**Viver Incorporadora e Construtora S.A. – Going through legally-backed financial restructuring**

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

**Company and consolidated**
**interim financial information**

Together with
The independent auditor's review report
Quarter and six-month period ended
June 30, 2019

NVS/FTR/TP
814i/2019

## Viver Incorporadora e Construtora S.A. – Going through legally-backed financial

Company and consolidated interim financial information

Quarter and six-month period ended June 30, 2019

### Contents

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# Independent auditors' review report on the individual and consolidated interim financial information

(Free translation from the original issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails. See Note 32 to the financial information.)

To
Shareholders, Directors and Managers of
**Viver Incorporadora e Construtora S.A. – Going through legally-backed financial restructuring**
São Paulo - SP

## Introduction

We have reviewed the individual and the consolidated interim financial information, identified as the Company and the consolidated, of **Viver Incorporadora e Construtora S.A. – Going through legally-backed financial restructuring ("Company"),** contained in the Quarterly Financial Information Form (QFI) for the quarter ended June 30, 2019, which comprise the balance sheet as of June 30, 2019 and the related income statements and statements of comprehensive income for the three and six-month periods then ended, statements of changes in equity and of the cash flows for the six-month period then ended, including a summary of the main accounting policies and other notes.

The Company's management is responsible for preparing the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21(R1) – Interim Financial Statement and Statement with the consolidated interim financial information in accordance with Technical Pronouncement CPC 21(R1) and with international standard IAS 34 – Interim Financial Reporting, comprising the understanding expressed by CVM through Official Memorandum/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15) regarding the aspects related to the transfer of control for the recognition of income in the purchase and sale agreements of unfinished real estate units, applicable to the real estate development entities in Brazil, as well as the submission of this information in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly financial information (QFI). Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of the review

We conducted our review in accordance with the Brazilian and international standards for the review of interim information (NBC TR 2410 – Review of Interim Information Performed by the 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 information consists of inquiries, mainly to those in charge of financial and accounting matters, and the application of analytical procedures and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards, and, therefore, has not enabled us to obtain assurance that we are aware of all material matters which could be identified in an audit. Therefore, we did not express an audit opinion.

## Conclusion on the individual interim financial information

Based on our review, we are not aware of any fact that would lead us to believe that the individual interim financial information included in the quarterly financial information referred to above were not prepared, in all material aspects, in accordance with Technical Pronouncement CPC 21(R1) – Interim financial statement, comprising the understanding expressed by CVM through Official Memorandum/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15) regarding the aspects related to the transfer of control for the recognition of income in the purchase and sale agreements of unfinished real estate units, applicable to the real estate development entities in Brazil, as well as the submission of this financial information in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly financial information (QFI).

## Conclusion on the consolidated interim financial information

Based on our review, we are not aware of any fact that leads us to believe that the consolidated interim financial information included in the quarterly financial information referred to above were not prepared, in all material aspects, in accordance with Technical Pronouncement CPC 21(R1) – Interim financial statement and with international standard IAS 34 – Interim Financial Reporting, comprising the understanding expressed by CVM through Official Memorandum/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15) regarding the aspects related to the transfer of control for the recognition of income in the purchase and sale agreements of unfinished real estate units, applicable to the real estate development entities in Brazil, as well as the submission of this financial information in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly financial information (QFI).

## Significant uncertainty related to operating continuity

We refer to the individual and the consolidated interim financial information contained in Note 1, which states that the Company has shareholders' equity (negative equity) of (R$12,568 thousand), accumulated losses of (R$ 2,202,896 thousand) in their operations, and recorded recurring losses of (R$ 2,202,896 thousand) for the period ended June 30 (loss of R$ 46,102 thousand as of June 30, 2018). Although the Company's Legally-backed Financial Restructuring Plan has been approved, there are certain events or terms, along with other matters described in the aforementioned note, indicating the existence of a material uncertainty that may raise significant doubt as to the Company's ability to continue operating. Our conclusion is not dependent upon this subject.

## Emphasis

As described in Note 2, the individual and the consolidated interim financial information were prepared in accordance with CPC 21 (R1) and IAS 34 (the consolidated information), comprising the understanding expressed by CVM through Official Memorandum/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15) regarding the aspects related to the transfer of control for the recognition of income in the purchase and sale agreements of unfinished real estate units, applicable to the real estate development entities in Brazil. Our conclusion is not dependent upon this subject.

