	6,215
(-) Other Liabilities	5,860	5,755	5,691	2,151	3,645
(=) Working Capital	38,302	31,994	35,800	33,035	29,320
Non-current Operating Assets	96,814	101,991	105,337	107,849	111,912
(+) Assets Held for Sale	532	574	750	749	1,057
(+) Deferred Income and Social Contribution Taxes	9,459	11,470	13,063	14,040	16,037
(+) Recoverable Taxes	-	-	-	-	-
(+) Prepaid Expenses	-	-	-	-	-
(+) Judicial Deposits	2,113	2,978	2,830	2,930	2,730
(+) Other Assets	946	1,248	1,539	1,950	2,559
(+) Investments	20	20	20	20	20
(+) Property, Plant and Equipment	76,127	77,717	78,663	79,502	80,287
(+) Intangible Assets	7,617	7,984	8,472	8,658	9,222
Non-current Operating Liabilities	11,237	11,888	11,469	10,618	10,718
(-) Tax Liabilities	142	175	208	241	405
(-) Provisions	11,095	11,713	11,261	10,377	10,313
(=) Fixed Capital	85,577	90,103	93,868	97,231	101,194
Total Financing					
(+) Cash and Cash Equivalents	41,131	35,670	28,788	25,877	36,004
(+) Short Term Financial Investments	10,149	13,389	9,774	13,315	1,000
(+) Long Term Financial Investments	3,133	3,083	3,036	-	-
(-) Short Term Loans Granted	-	-	-	-	-
(-) Long Term Loans Granted	-	-	-	-	-
(-) Dividends and interest on Equity Payable	-	-	-	-	-
(-) Shareholders' equity	178,292	174,239	171,266	169,458	167,518
(=) Total Financing	123,879	122,097	129,668	130,266	130,514

ANNEX II – FINANCIAL STATEMENTS – INCOME STATEMENT – CONSOLIDATED

Income Statement	2Q18	AV	2Q19	AV	Δ	AH	1H18	AV	1H19	AV	AH
Gross Revenue from Sales	46,547	131.7%	46,073	129.9%	(474)	-1.0%	86,535	131.8%	86,044	129.6%	-0.6%
Domestic Market	44,328	125.4%	43,871	123.7%	(457)	-1.0%	82,769	126.1%	81,678	123.1%	-1.3%
Dell Anno and Favorita	22,779	64.4%	21,091	59.5%	(1,688)	-7.4%	43,934	66.9%	39,596	59.7%	-9.9%
New and Casa Brasileira	10,617	30.0%	10,900	30.7%	283	+2.7%	20,668	31.5%	22,027	33.2%	+6.6%
Exclusive Dealers											
New and Casa Brasileira	5,836	16.5%	6,304	17.8%	468	+8.0%	10,727	16.3%	12,209	18.4%	+13.8%
Multibrand											
Unicasa Corporate	4,333	12.3%	4,832	13.6%	499	+11.5%	6,225	9.5%	6,170	9.3%	-0.9%
Other Revenues	763	2.2%	744	2.1%	(19)	-2.5%	1,215	1.9%	1,676	2.5%	+37.9%
Exports	2,219	6.3%	2,202	6.2%	(17)	-0.8%	3,766	5.7%	4,366	6.6%	+15.9%
Sales Deductions	(11,195)	31.7%	(10,603)	-29.9%	592	-5.3%	(20,891)	-31.8%	(19,677)	-29.6%	-5.8%
Net Revenue from Sales	35,352	100.0%	35,470	100.0%	118	+0.3%	65,644	100.0%	66,367	100.0%	+1.1%
Cost of Goods Sold	(22,240)	62.9%	(21,183)	-59.7%	1,057	-4.8%	(40,586)	-61.8%	(40,540)	-61.1%	-0.1%
Gross Profit	13,112	37.1%	14,287	40.3%	1,175	+9.0%	25,058	38.2%	25,827	38.9%	+3.1%
Selling Expenses	(8,220)	23.3%	(6,060)	-17.1%	2,160	-26.3%	(16,733)	-25.5%	(11,097)	-16.7%	-33.7%
General and Administrative Expenses	(7,143)	20.2%	(4,080)	-11.5%	3,063	-42.9%	(12,275)	-18.7%	(8,142)	-12.3%	-33.7%
Other Operating Income, Net	960	2.7%	683	1.9%	(277)	-28.9%	1,405	2.1%	1,505	2.3%	+7.1%
Operating Income	(1,291)	3.7%	4,830	13.6%	6,121	-474.1%	(2,545)	-3.9%	8,093	12.2%	-418.0%
Financial Expenses	(179)	0.5%	(489)	-1.4%	(310)	+173.2%	(537)	-0.8%	(755)	-1.1%	+40.6%
Financial Income	1,521	4.3%	1,723	4.9%	202	+13.3%	2,929	4.5%	3,292	5.0%	+12.4%
Operating Income before Income Tax and Social Contribution	51	0.1%	6,064	17.1%	6,013	+11790.2%	(153)	-0.2%	10,630	16.0%	7047.7%
Income Tax and Social Contribution	(37)	0.1%	(2,011)	-5.7%	(1,974)	+5335.1%	(201)	-0.3%	(3,604)	-5.4%	+1693.0%
Current	-	0.0%	-	0.0%	-	n/a	-	0.0%	-	0.0%	n/a
Deferred	(37)	0.1%	(2,011)	-5.7%	(1,974)	+5335.1%	(201)	-0.3%	(3,604)	-5.4%	+1693.0%
Net Income for the Period	14	0.0%	4,053	11.4%	4,039	+28850.0%	(354)	-0.5%	7,026	10.6%	2084.7%
Earnings per Share (R\$)	0.00		0.06	0.0%	0.06	+30550.0%	0.01	+0.0%	0.11	+0.0%	2068.5%

ANNEX III - FINANCIAL STATEMENTS – BALANCE SHEET – CONSOLIDATED

Assets	12/31/2018	AV	6/30/2019	AV	Δ
Current Assets	98,844	45.6%	117,545	52.2%	+18.9%
Cash and Cash Equivalents	28,788	13.3%	41,131	18.3%	+42.9%
Restricted Marketable Securities	9,774	4.5%	10,149	4.5%	+3.8%
Trade Accounts Receivable	28,485	13.1%	29,284	13.0%	+2.8%
Inventories	21,563	9.9%	29,148	12.9%	+35.2%
Advances to Suppliers	399	0.2%	101	0.0%	-74.7%
Loans Granted	1,803	0.8%	1,093	0.5%	-39.4%
Prepaid Expenses	1,992	0.9%	1,843	0.8%	-7.5%
Recoverable Taxes	892	0.4%	534	0.2%	-40.1%
Other Assets	5,148	2.4%	4,262	1.9%	-17.2%
Non-Current Assets	118,138	54.4%	107,564	47.8%	-9.0%
Financial Investments	3,036	1.4%	3,133	1.4%	+3.2%
Trade Accounts Receivable	8,326	3.8%	6,583	2.9%	-20.9%
Loans Granted	1,439	0.7%	1,034	0.5%	-28.1%
Assets Held for Sale	750	0.3%	532	0.2%	-29.1%
Deferred Income and Social Contribution Taxes	13,063	6.0%	9,459	4.2%	-27.6%
Judicial Deposits	2,830	1.3%	2,113	0.9%	-25.3%
Other Assets	1,539	0.7%	946	0.4%	-38.5%
Investments	20	0.0%	20	0.0%	+0.0%
Property, Plant and Equipment	78,663	36.3%	76,127	33.8%	-3.2%
Intangible Assets	8,472	3.9%	7,617	3.4%	-10.1%
Total Assets	216,982	100%	225,109	100%	+3.7%
Liabilities	12/31/2018	AV	6/30/2019	AV	Δ
Current Liabilities	34,247	15.8%	35,580	15.8%	+3.9%
Suppliers	2,299	1.1%	3,616	1.6%	+57.3%
Tax Liabilities	1,179	0.5%	2,430	1.1%	+106.1%
Payroll and Related Charges	2,876	1.3%	3,837	1.7%	+33.4%
Advances from Customers	16,717	7.7%	16,310	7.2%	-2.4%
Provisions	5,485	2.5%	3,527	1.6%	-35.7%
Other Liabilities	5,691	2.6%	5,860	2.6%	+3.0%
Non-Current Liabilities	11,469	5.3%	11,237	5.0%	-2.0%
Tax Liabilities	208	0.1%	142	0.1%	-31.7%
Provisions	11,261	5.2%	11,095	4.9%	-1.5%
Shareholders' equity	171,266	78.9%	178,292	79.2%	+4.1%
Capital Stock	187,709	86.5%	187,709	83.4%	+0.0%
Capital Reserve	(2,658)	-1.2%	(2,658)	-1.2%	+0.0%
Accumulated Loss	(13,785)	-6.4%	(6,759)	-3.0%	-51.0%
Total Liabilities and Shareholders' Equity	216,982	100%	225,109	100%	+3.7%