## Other issues

### Value added statement

The quarterly financial information referred to above include the individual and the consolidated value added statement (DVA) for the six-month period ended on June 30, 2019, prepared under the responsibility of the Company's management and presented as supplementary information for purposes of the IAS 34. This statement has been subject to review procedures performed along with the review of the quarterly financial information, in order to determine whether it is reconciled with the interim financial information and with the accounting records, as applicable, and whether its form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – "Added Value Statement". Based on our review, we are not aware of any fact that leads us to believe that the DVA was not prepared, in all material aspects, in accordance with the criteria set forth in this Technical Pronouncement and consistently with respect to the individual and the consolidated interim financial information taken together.

### Audit and review for the prior year and periods

The amounts corresponding to the individual and the consolidated balance sheets, as of December 31, 2018, submitted for comparison purposes, were audited by other independent auditors, who issued a report dated March 27, 2019, with no changes.

The individual and the consolidated interim financial information for the quarter and six-month period ended June 30, 2018, submitted for comparison purposes, which comprise the income statements and statements of comprehensive income for the three and six-month periods then ended and statements of changes in equity and cash flows for the six-month period then ended, were previously reviewed by other independent auditors who issued a report dated August 14, 2018, with no changes. The amounts corresponding to the individual and the consolidated value added statements (VAS) for the six-month period ended June 30, 2018, were subject to the same review procedures by those independent auditors and, based on their review, those independent auditors issued a report stating that they were not aware of any fact that led them to believe the VAS was not prepared, in all their material aspects, in a manner consistent with the individual and consolidated interim financial information taken together.

São Paulo, August 13th, 2019.

**Baker Tilly 4Partners Auditores Independentes S.S.**

**Nelson Varandas dos Santos**

# Viver Incorporadora e Construtora S.A. – Going through legally-backed financial restructuring

## Balance sheet

**In thousands of *Reais***

| Assets | Notes | Company 06/30/2019 | Company 12/31/2018 | Consolidated 06/30/2019 | Consolidated 12/31/2018 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Cash and cash equivalents | 5 | 55 | 56 | 6,231 | 7,810 |
| Accounts receivable | 6 | 25 | 35 | 96,993 | 245,194 |
| Properties held for sale | 7 | - | - | 175,411 | 172,381 |
| Other credits | 8 | 205 | 518 | 1,063 | 6,221 |
| Taxes and contributions to offset | 10 | 35 | 18 | 1,871 | 3,822 |
| Expenses with unearned sales | | 56 | 213 | 56 | 213 |
| | | 376 | 840 | 281,625 | 435,641 |
| **Non-Current** | | | | | |
| Accounts receivable | 6 | - | - | 80,893 | 10,371 |
| Properties held for sale | 7 | - | - | 167,381 | 120,214 |
| Checking accounts with partners in the projects | 9 | 13,030 | 31,511 | 13,191 | 31,703 |
| Related parties | 20 | 133,105 | 135,760 | 12,855 | 18,136 |
| Other credits | 8 | 484 | - | 5,951 | - |
| Taxes and contributions to offset | 10 | 1,293 | 1,139 | 7,893 | 5,399 |
| Expenses with unearned sales | | - | - | 1,298 | 1,288 |
| | | 147,912 | 168,410 | 289,462 | 187,111 |
| Investments | 11 | 396,316 | 423,097 | 9,426 | 15,969 |
| Fixed assets - net | 12 | 2,385 | 3,066 | 3,680 | 4,374 |
| Intangible assets | 13 | 3,659 | 4,743 | 3,663 | 4,749 |
| | | 550,272 | 599,316 | 306,231 | 212,203 |
| **Total Assets** | | 550,648 | 600,156 | 587,856 | 647,844 |