ANNEX IV – FINANCIAL STATEMENTS – CASH FLOW STATEMENT – CONSOLIDATED

Cash Flow Statement	2Q18	2Q19	Δ	1H18	1H19	Δ
Operating Income Before Income And Social Contribution Taxes	51	6,064	+11790.2%	(153)	10,630	-7047.7%
Adjustment to Reconcile the Net Income to Cash from Operating Activities:						
Depreciation and Amortization	2,111	2,189	+3.7%	4,808	4,360	-9.3%
Foreign Exchange Variation	(138)	135	-197.8%	(138)	179	-229.7%
Provision for Litigation	1,200	(610)	-150.8%	738	(111)	-115.0%
Provision for Obsolescence	123	171	+39.0%	253	145	-42.7%
Allowance for Doubtful Accounts	1,015	(513)	-150.5%	664	(636)	-195.8%
Provision for PPR	(126)	60	-147.6%	(700)	(422)	-39.7%
Disposal of Property, Plant and Equipment	976	485	-50.3%	1,498	501	-66.6%
Cash Flows from Operating Activities	5,212	7,981	+53.1%	6,970	14,646	+110.1%
Changes in Assets and Liabilities						
Trade Accounts Receivable	(2,624)	502	-119.1%	692	1,307	+88.9%
Inventories	485	(3,423)	-805.8%	(1,710)	(7,730)	+352.0%
Recoverable Taxes	361	273	-24.4%	74	358	+383.8%
Loans Granted	195	886	+354.4%	361	1,209	+234.9%
Other Current or Non-Current Assets	248	1,108	+346.8%	(1,083)	2,643	-344.0%
Non-Current Assets Available for Sale	1,353	42	-96.9%	1,821	218	-88.0%
Suppliers	(1,707)	(2,365)	+38.5%	2,104	1,317	-37.4%
Advance from Customers	1,115	(2,475)	-322.0%	1,424	(407)	-128.6%
Other Current or Non-Current Liabilities	(108)	459	-525.0%	(389)	724	-286.1%
Net Cash from Operating Activities	4,530	2,988	-34.0%	10,264	14,285	+39.2%
Cash Flows from Investing Activities						
Financial Investments	(1,000)	3,190	-419.0%	(1,000)	(472)	-52.8%
Investments	-	-	n/a	11	-	-100.0%
Property, Plant and Equipment	(843)	(475)	-43.7%	(2,355)	(1,125)	-52.2%
Intangible Assets	(265)	(242)	-8.7%	(389)	(345)	-11.3%
Net Cash used in Investing Activities	(2,108)	2,473	-217.3%	(3,733)	(1,942)	-48.0%
Cash Flows from Financing Activities						
Cash Flows (used in) from Financing Activities	-	-	n/a	-	-	n/a
Increase (Decrease) in Cash and Cash Equivalents	2,422	5,461	+125.5%	6,531	12,343	+89.0%
Changes in Cash and Cash Equivalents						
At the Beginning of the Period	33,582	35,670	+6.2%	29,473	28,788	-2.3%
At the End of the Period	36,004	41,131	+14.2%	36,004	41,131	+14.2%
Increase (Decrease) in Cash and Cash Equivalents	2,422	5,461	+125.5%	6,531	12,343	+89.0%

⁽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	39,988	39,971	46,547	46,073	54,940	54,780	86,535	86,044	109,720	141,475	196,255
Domestic Market	38,441	37,807	44,328	43,871	53,029	52,125	82,769	81,678	105,154	135,798	187,923
Dell Anno and Favorita - Exclusive Dealers and Own Stores	21,155	18,505	22,779	21,091	27,134	28,250	43,934	39,596	55,384	71,068	99,318
New and Casa Brasileira Exclusive Dealers	10,051	11,127	10,617	10,900	13,569	13,727	20,668	22,027	27,296	34,237	47,964
New and Casa Brasileira Multibrand	4,891	5,905	5,836	6,304	7,259	6,524	10,727	12,209	13,783	17,986	24,510
Unicasa Corporate	1,892	1,338	4,333	4,832	4,261	2,337	6,225	6,170	6,598	10,486	12,823
Other Revenues	452	932	763	744	806	1,287	1,215	1,676	2,093	2,021	3,308
Export Market	1,547	2,164	2,219	2,202	1,911	2,655	3,766	4,366	4,566	5,677	8,332

Gross Revenue from Sales Ex-IPI	1Q17	1Q18	2Q17	2Q18	3Q17	4Q17	1H17	1H18	2H17	9M17	2017
Total Gross Revenue	38,353	38,297	44,613	44,143	52,587	52,415	82,966	82,440	105,002	135,553	187,968
Domestic Market	36,806	36,133	42,394	41,941	50,676	49,760	79,200	78,074	100,436	129,876	179,636
Dell Anno and Favorita - Exclusive Dealers and Own Stores	20,331	17,716	21,859	20,184	25,998	27,003	42,190	37,900	53,001	68,188	95,191
New and Casa Brasileira Exclusive Dealers	9,577	10,610	10,115	10,393	12,930	13,083	19,692	21,003	26,013	32,622	45,705
New and Casa Brasileira Multibrand	4,657	5,624	5,557	6,005	6,912	6,212	10,214	11,629	13,124	17,126	23,338
Unicasa Corporate	1,802	1,288	4,126	4,643	4,059	2,226	5,928	5,931	6,285	9,987	12,213
Other Revenues	439	895	737	716	777	1,236	1,176	1,611	2,013	1,953	3,189
Export Market	1,547	2,164	2,219	2,202	1,911	2,655	3,766	4,366	4,566	5,677	8,332

Modules Sold (Units)	1Q17	1Q18	2Q17	2Q18	3Q17	4Q17	1H17	1H18	2H17	9M17	2017
Total Gross Revenue	136,225	129,120	147,261	137,177	170,849	177,000	283,486	266,297	347,849	454,335	631,335
Domestic Market	129,402	120,331	139,650	127,925	165,528	164,272	269,052	248,256	329,800	434,580	598,852
Dell Anno and Favorita - Exclusive Dealers and Own Stores	55,179	43,312	57,707	48,741	64,179	67,298	112,886	92,053	131,477	177,065	244,363
New and Casa Brasileira Exclusive Dealers	43,882	45,744	45,479	41,897	58,589	58,404	89,361	87,641	116,993	147,950	206,354
New and Casa Brasileira Multibrand	24,920	28,374	27,212	30,855	34,246	32,454	52,132	59,229	66,700	86,378	118,832
Unicasa Corporate	5,396	2,672	9,231	5,990	8,388	5,983	14,627	8,662	14,371	23,015	28,998
Other Revenues	25	229	21	442	126	133	46	671	259	172	305
Export Market	6,823	8,789	7,611	9,252	5,321	12,728	14,434	18,041	18,049	19,755	32,483

Notes to the Financial Statements

1. Operations

Unicasa Indústria de Móveis S.A. (“Company”) is a corporation with registered office in the city of Bento Gonçalves, state of Rio Grande do Sul, with its shares traded on the Novo Mercado segment of “B3 S.A. – Brasil, Bolsa, Balcão” (BM&FBovespa) under ticker UCAS3, since April 27, 2012. Founded in 1985, its corporate purpose is to manufacture, sell, import and export products related to the wood, iron and aluminum furniture segment, kitchens, and other articles related to household and commercial furniture.