| Liabilities | Notas | Company 06/30/2019 | Company 12/31/2018 | Consolidated 06/30/2019 | Consolidated 12/31/2018 |
|---|---|---|---|---|---|
| **Current** | | | | | |
| Loans & financing | 14 | 183 | 167 | 47,270 | 71,863 |
| Bonds | 14 | 201,097 | 196,504 | 201,097 | 196,504 |
| Shared obligation on assignment of receivables | 15 | - | 2,303 | 4,074 | 6,794 |
| Suppliers | 16 | 7,600 | 1,638 | 16,154 | 10,644 |
| Tax-related and labor obligations | 21 | 1,297 | 1,013 | 21,971 | 24,951 |
| Accounts payable | 17 | 752 | 4,640 | 93,891 | 73,749 |
| Creditors under committed property | 18 | - | - | - | 75 |
| Advances from clients and others | 19 | 8 | 8 | 12,891 | 12,684 |
| Related parties | 20 | 226,647 | 236,573 | 25,210 | 20,798 |
| Provisions | 22 | - | - | 2,823 | 2,975 |
| Provisions for loss in investments | 11 | 109,461 | 92,003 | 229 | 230 |
| | | 547,045 | 534,849 | 425,610 | 421,267 |
| **Non-Current** | | | | | |
| Shared obligation on assignment of receivables | 15 | - | - | 1,696 | 2,368 |
| Tax-related and labor obligations | 21 | 1,400 | 1,132 | 34,378 | 32,504 |
| Accounts payable | 17 | - | - | 2,705 | 2,586 |
| Advances from clients and others | 19 | - | - | 13,234 | 13,156 |
| Provisions | 22 | 10,396 | 11,496 | 118,426 | 123,284 |
| Related parties | 20 | 4,375 | 6,567 | 4,375 | 6,567 |
| | | 16,171 | 19,195 | 174,814 | 180,465 |
| **Total Liabilities** | | 563,216 | 554,044 | 600,424 | 601,732 |
| **Equity (negative equity)** | | | | | |
| Capital stock | 23 | 2,228,183 | 2,192,987 | 2,228,183 | 2,192,987 |
| Share issuance expenses | 23 | (37,855) | (37,855) | (37,855) | (37,855) |
| Accrued losses | - | (2,202,896) | (2,109,020) | (2,202,896) | (2,109,020) |
| | | (12,568) | 46,112 | (12,568) | 46,112 |
| Non-controlling interest | | - | - | - | - |
| **Total equity (negative equity)** | | (12,568) | 46,112 | (12,568) | 46,112 |
| **Total Liabilities & equity (negative equity)** | | 550,648 | 600,156 | 587,856 | 647,844 |

Management's explanatory notes are part of the financial statements.

# Viver Incorporadora e Construtora S.A. – Going through legally-backed financial restructuring

## Income statements
**In thousands of *Reais***

| | Notes | Company 04/01 to 06/30/2019 | Company 06/30/2019 | Consolidated 04/01 to 06/30/2019 | Consolidated 06/30/2019 | Company 04/01 to 06/30/2018 | Company 06/30/2018 | Consolidated 04/01 to 06/30/2018 | Consolidated 06/30/2018 |
|---|---|---|---|---|---|---|---|---|---|
| Net operating revenue | 25 | 57 | 183 | (55,844) | (59,401) | - | - | 9,516 | 11,824 |
| ( - ) Expenses with sales | 25 | - | - | 40,718 | 42,502 | - | - | (9,946) | (14,955) |
| ( = ) Gross profit (loss) | | 57 | 183 | (15,126) | (16,899) | - | - | (430) | (3,131) |
| ( - ) Operating income (expenses) | | | | | | | | | |
| General and administrative expenses | 26 | (7,379) | (11,900) | (8,373) | (13,566) | (3,622) | (7,423) | (5,938) | (10,657) |
| Expenses with sales | 27 | (5) | (7) | (876) | (1,493) | (5) | (8) | (901) | (1,597) |
| Other operating income (expenses) | 29 | (18,533) | (28,353) | (37,805) | (32,518) | (7,859) | (9,023) | (18,408) | (16,872) |
| Equity accounting results | 11 | (48,376) | (44,363) | (6,528) | (6,528) | (16,000) | (23,841) | (398) | (398) |
| ( =) Operating loss before the financial income | | (74,236) | (84,440) | (68,708) | (71,004) | (27,486) | (40,295) | (26,075) | (32,655) |
| Financial expenses | 28 | (4,907) | (9,538) | (11,639) | (24,611) | (173) | (6,182) | (4,052) | (22,333) |
| Financial income | 28 | 63 | 102 | 1,150 | 1,671 | 215 | 375 | 3,000 | 7,225 |
| ( =) Net financial income | | (4,844) | (9,436) | (10,489) | (22,940) | 42 | (5,807) | (1,052) | (15,108) |
| ( = ) Loss before income tax and social contribution | | (79,080) | (93,876) | (79,197) | (93,944) | (27,444) | (46,102) | (27,127) | (47,763) |
| ( - ) Income tax and social contribution - current | 21 | - | - | (206) | (347) | - | - | (320) | 869 |
| ( - ) Income tax and social contribution - deferred | 21 | - | - | 206 | 271 | - | - | 55 | 315 |
| ( = ) Loss in the period | | (79,080) | (93,876) | (79,197) | (94,020) | (27,444) | (46,102) | (27,392) | (46,579) |
| Attributable to | | | | | | | | | |
| Company Shareholders | | | | (79,080) | (93,876) | | | (27,444) | (46,102) |
| Non-controlling interest | | | | (117) | (144) | | | 52 | (477) |
| | | | | (79,197) | (94,020) | | | (27,392) | (46,579) |
| Loss per share (expressed in R$ per share) | | | | | | | | | |
| Basic and diluted loss per share | 24 | | (2,041) | | | | (0,254) | | |