The Company has resale agreements with agents authorized to explore our brands “Dell Anno,” “Favorita,” “New,” “Casa Brasileira,” and “Unicasa Corporate” through exclusive dealers and multibrand stores in Brazil and abroad.

The corporate purpose of Unicasa Comércio de Móveis Ltda. (subsidiary), included in the consolidated financial statements, is the retail sale of customized furniture.

Unicasa North America, LLC (subsidiary), established on November 13, 2018, albeit not operating until June 30, 2019, acts as a sales office to prospect the Dell Anno brand and accompany its expansion in North America. Its capital stock is US\$200,000.00, subscribed to but not paid up.

The Management of the Company decided to reduce the number of own stores by transferring them to the direct management of authorized independent resellers. In the first quarter of 2018, its last operating reseller was transferred. Two stores were transferred in 2017 and four were transferred in 2016, out of an earlier total of seven own stores. The subsidiary remains open to serve the operation’s holdover clients and as a support for clients of the parent company’s Unicasa Corporate segment.

2. Summary of significant accounting practices

Statement of Compliance

The interim parent company and consolidated accounting information for the three- and six-month periods ended June 30, 2019 was prepared and is being presented in accordance with CPC 21 (R1) – Interim Reporting, issued by the Brazilian Accounting Pronouncements Committee (“CPC”), and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), in consonance with the standards issued by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of Quarterly Information (ITR).

Statement of Relevance

The interim accounting information was prepared by the Company to provide users with material information presented in the reporting period and must be analyzed together with the complete financial statements for the fiscal year ended December 31, 2018 and the interim accounting information for the three- and six-month period ended June 30, 2018.

The accounting policies, the use of certain accounting estimates, Management judgments and calculation methods adopted in this interim accounting information are the same as those adopted in the preparation of annual financial statements for the fiscal year ended December 31, 2018 and interim accounting information for the three- and six-month periods ended June 30, 2018.

Approval of interim parent company and consolidated financial statements

The presentation of these interim parent company and consolidated financial statements was approved and authorized at the Board of Directors’ Meeting held on May 9, 2019.

Notes to the Financial Statements

2.1 IFRS pronouncements that came into effect in the period ended June 30, 2019

2.1.1 IFRS 16/CPC 06 (R2) Leases

The IASB issued IFRS 16, which establishes principles for the recognition, measurement, presentation and disclosure of leases. Accounting requirements for lessors remain substantially the same compared to the standards currently in effect. However, there are significant changes for lessees in that IFRS 16 specifies a single model by eliminating the distinction between financial and operational leases, which leads to a balance sheet that reflects right-to-use assets and a corresponding financial liability.

The Company evaluated the potential impacts on its financial statements arising from the first-time adoption of the CPC 06 (R2)/IFRS 16 standard and identified the existence of lease agreements for IT equipment, recognizing the liabilities assumed as well as their right to use in assets in advance in fiscal year 2018.

In the Management's opinion, no pronouncement, interpretation or guideline was issued by CPC or IASB in the period that had a significant impact on interim parent company and consolidated financial statements of the Company.

3. Cash and cash equivalents

	Index	Average weighted rate p.a.	Parent Company		Consolidated	
			6/30/2019	12/31/2018	6/30/2019	12/31/2018
Cash and cash equivalents						
Cash and banks			332	2,173	332	2,174
Cash equivalents						
CDB	CDI	100.36%	36,351	24,516	38,794	24,516
Repo	CDI	0.00%	-	1,200	-	1,200
Automatic investment	CDI	10.00%	1,882	775	2,005	898
			38,565	28,664	41,131	28,788

Cash and cash equivalents do not have restrictions for use, have short-term original maturity, are highly liquid and easily convertible into a known cash amount and are subject to an insignificant risk of change in value.

4. Financial investments

	Index	Average weighted rate p.a.	Parent Company		Consolidated	
			6/30/2019	12/31/2018	6/30/2019	12/31/2018
Financial investments						
CDB	CDI	102.24%	13,282	12,810	13,282	12,810
			13,282	12,810	13,282	12,810
Current assets			10,149	9,774	10,149	9,774
Non-current assets			3,133	3,036	3,133	3,036
			13,282	12,810	13,282	12,810

Financial investments are made in prime banks (among the ten largest institutions in Brazil), whose yield is linked to the Interbank Deposit Certificate (CDI).

Notes to the Financial Statements

5. Trade accounts receivable

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Domestic market				
Third parties	43,483	51,867	43,964	52,628
Related parties (Note 21)	1,398	230	1,398	57
Foreign market				
Third parties	2,106	2,604	2,106	2,604
Check receivables	3,044	6,672	3,044	6,672
	50,031	61,373	50,512	61,961
(-) Allowance for doubtful accounts	(14,206)	(24,605)	(14,348)	(24,793)
(-) Present Value Adjustment (PVA)	(297)	(357)	(297)	(357)
	35,528	36,411	35,867	36,811
Current assets	28,945	28,085	29,284	28,485
Non-current assets	6,583	8,326	6,583	8,326
	35,528	36,411	35,867	36,811

The amounts classified under non-current assets refer to novation of credits to clients of the chain. In general, such novation has a term of more than one year and the balances are adjusted for inflation, plus interest compatible with market practices.

Days sales outstanding, weighted by the average maturity of invoices, at June 30, 2019 and December 31, 2018, were 26 and 31 days, respectively.

The changes in allowance for loan losses are as follows:

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Balance at beginning of period / fiscal year	(24,605)	(27,187)	(24,793)	(27,464)
Additions	(414)	(1,792)	(414)	(1,933)
Recovery / realizations	910	961	956	1,064
Write off due to losses	9,903	3,413	9,903	3,540
Balance at end of period / fiscal year	(14,206)	(24,605)	(14,348)	(24,793)

At June 30, 2019 and December 31, 2018, the breakdown of trade accounts receivable by maturity is as follows:

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Falling due	26,307	31,157	26,788	31,695
Overdue:				
From 1 to 30 days	2,549	2,142	2,549	2,192
From 31 to 60 days	569	788	569	788
From 61 to 90 days	781	582	781	582
From 91 to 180 days	1,927	2,385	1,927	2,385
Over 181 days	17,898	24,319	17,898	24,319
	50,031	61,373	50,512	61,961

The allowance for loan losses is based on the individual analysis of total trade accounts receivable overdue for more than 90 days, considering the clients' payment capacity, the current and prospective economic scenario, the evaluation of delinquency levels and guarantees received, as well as evaluation of renegotiations made. Specific cases not yet overdue, but with risk of loss in the Management's opinion, is also included in the allowance.

Notes to the Financial Statements**6. Inventories**

Inventories are stated at cost or net realizable value, whichever is lower. Costs incurred to take each product to its current location and condition are recorded as follows:

- (i) Raw materials – cost of acquisition according to average cost.
- (ii) Finished products and products under production – cost of materials and direct labor and proportional portion of indirect general expenses based on the normal operating capacity.

The net realizable value corresponds to the sale price in the normal course of business, less estimated costs for conclusion and sale.

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Finished products	357	74	356	189
Products under production	2,568	1,702	2,568	1,702
Goods for resale	428	467	486	467
Raw material	21,414	18,043	21,414	18,043
Advances to suppliers	3,642	341	3,642	341
Sundry materials	1,607	1,601	1,607	1,601
Provision for obsolescence	(925)	(780)	(925)	(780)
	29,091	21,448	29,148	21,563

Provisions for low inventory turnover or obsolete inventories are constituted when deemed necessary by the Management. The changes in provision for obsolescence are as follows:

	Parent Company and Consolidated	
	6/30/2019	12/31/2018
Balance at beginning of period / year	(780)	(427)
Additions	(460)	(506)
Recoveries / realizations	315	153
Balance at end of period / year	(925)	(780)

7. Assets held for sale

At June 30, 2019, assets held for sale totaling R\$532 (R\$750 at December 31, 2018) are largely composed of land, apartments and other real estate received from debt renegotiations with clients and are available for immediate sale. The Company engaged specialized brokers to sell these properties and believes these will materialize over the coming 12 months. Assets are held at their book value, which are lower than their fair values, less selling expenses.

8. Loans granted

	Parent Company and Consolidated	
	6/30/2019	12/31/2018
Loans granted	3,108	4,317
(-) Allowance for loan losses	(981)	(1,075)
	2,127	3,242
Current assets	1,093	1,803
Non-current assets	1,034	1,439
	2,127	3,242

Notes to the Financial Statements**8. Loans granted - Continued**

These refer to loans granted by the Company to clients to finance the expansion of the network of authorized resellers and exclusive stores, measured at amortized cost method in accordance with contractual terms (fixed rates and payment conditions), net of allowance for losses. Loans bear average interest of 15.73% p.a. (16.44% in 2018). As guarantee for most operations, the Company has letters of guarantee of partners of stores and first-degree mortgage guarantees.

9. Other assets

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Other current assets:				
Prepaid expenses	1,843	1,992	1,843	1,992
Advances and prepayments	99	354	101	399
Sundry debtors (*)	1,459	1,063	1,459	1,063
Other accounts receivable – sale of own stores				
(**)	450	450	1,756	2,001
Other accounts receivable	-	1,169	-	1,169
Foreign exchange orders	1,047	915	1,047	915
	4,898	5,943	6,206	7,539
Other non-current assets:				
Other accounts receivable – sale of own stores				
(**)	685	782	934	1,527
Other	12	12	12	12
	697	794	946	1,539

(*) Refer mainly to the expenses with cooperative advertising receivable from resellers for marketing campaigns.

(**) Refer to receivables from third parties for the sale of part of its own stores held by the subsidiary Unicasa Comércio Ltda., as mentioned in Note 1. This transaction is covered by collateral as set forth in the agreements. Receivables are expected as follows:

Year	Parent Company R\$	Consolidated R\$
2019	100	911
2020	155	884
2021	465	479
2022	145	145
2023	107	108
2024 to 2025	163	163
Total receivables	1,135	2,690

Notes to the Financial Statements

10. Investments

The investment in subsidiary is valued based on the equity income method, according to CPC 18 (R2). The main balances of the subsidiary are:

Unicasa Comércio de Móveis Ltda.		
	6/30/2019	12/31/2018
Current assets	4,308	2,454
Non-current assets	301	884
Current and non-current liabilities	4,152	2,948
Shareholders' equity	457	390
Capital stock	20,430	20,430

Unicasa Comércio de Móveis Ltda.		
	6/30/2019	6/30/2018
Net revenue	1,638	5,359
Profit (Loss) for the period – subsidiary	67	(611)
% Ownership interest	99.99%	99.99%
Equity income (loss) before eliminations	67	(611)
Effect of unrealized income	14	106
Equity income (loss)	81	(505)

The changes in investments in subsidiary are as follows:

Parent Company		
	6/30/2019	12/31/2018
Investment balance / (unsecured liability) at beginning of period / year	362	(1,920)
Capital payment – subsidiary	-	4,330
Equity income (loss)	81	(2,048)
Investment balance at end of period / year	443	362

11. Property, plant and equipment

These are registered at acquisition or construction cost. Depreciation of assets is calculated using the straight-line method at depreciation rates and take into consideration the estimated useful lives of these assets. The depreciation methods, useful lives and residual values are reviewed at the end of the fiscal year and any adjustments are recognized as changes in accounting estimates. Property, plant and equipment are net of PIS/COFINS and ICMS credits and the contra entry is recorded as recoverable taxes. A property, plant and equipment item is written off when sold or when no future economic benefit is expected from its use or sale. Gain or loss from the write-off of an asset, calculated as the difference between net sale value and book value of the asset, is included in the statement of operations for the period in which the asset was written off.

Useful life of assets and the depreciation methods are annually reviewed and prospectively adjusted, as applicable.

Property, plant and equipment is broken down as follows:

Notes to the Financial Statements

11. Property, plant and equipment - Continued

Parent Company

Cost of property, plant and equipment	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12/31/2017	2,285	21,575	13,502	101,579	2,331	3,749	2,442	147,463
Acquisitions	-	-	4	225	60	18	4,279	4,586
Write-offs	(907)	(477)	(1,646)	(429)	(65)	(213)	-	(3,737)
Transfers	-	64	677	4,104	12	3	(4,860)	-
Balances at 12/31/2018	1,378	21,162	12,537	105,479	2,338	3,557	1,861	148,312
Acquisitions	-	-	-	2	16	9	1,098	1,125
Write-offs	-	-	-	(3,322)	(2)	(9)	-	(3,333)
Transfers	-	11	42	1,800	16	86	(1,955)	-
Balances on 6/30/19	1,378	21,173	12,579	103,959	2,368	3,643	1,004	146,104

Accumulated depreciation	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12/31/2017	-	(6,442)	(5,353)	(50,464)	(1,337)	(1,816)	-	(65,412)
Depreciation	-	(343)	(720)	(4,379)	(152)	(444)	-	(6,038)
Write-off	-	24	1,098	380	51	203	-	1,756
Balances at 12/31/2018	-	(6,761)	(4,975)	(54,463)	(1,438)	(2,057)	-	(69,694)
Depreciation	-	(169)	(324)	(2,307)	(74)	(279)	-	(3,153)
Write-off	-	-	-	2,823	1	8	-	2,832
Balances at 6/30/2019	-	(6,930)	(5,299)	(53,947)	(1,511)	(2,328)	-	(70,015)

Property, plant and equipment, net

Balances at 12/31/2017	2,285	15,133	8,149	51,115	994	1,933	2,442	82,051
Balances at 12/31/2018	1,378	14,401	7,562	51,016	900	1,500	1,861	78,618
Balances on 6/30/2019	1,378	14,243	7,280	50,012	857	1,315	1,004	76,089

Consolidated

Cost of property, plant and equipment	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12/31/2017	2,285	21,575	13,520	101,619	2,602	3,895	2,442	147,938
Acquisitions	-	-	4	225	63	29	4,279	4,600
Write-offs	(907)	(477)	(1,663)	(429)	(331)	(313)	-	(4,120)
Transfers	-	64	677	4,104	12	3	(4,860)	-
Balances at 12/31/2018	1,378	21,162	12,538	105,519	2,346	3,614	1,861	148,418
Acquisitions	-	-	-	2	16	9	1,098	1,125
Write-offs	-	-	-	(3,322)	(2)	(10)	-	(3,334)
Transfers	-	11	42	1,800	16	86	(1,955)	-
Balances at 6/30/2019	1,378	21,173	12,580	103,999	2,376	3,699	1,004	146,209

Accumulated depreciation	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12/31/2017	-	(6,442)	(5,355)	(50,498)	(1,381)	(1,864)	-	(65,540)
Depreciation	-	(343)	(720)	(4,381)	(157)	(455)	-	(6,056)
Write-off	-	24	1,099	380	98	240	-	1,841
Balances at 12/31/2018	-	(6,761)	(4,976)	(54,499)	(1,440)	(2,079)	-	(69,755)
Depreciation	-	(169)	(324)	(2,308)	(74)	(285)	-	(3,160)
Write-off	-	-	-	2,824	1	8	-	2,833
Balances at 6/30/2019	-	(6,930)	(5,300)	(53,983)	(1,513)	(2,356)	-	(70,082)

Property, plant and equipment, net

Balances at 12/31/2017	2,285	15,133	8,165	51,121	1,221	2,031	2,442	82,398
Balances at 12/31/2018	1,378	14,401	7,562	51,020	906	1,535	1,861	78,663
Balances at 6/30/2019	1,378	14,243	7,280	50,016	863	1,343	1,004	76,127

Average useful life – in years

-	67.46	21.02	17.13	14.02	5.00	-
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Notes to the Financial Statements**12. Intangible assets**

Intangible assets with a defined life are measured at cost, less amortization accrued over the economic useful life and evaluated for impairment whenever there is indication of loss of economic value of the asset. The amortization period and method for an intangible asset with defined life are reviewed at least at the end of each fiscal year. The amortization of these intangible assets is recognized in the statement of operations.