## Comprehensive income statement
## Periods ended June30
### In thousands of Reais

| | Company | | Consolidated | | Company | | Consolidated | |
|---|---|---|---|---|---|---|---|---|
| | 04/01 to 06/30/2019 | 06/30/2019 | 04/01 to 06/30/2019 | 06/30/2019 | 04/01 to 06/30/2018 | 06/30/2018 | 04/01 to 06/30/2018 | 06/30/2018 |
| Loss for the period | (79,080) | (93,876) | (79,197) | (94,020) | (27,444) | (46,102) | (27,392) | (46,579) |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| (=) Comprehensive income for the period | (79,080) | (93,876) | (79,197) | (94,020) | (27,444) | (46,102) | (27,392) | (46,579) |
| Attributable to Company Shareholders | (79,080) | (93,876) | (79,080) | (93,876) | (27,444) | (46,102) | (27,444) | (46,102) |
| Non-controlling interest | | | (117) | (144) | | | 52 | (477) |
| | (79,080) | (93,876) | (79,197) | (94,020) | (27,444) | (46,102) | (27,392) | (46,579) |

Management's explanatory notes are part of the financial statements.

## Viver Incorporadora e Construtora S.A. – Going through legally-backed financial restructuring

### Statements of changes in equity (negative equity)
**In thousands of *Reais***

| | Fully paid-in capital stock | Share issuance expenses | Advance for Future Capital Increase | Accrued losses | Equity | Non-controlling interest | Consolidated equity |
|---|---|---|---|---|---|---|---|
| **Balances as of January 1, 2018** | 1,319,626 | (37,855) | 564,069 | (1,911,804) | (65,964) | - | (65,964) |
| Increase in capital due to private subscription | 571,243 | | (564,069) | | 7,174 | | 7,174 |
| Distribution of profit for minority shareholders | - | | | | - | 477 | 477 |
| Loss for the period | - | - | - | (46,102) | (46,102) | (477) | (46,579) |
| **Balances as of June 30, 2018** | 1,890,869 | (37,855) | - | (1,957,906) | (104,892) | - | (104,892) |
| **Balances as of December 31, 2018** | 2,192,987 | (37,855) | - | (2,109,020) | 46,112 | - | 46,112 |
| Increase in capital due to private subscription | 35,196 | | - | | 35,196 | | 35,196 |
| Distribution of profit for minority shareholders | - | | | | - | 144 | 144 |
| Loss for the period | - | - | - | (93,876) | (93,876) | (144) | (94,020) |
| **Balances as of June 30, 2019** | 2,228,183 | (37,855) | - | (2,202,896) | (12,568) | - | (12,568) |

Management's explanatory notes are part of the financial statements.