Parent Company

	Software	Trademarks and patents	Commercial goodwill	Total
Balances at 12/31/2017	1,436	43	9,193	10,672
Acquisitions	786	42	-	828
Amortization	(560)	(18)	(2,450)	(3,028)
Balances at 12/31/2018	1,662	67	6,743	8,472
Acquisitions	284	61	-	345
Amortization	(294)	(11)	(895)	(1,200)
Balances at 6/30/2019	1,652	117	5,848	7,617

Consolidated

	Software	Trademarks and patents	Commercial goodwill	Total
Balances at 12/31/2017	1,437	43	9,193	10,673
Acquisitions	786	42	-	828
Amortization	(561)	(18)	(2,450)	(3,029)
Balances at 12/31/2018	1,662	67	6,743	8,472
Acquisitions	284	61	-	345
Amortization	(294)	(11)	(895)	(1,200)
Balances at 6/30/2019	1,652	117	5,848	7,617

Average useful life in years	5.00	10.00	9.11
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Research and development

Since research and development costs of the Company's new products do not meet the capitalization criteria, they were recognized in Parent Company and Consolidated profit or loss for the period, at June 30, 2019, in the amount of R\$719 (R\$806 at June 30, 2018).

13. Income and social contribution taxes

Income and social contribution taxes are calculated based on the tax rate in effect. Current and deferred taxes are recognized in profit or loss for the period.

The recognition of deferred taxes is based on the temporary differences between the book value and the tax value of assets and liabilities, on tax losses calculated and the negative calculation basis for social contribution on income, as their realization is deemed probable as an entry to future taxable income. Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities, and are related to taxes levied by the same tax authority on the same entity subject to taxation.

Deferred income tax and social contribution

The breakdown of deferred income and social contribution taxes is as follows:

Notes to the Financial Statements

13. Income and Social Contribution Taxes--Continued

	Parent Company				Consolidated			
	Balance sheet		P&L		Balance sheet		P&L	
	6/30/19	12/31/18	6/30/19	6/30/18	6/30/19	12/31/18	6/30/19	6/30/18
On temporary differences:								
Assets								
Allowance for loan losses	5,164	8,731	(3,567)	164	5,164	8,731	(3,567)	164
Provision for obsolete inventories	314	265	49	86	314	265	49	86
Provisions for losses with sureties	884	884	-	-	884	884	-	-
Provision for labor, tax, civil and termination of commercial relationship risks	4,886	5,589	(703)	(595)	4,886	5,589	(703)	(595)
Present value adjustment (AVP)	113	151	(38)	(8)	113	151	(38)	(8)
Other provisions and temporary differences	452	510	(58)	(522)	452	510	(58)	(522)
	11,813	16,130	(4,317)	(875)	11,813	16,130	(4,317)	(875)
On tax loss carryforwards								
	7,146	6,138	1,008	1,258	7,146	6,138	1,008	1,258
	18,959	22,268	(3,309)	383	18,959	22,268	(3,309)	383
Liabilities								
Tax and corporate depreciation difference	(9,500)	(9,205)	(295)	(584)	(9,500)	(9,205)	(295)	(584)
Total	9,459	13,063	(3,604)	(201)	9,459	13,063	(3,604)	(201)

Management estimates that deferred tax assets arising from temporary differences will be realized as projected contingencies, losses and obligations are realized.

At June 30, 2019, the subsidiary Unicasa Comércio de Móveis Ltda. has balance of R\$17,119 related to accumulated balance of income tax and social contribution and arising from temporary differences for which the corresponding deferred tax assets were not recognized.

Year	Parent Company and Consolidated
2019	5,495
2020	5,674
2021	3,630
2022	862
2023	862
2024 to 2026	2,436
Total – Deferred tax assets	18,959

Notes to the Financial Statements

13. Income and Social Contribution Taxes--Continued

Reconciliation of tax expense with official tax rates

The reconciliation of tax expense with the result of the multiplication of taxable income with the local tax rate is as follows:

	Parent Company			
	2Q19	6M19	2Q18	6M18
Income (Loss) before taxes	6,064	10,630	51	(153)
Income tax (25%) and social contribution (9%) at nominal rate	(2,062)	(3,615)	(17)	52
Adjustments for presentation of effective rate:				
Equity income (loss)	80	27	11	(171)
Non-deductible expenses	(15)	(18)	(14)	(45)
Other permanent exclusions/additions	(14)	2	(17)	(37)
Total income and social contribution taxes:	(2,011)	(3,604)	(37)	(201)
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	(2,625)	(4,612)	(157)	(1,459)
Recording and reversal in tax loss	614	1,008	120	1,258
	(2,011)	(3,604)	(37)	(201)
Effective rate	33%	34%	73%	-131%

	Consolidated			
	2Q19	6M19	2Q18	6M18
Income (Loss) before taxes	6,064	10,630	51	(153)
Income tax (25%) and social contribution (9%) at nominal rate	(2,062)	(3,615)	(17)	52
Adjustments for presentation of effective rate:				
Non-deductible expenses	(15)	(18)	(14)	(45)
Reversal of tax loss base - trade	80	27	-	-
Other permanent exclusions/additions	(14)	2	(6)	(208)
Total income and social contribution taxes:	(2,011)	(3,604)	(37)	(201)
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	(2,625)	(4,612)	(157)	(1,459)
Recording and reversal in tax loss	614	1,008	120	1,258
	(2,011)	(3,604)	(37)	(201)
Effective rate	33%	34%	73%	-131%

14. Provisions

a) Provision for labor, tax and civil risks

A provision is recognized, in view of a past event, if the Company has a legal or constructive obligation that may be reliably estimated, and it is probable that an economic resource be required to settle the obligation.

The Company is a defendant in certain labor, tax and civil lawsuits. The estimated loss was provisioned based on the opinion of its legal counsel, in an amount considered sufficient by the Management to cover probable losses that may arise from unfavorable court decisions. The provision is broken down as follows:

Notes to the Financial Statements

14. Provisions - Continued

	Parent Company and Consolidated	
	6/30/2019	12/31/2018
Provision for labor risks	1,434	1,223
Provision for tax risks	789	828
Provision for civil risks	8,620	8,903
	10,843	10,954

Labor – the Company is party to labor lawsuits basically related to overtime and hazard pay, among others.

Tax – the Company is party to tax lawsuits basically related to import tax and INSS.

Civil – the Company is party to civil lawsuits involving store owners and end consumers, in which the Company may be considered jointly and severally liable.

On June 30, 2019, civil, labor and tax lawsuits classified as possible loss totaled R\$12,379, R\$1,141 and R\$3,009, respectively.

The changes in provision for labor, tax and civil risks are as follows:

	Parent Company and Consolidated	
	6/30/2019	12/31/2018
Balance at beginning of period / year	10,954	9,575
Additions	3,298	11,740
Recoveries / realizations	(3,409)	(10,361)
Balance at end of period / year	10,843	10,954

b) Judicial deposits

The Company maintains judicial deposits linked to several tax, labor and civil lawsuits, as follows:

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Labor judicial deposits	345	492	345	492
Tax judicial deposits	536	536	536	536
Civil judicial deposits	1,218	1,708	1,232	1,802
	2,099	2,736	2,113	2,830

c) Provision for termination of commercial relation with resellers

The Company recorded provision to cover obligations assumed on orders taken from consumers that were pending delivery and assembling by resellers. The changes in the provision are as follows:

	Parent and Consolidated	
	6/30/2019	12/31/2018
Balance at beginning of period / year	5,485	8,703
Additions	-	872
Realizations	(1,958)	(4,090)
Balance at end of period / year	3,527	5,485

Notes to the Financial Statements

14. Provisions - Continued

d) Contingent asset

In April 2000, the Company filed a Writ of Mandamus at the Federal Court of Rio Grande do Sul (JFRS) to exclude ICMS on sales from the PIS/Cofins calculation base. The case was ruled groundless in all appellate courts and reached an unappealable ruling in April 2006. Subsequently, the Company filed a new Writ of Mandamus at the JFRS based on the ruling by the Federal Supreme Court (STF), in the Extraordinary Appeal 240.785-2, which saw voting for excluding ICMS from the PIS/Cofins calculation base although at the time there was still no decision with general repercussion on the matter. The lawsuit was dismissed without a decision on the merit, in May 2017 as *lis alibi pendens* in connection with the lawsuit judged in April 2006. The company filed an Appeal, which was dismissed. An Extraordinary appeal was filed and is still pending trial.

In September 2018, the Company filed another Writ of Mandamus before the JFRS, this time based on the fact that Federal Law no. 12,973/14 brought new provisions applicable to the matter, requiring the exclusion of ICMS from the PIS/Cofins calculation base only for operations occurring as from 2015, at which time it went into effect for the Company. This lawsuit was dismissed without prejudice, with a claim on the *lis pendens* of this case in relation to the Writ of Mandamus terminated in May 2017.

Although the appropriate appeal was filed, the Office of the General Counsel to the National Treasury stated, in the case records, that it did not oppose the dismissal of the *lis pendens*. Consequently, the trial court reconsidered the decision that dismissed the case without prejudice, so the case proceeded. A motion for preliminary injunction was denied and an appeal will be filed against the decision. A decision on the merits of the case is pending.

Given the aforementioned facts, there are no effects related to this issue in the interim financial information. The Company deems the probability of a favorable outcome in this case as remote.

15. Other liabilities

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Other liabilities – current:				
Other provisions	1,006	1,390	1,365	1,853
Billable contracts (*)	1,820	1,169	1,820	1,169
Leases	217	215	217	215
Foreign exchange orders	1,047	915	1,047	915
Other liabilities (**)	1,411	1,539	1,411	1,539
	5,501	5,228	5,860	5,691
Other liabilities – non-current:				
Leases	252	307	252	307
	252	307	252	307

(*) On December 31, 2018, the amount of contracts with future performance obligations - Unicasa Corporate – is 1,905, recognized separately under “advances from customers” and “other liabilities – billable contracts”, totaling 736 and 1,169, respectively. On June 30, 2019, the amount of billable contracts was not deducted from advances.

(**) Of the other liabilities amount, R\$1,262 (R\$1,450 at December 31, 2018) refers to advertisement liabilities.

Notes to the Financial Statements

16. Shareholder's equity

a) Capital stock

The capital stock of the Company is R\$187,709 at June 30, 2019 and December 31, 2018, divided into 66,086,364 registered common shares without par value.

b) Reserves and retained earnings

Capital reserve

Capital reserve is derived from distribution costs, attributed to the Company, of the primary share offering, in the amount of R\$4,027 (R\$2,658 net of tax effects).

Legal reserve

It is recorded in compliance with the Brazilian Corporation Law and the Bylaws at a ratio of 5% of net income calculated at each fiscal year up to the limit of 20% of capital stock. The net income of the three- and six-month periods ended June 30, 2019 was absorbed by accrued losses, so a Legal Reserve was not recorded.

c) Earnings per share

At June 30, 2019 and 2018, Company's basic and diluted earnings per share were equal, given that there are no potential dilutive shares.

	Parent Company and Consolidated			
	2Q19	6M19	2Q18	6M18
Net income (loss) for the period	4,053	7,026	14	(354)
Weighted average of shares issued (in thousands)	66,086	66,086	66,086	66,086
Earnings / (loss) per share – basic and diluted (R\$)	0.06133	0.10632	0.00021	(0.00536)

17. Net revenue from sales

Revenue is recognized in profit or loss upon the fulfilment of performance with dealers at the moment determined by the transfer of ownership of the products. Contractual performance obligations with final consumers are the responsibility of resellers. Sales are made at sight, in the form of prepayments or in installments, and are financed with the Company's own funds.

Net revenue from sales are broken down as follows:

	Parent Company			
	2Q19	6M19	2Q18	6M18
Gross revenue from sales	45,281	84,895	44,181	81,558
IPI on sales	(1,931)	(3,605)	(1,933)	(3,568)
Gross revenue from sales (-) IPI	43,350	81,290	42,248	77,990
ICMS on sales	(4,458)	(8,379)	(4,662)	(8,511)
Other taxes on sales (PIS/COFINS)	(3,597)	(6,722)	(3,605)	(6,663)
Sales returns	(108)	(162)	(32)	(85)
Present value adjustment (AVP)	(204)	(383)	(246)	(426)
	34,983	65,644	33,703	62,305

Notes to the Financial Statements

17. Net revenue from sales - Continued

	Consolidated			
	2Q19	6M19	2Q18	6M18
Gross revenue from sales	46,073	86,044	46,547	86,535
IPI on sales	(1,931)	(3,605)	(1,933)	(3,568)
Gross revenue from sales (-) IPI	44,142	82,439	44,614	82,967
ICMS on sales	(4,627)	(8,603)	(5,011)	(9,322)
Other taxes on sales (PIS/COFINS)	(3,733)	(6,924)	(3,973)	(7,490)
Sales returns	(108)	(162)	(32)	(85)
Present value adjustment (AVP)	(204)	(383)	(246)	(426)
	35,470	66,367	35,352	65,644

18. Expenses by function and nature

	Parent Company			
	2Q19	6M19	2Q18	6M18
Expenses by function				
Cost of goods sold and/or services	(21,249)	(40,658)	(21,980)	(40,302)
Selling expenses	(5,522)	(9,976)	(6,637)	(12,821)
Administrative expenses	(4,080)	(8,142)	(7,143)	(12,275)
	(30,851)	(58,776)	(35,760)	(65,398)
Expenses by nature				
Input expenses	(14,122)	(27,219)	(14,984)	(27,104)
Personnel expenses	(7,232)	(13,477)	(7,809)	(14,467)
Third-party service expenses	(3,324)	(6,346)	(3,493)	(7,175)
Depreciation and amortization expenses	(2,185)	(4,353)	(2,108)	(4,795)
Expenses with civil lawsuits	(1,705)	(2,627)	(2,177)	(4,896)
Reversal/(expenses) with provisions	815	874	(2,245)	(1,031)
Advertising expenses	(1,215)	(2,104)	(1,008)	(1,581)
Travel expenses	(690)	(1,174)	(597)	(1,060)
Electric power expenses	(632)	(1,177)	(555)	(1,024)
Expenses with commissions	(367)	(632)	(188)	(393)
Other expenses	(194)	(541)	(596)	(1,872)
	(30,851)	(58,776)	(35,760)	(65,398)

	Consolidated			
	2Q19	6M19	2Q18	6M18
Expenses by function				
Cost of goods sold and/or services	(21,183)	(40,540)	(22,240)	(40,586)
Selling expenses	(6,060)	(11,097)	(8,220)	(16,733)
Administrative expenses	(4,080)	(8,142)	(7,143)	(12,275)
	(31,323)	(59,779)	(37,603)	(69,594)
Expenses by nature				
Input expenses	(14,057)	(27,103)	(15,248)	(27,403)
Personnel expenses	(7,560)	(14,151)	(8,530)	(16,460)
Third-party service expenses	(3,470)	(6,639)	(4,043)	(8,264)
Depreciation and amortization expenses	(2,189)	(4,360)	(2,111)	(4,808)
Expenses with civil lawsuits	(1,706)	(2,628)	(2,188)	(4,972)
Reversal/(expenses) with provisions	892	1,024	(2,212)	(955)
Advertising expenses	(1,215)	(2,104)	(1,008)	(1,618)
Travel expenses	(706)	(1,205)	(632)	(1,126)
Electric power expenses	(632)	(1,179)	(562)	(1,043)
Expenses with commissions	(367)	(632)	(188)	(393)
Other expenses	(313)	(802)	(881)	(2,552)
	(31,323)	(59,779)	(37,603)	(69,594)

Notes to the Financial Statements

19. Other operating revenues

	Parent Company			
	2Q19	6M19	2Q18	6M18
Bank premium (*)	179	583	350	650
Gain from sale of property, plant and equipment	7	22	(54)	270
Other operating revenues	349	621	320	338
Other operating revenues	535	1,226	616	1,258

	Consolidated			
	2Q19	6M19	2Q18	6M18
Bank premium (*)	179	583	350	650
Gain from sale of property, plant and equipment	7	22	(54)	287
Other operating revenues	496	878	529	626
Other operating revenues	682	1,483	825	1,563

(*) Refers to amounts received from financial institution by volume of financing conducted made the network of stores served by the Company, with the other assets account being the contra entry.

20. Financial income (expense)

	Parent Company			
	2Q19	6M19	2Q18	6M18
Financial expenses				
IOF charge and bank fees	(27)	(78)	(42)	(118)
Exchange variation expenses	(172)	(328)	(89)	(201)
Present value adjustment (AVP)	(65)	(101)	(13)	(129)
Discounts granted	(206)	(214)	(14)	(51)
Other financial expenses	(18)	(32)	(13)	(22)
	(488)	(753)	(171)	(521)
Financial income				
Interest income	334	665	365	747
Yield from short-term investments	657	1,296	404	816
Exchange variation income	64	223	244	349
Present value adjustment (AVP)	307	598	307	579
Other financial income	118	230	167	352
Discounts obtained	170	174	9	23
	1,650	3,186	1,496	2,866
Net financial result	1,162	2,433	1,325	2,345

Notes to the Financial Statements

20. Financial income (expense) - Continued

	Consolidated			
	2Q19	6M19	2Q18	6M18
Financial expenses				
IOF charge and bank fees	(28)	(79)	(50)	(133)
Exchange variation expenses	(172)	(328)	(89)	(201)
Present value adjustment (AVP)	(65)	(101)	(13)	(129)
Discounts granted	(206)	(215)	(14)	(51)
Other financial expenses	(18)	(32)	(13)	(23)
	(489)	(755)	(179)	(537)
Financial income				
Interest income	362	714	391	812
Yield from short-term investments	702	1,353	403	814
Exchange variation income	64	223	244	349
Present value adjustment (AVP)	307	598	307	579
Other financial income	118	230	167	352
Discounts obtained	170	174	9	23
	1,723	3,292	1,521	2,929
Net financial result	1,234	2,537	1,342	2,392

21. Transactions and balances with related parties

Related-party transactions are those between the Company and its subsidiaries, other companies controlled by shareholders of the Company, key management professionals and other related parties. During the period ended June 30, 2019 and the fiscal year ended December 31, 2018, the Company conducted the following transactions with related parties:

	Parent Company				Consolidated			
	Current Assets		Sales revenue		Current Assets		Sales revenue	
	6/30/19	12/31/18	6/30/19	6/30/18	6/30/19	12/31/18	6/30/19	6/30/18
<u>Subsidiaries</u>								
Unicasa Comércio de Móveis Ltda.								
Trade accounts receivable	-	173	-	-	-	-	-	-
Sale of furniture	-	-	915	2,019	-	-	-	-
<u>Controlled by shareholders of Unicasa Indústria de Móveis S.A.</u>								
Even Construtora e Incorporadora S.A.								
Trade accounts receivable	887	57	-	-	887	57	-	-
Sale of furniture	-	-	3,481	788	-	-	3,481	834
Telasul Indústria de Móveis Ltda.								
Trade accounts receivable	511	-	-	-	511	-	-	-
Sale of property, plant and equipment	-	-	485	-	-	-	485	-
Resale of items	-	-	13	-	-	-	13	-
Sale of furniture	-	-	13	-	-	-	13	-
	1,398	230	4,907	2,807	1,398	57	3,992	834

The transactions involving the Company and its subsidiary Unicasa Comércio de Móveis Ltda. are conducted as agreed by the parties under normal market conditions and with average payment term of approximately 60 days.

The transactions involving the Company and Even Construtora e Incorporadora S.A. are conducted as per the terms agreed to by the parties, which do not differ from normal market conditions, with average payment term of approximately 30 days.

The transactions involving the Company and Telasul Indústria de Móveis Ltda. are conducted as per the terms agreed to by the parties, which do not differ from normal market conditions.

Notes to the Financial Statements

21. Transactions and balances with related parties - Continued

Sales of furniture have an average payment term of approximately 60 days. In June, the Company sold an obsolete item of property, plant and equipment to Telasul with payment term of 24 months and a 12-month grace period.

There were no guarantees granted or received in relation to any accounts receivable or payable involving related parties. All balances will be settled in domestic currency.

Management Compensation

The Company paid its managers (Statutory Board of Executive Officers, Board of Directors and Audit Board) compensation in the amount of R\$622 in the period ended June 30, 2019 (R\$478 at June 30, 2018). The Company does not offer to its key personnel compensation benefits in the following categories: (i) post-employment benefits; (ii) long-term benefit; (iii) employment termination benefit; and (iv) share-based compensation.

22. Financial Instruments

The Company determines the classification of its financial assets and liabilities upon their initial recognition in accordance with the business model used to manage the assets and their respective contractual cash flow characteristics, pursuant to CPC 48 / IFRS 9.

The Company's financial instruments measured at their amortized cost are held for the purpose of receiving or payment of contractual cash flows, which consist of principal and interest, recorded at their original value less allowance for losses and present value adjustment when applicable. The financial instruments and their outstanding balances at June 30, 2019 and December 31, 2018, are shown below:

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Financial assets				
Cash and cash equivalents (Note 3)	38,565	28,664	41,131	28,788
Financial investments (Note 4)	13,282	12,810	13,282	12,810
Trade accounts receivable (Note 5)	35,528	36,411	35,867	36,811
Loans granted (Note 8)	2,127	3,242	2,127	3,242
Other assets (Note 9)	5,595	6,737	7,152	9,078
Financial liabilities				
Trade accounts payable	(3,595)	(2,277)	(3,616)	(2,299)
Advances from clients	(12,753)	(14,738)	(16,310)	(16,717)
Other current liabilities	(5,753)	(5,535)	(6,112)	(5,998)
Net financial instruments	72,996	65,314	73,521	65,715

23. Financial risk management

The Company's operations expose it to financial risks: market risks (including interest and exchange rates and commodity prices), credit and liquidity. The risks of financial instruments are managed through financial positioning strategies and systems to limit exposures, all registered in equity accounts, which are aimed at meeting its operational requirements.

Notes to the Financial Statements

The Company does not have a formal risk policy. The Board of Executive Officers is responsible for monitoring risks, and the Board of Directors follows up in order to mitigate the main risks.

23. Financial risk management - Continued

No operations with derivative instruments or any other type of operation for speculative purposes are conducted.

- **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market prices. Market prices encompass three types of risk: interest rate, exchange, and price, which could be of a commodity, among others. Financial instruments affected by market risks include loans receivable and trade accounts payable.

I. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market interest rates. The Company's exposure to risk of changes in market interest rates is mainly due to long-term obligations subject to variable interest rates.

The Company's main exposure is loans receivable. The Company has neither conducted loan operations or their payments, nor registered previous balances in the reporting periods. The Company uses shareholder's equity to finance its operating and investing activities and dividend payment. Thus, this risk is mitigated in the Company's transactions.

II. Exchange risks

The Company's results are susceptible to variations arising from the effects of exchange rate volatility on foreign currency transactions, mainly in export operations. The Company adjusts its structure of costs and selling prices in order to assimilate exchange oscillations. At June 30, 2019, the Company records accounts receivable from exports equivalent to US\$550 (equivalent to US\$673 at December 31, 2018).

In order to neutralize the effects of the fluctuation in the U.S. dollar on future exports, the Management executed a foreign exchange contract, maturing in November 2019, in the total amount of US\$600. The hedge position on June 30 is US\$344, with the exchange rate fixed for the release of funds contracted at R\$4.07 per U.S. dollar. The gain recorded by the Company on June 30, 2019 totaled R\$83.

Sensitivity to exchange rates

In order to verify the sensitivity of indexes of assets and liabilities in foreign currency, with representativeness, two different scenarios were defined to analyze the sensitivity on exchange rate oscillations. This analysis considers depreciation of exchange rate by 25% and 50% over the exchange rate of R\$3.83, on June 30, 2019. These scenarios envisage a reduction in accounts receivable from R\$2,106 to R\$1,580 and R\$1,053, respectively, with negative effects on profit before taxation of R\$527 and R\$1,053. These assumptions were defined based on the

Notes to the Financial Statements

Management's expectations for variations in the exchange rate on the maturity dates of respective agreements subject to these risks.

23. Financial risk management - Continued

III. Commodity price risk

This risk is related to the possibility of oscillation in prices of raw materials and other inputs used in the production process. Since the Company uses commodities as raw material (MDF and MDP boards), its cost of goods sold may be affected by changes in the prices of these materials. To minimize this risk, the Company permanently monitors price oscillations and, as applicable, builds strategic inventories to maintain its business activities.

- **Credit risk**

This risk arises from the possibility of incurring losses due to delinquency of other parties or financial institutions depositing resources or of financial investments. To mitigate these risks, the Company adopts the practice of analyzing financial and equity conditions of its counterparties, as well as defining credit limits and monitoring permanently their outstanding positions. With regard to financial institutions, the Company only carries out operations with low-risk institutions, as evaluated by its Management. For trade accounts receivable, the Company has not recorded allowance for loan losses yet, as mentioned in Note 5.

Accounts receivable

Risk of credit to client is managed by the financial department and is subject to specific procedures, controls and policies established by the Company. Credit limits are established for all clients based on internal rating criteria. At June 30, 2019, the Company had 25 clients (29 clients at December 31, 2018), representing 50.35% (50.07% at December 31, 2018) of all receivables due. These clients operate with several stores in Brazil. No client individually represents more than 10% of the sales. The Company has security interest and monitors its exposure.

The need for a provision for impairment is analyzed every reporting period on an individual basis by clients. Allowance for loan losses is constituted at an amount considered sufficient by Management to cover losses in recovering credits and is based on criteria such as balances of clients with delinquency risk.

Bank deposits

Credit risk on balances with banks and financial institutions is considered low and is managed by the financial department and monitored by executive officers. Surplus funds are invested only in prime financial institutions authorized by the Board of Executive Officers, being monitored in order to minimize risk concentration.

- **Liquidity risk**

Liquidity control is monitored by the Company through the management of its cash flows, to ensure that its funds are available in sufficient amounts to maintain its commitments on schedule. The Company holds balances in financial investments that are redeemable at any moment to cover any gaps between the maturity of its contractual obligations and its cash generation.

Notes to the Financial Statements

The consolidated financial liability at June 30, 2019 consisted of trade payables, amounting to R\$3,616, falling due in up to 90 days. The Company does not have loans and financing facilities contracted and, accordingly, effects of future interest are virtually nonexistent.

23. Financial risk management - Continued

- **Capital stock management**

The Company manages its capital structure and adjusts it considering the changes in economic conditions. The capital structure arises from choosing between shareholders' equity (capital injections and retained earnings) and loan capital to finance its operations. Management adopts as a financing practice the shareholders' equity generated by its operations, and monitors its debt in such a way as to optimize its cash flows and its present value. There were no changes in purposes, policies or processes during the period ended June 30, 2019 and the fiscal year ended December 31, 2018.

The Company's net debt is shown below

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Trade accounts payable	3,595	2,277	3,616	2,299
(-) Cash and cash equivalents	(38,565)	(28,664)	(41,131)	(28,788)
(-) Financial investments	(13,282)	(12,810)	(13,282)	(12,810)
Net debt / (Surplus cash)	(48,252)	(39,197)	(50,797)	(39,299)
Shareholder' equity	178,292	171,266	178,292	171,266
Shareholders' equity and net debt	130,040	132,069	127,495	131,967

24. Insurance

The Company has insurance policies that were taken based on guidance from specialists and which take into consideration the type and value of risk involved. The main insurance categories are shown below:

Coverage	Coverage period		Currency	Amount insured
	From	To		
Fire, lightning strike, explosion and implosion	2019	2020	<u>BRL</u>	139,000
Loss of profits	2019	2020	<u>BRL</u>	10,311
General civil liability:				
National	2019	2020	<u>BRL</u>	2,000
Foreign products – USA	2019	2020	<u>USD</u>	10,000
Foreign products - overall	2019	2020	<u>BRL</u>	20,000
Civil liability for management – D&O	2019	2020	<u>BRL</u>	11,500

Notes to the Financial Statements**25. Information by segment**

The Company's operations involve the manufacturing and sale of customized furniture. Despite targeting several client segments, the Company's products are not controlled and managed by the Management as independent segments, and the Company's results are managed, monitored and evaluated in an integrated manner as one sole operating segment.

Gross revenue is shown below, broken down by brand and sales channel:

	Consolidated			
	2Q19	6M19	2Q18	6M18
Domestic market				
Dell Anno and Favorita - exclusive and own stores	21,091	39,596	22,779	43,934
New and Casa Brasileira – exclusive stores	10,900	22,027	10,617	20,668
New and Casa Brasileira – multibrand	6,304	12,209	5,836	10,727
Unicasa Corporate	4,832	6,170	4,333	6,225
Other revenues	744	1,676	763	1,215
	43,871	81,678	44,328	82,769
Export market	2,202	4,366	2,219	3,766
Total gross revenue from sales	46,073	86,044	46,547	86,535

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion

INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of
Unicasa Indústria de Móveis S.A.
Bento Gonçalves – RS

Introduction

We have reviewed the separate and consolidated interim financial information of Unicasa Indústria de Móveis S.A. ("Company"), identified as Parent Company and Consolidated, respectively, included in the Quarterly Financial Information Form (ITR) referring to the quarter ended June 30, 2019, comprising the individual and consolidated balance sheet as of June 30, 2019, and the respective individual and consolidated statements of income and of comprehensive income for the three- and six-month periods ended on such date and the individual and consolidated statements of changes in equity and of cash flows for the six-month period then ended, including a summary of critical accounting policies and other notes.

The Management is responsible for the preparation and fair presentation of these separate and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim financial statements, and with International standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and presented in a manner consistent with the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion on the separate and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Financial Information (ITR) described above are not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Financial Information (ITR) and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim separate and consolidated statements of value added

We also reviewed the interim separate and consolidated statements of value added (DVA), for the six-month period ended on June 30, 2019, prepared under management's responsibility, for which the disclosure in the interim information is required in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR) and considered additional information under the IFRSs which does not require this disclosure. These interim statements were submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that would lead us to believe that they have not been fairly stated, in all its material respects, in accordance with the individual and consolidated Quarterly Financial Information taken as whole.

Porto Alegre, August 6, 2019.
BDO RCS Auditores Independentes SS
CRC RS 005519-F-0

Paulo Sérgio Tufani
Accountant CRC 1 SP 124504/O-9 – S – RS

Reports and Declarations / Management Declaration on Financial Statements

In compliance with item VI, Article 25 of CVM Instruction 480 of December 7, 2009, the Management declares that it reviewed, discussed and agreed with the Quarterly Information (Parent Company and Consolidated) of the Company for the first half of 2019.

Bento Gonçalves, August 6, 2019.

Gustavo Dall Onder
Chief Executive Officer

Luciano André Merigo
Manufacturing Officer

Alexandre Narvaes Figueira
Commercial Officer

Reports and Declarations / Management Declaration on Independent Auditors Report

In compliance with item VI, Article 25 of CVM Instruction 480 of December 7, 2009, the Management declares that it reviewed, discussed and agreed with the content and opinion contained in the report of Independent Auditors on the Quarterly Information (Parent Company and Consolidated) of the Company for the first half of 2019, issued on this date.

Bento Gonçalves, August 6, 2019.

Gustavo Dall Onder
Chief Executive Officer

Luciano André Merigo
Manufacturing Officer

Alexandre Narvaes Figueira
Commercial Officer