## Cash flow statements
## Periods ended June 30
**In thousands of *Reais***

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2019 | 06/30/2018 | 06/30/2019 | 06/30/2018 |
| **Cash flow from operating activities** | | | | |
| Loss before income tax and social contribution | (93,876) | (46,102) | (93,944) | (47,763) |
| **Reconciliation of income to net cash provided by operating activites** | | | | |
| Depreciation and amortization | 1,841 | 1,846 | 1,863 | 1,897 |
| Provisions for loss of assets | 18,797 | 2,062 | 21,721 | 1,890 |
| Provisions for lawsuits | (1,100) | 7,969 | (4,863) | 14,985 |
| Provisions for work warranty | - | - | (147) | (56) |
| Deferred taxes | (0) | - | (1,445) | (364) |
| Financial charges on financing | 9,514 | 10,837 | 3,668 | 24,221 |
| Capitalized installment of financial charges | (138) | 6,623 | (687) | 5,819 |
| Equity accounting results | 44,363 | 23,841 | 6,528 | 398 |
| Non-controlling interest | - | - | 144 | 477 |
| | (20,599) | 7,076 | (67,162) | 1,504 |
| **Changes in assets and liabilities** | | | | |
| **(Increase)/decrease in asset accounts** | | | | |
| Accounts receivable | 3 | 2,194 | 27,788 | 15,221 |
| Properties held for sale | - | - | (2,550) | 16,829 |
| Taxes and contributions to offset | (171) | 353 | (543) | 358 |
| Other credits | (171) | 5 | (793) | (183) |
| Related parties | 2,655 | 37,768 | 5,281 | (472) |
| Checking accounts with partners in the projects | (309) | 1,697 | (278) | 1,749 |
| Expenses with unearned sales | 157 | 147 | 147 | 138 |
| **Increase/(decrease) in liability accounts** | | | | |
| Labor and tax liabilities | 552 | 333 | 621 | 1,885 |
| Suppliers | 5,962 | 801 | 5,510 | 1,961 |
| Accounts payable | (3,888) | (3,602) | 20,261 | (1,788) |
| Real estate creditors | - | - | (75) | (9,786) |
| Related parties | (14,333) | (32,136) | 5 | 8 |
| Advances from clients | - | - | 285 | 239 |
| **Net cash from/ (used in) operating activities** | (30,142) | 14,636 | (11,503) | 27,663 |
| Income tax and social contribution paid | - | - | (358) | (549) |
| Payment of interest on loans and financing, bonds, operations with derivatives, shared obligation on assignment of receivables and obligations with investors | (2,196) | (9,061) | (2,196) | (9,072) |
| **Net cash from operating activities** | (32,338) | 5,575 | (14,057) | 18,042 |
| **Cash flow from investing activities** | | | | |
| Net (increase)/decrease in capital in subsidiaries | - | 134 | - | - |
| Profit shared | 14 | - | 14 | - |
| In fixed assets | (76) | (9) | (83) | (9) |
| **Net cash from/ (used in) investing activities** | (62) | 125 | (69) | (9) |
| **Cash flow from financing activities** | | | | |
| Payment of loans and financing, bonds, operations with derivatives, shared obligation on assignment of receivables and obligations with investors | (2,797) | (13,879) | (22,649) | (32,428) |
| Related parties | - | 4,800 | - | 4,800 |
| Payment of related parties | - | (3,818) | - | (3,818) |
| Capital increase | 35,196 | 7,174 | 35,196 | 7,174 |
| **Net cash from/ (used in) financing activities** | 32,399 | (5,723) | 12,547 | (24,272) |
| **Balance of cash and equivalents at the end of the year** | 55 | 56 | 6,231 | 9,306 |
| Increase/(decrease) in cash and equivalents | (1) | (23) | (1,579) | (6,239) |
| Balance of cash and equivalents at the beginning of the period | 56 | 79 | 7,810 | 15,545 |
| **Balance of cash and equivalents at the end of the year** | 55 | 56 | 6,231 | 9,306 |

Management's explanatory notes are part of the financial statements.

## Added value statement
## Periods ended June 30
**In thousand *Reais***

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2019 | 06/30/2018 | 06/30/2019 | 06/30/2018 |
| **Revenue** | | | | |
| Sales & services | 213 | - | (59,868) | 12,267 |
| | 213 | - | (59,868) | 12,267 |
| **Supplies purchased from third parties** | | | | |
| Cost of products, goods and services sold | - | - | 41,815 | (12,212) |
| Material, electric power, outsourced service and other operating services | (34,445) | (11,411) | (40,581) | (21,756) |
| Other | 147 | 172 | (159) | (149) |
| | (34,298) | (11,239) | 1,075 | (34,117) |
| **Gross added value** | (34,085) | (11,239) | (58,793) | (21,850) |
| Depreciation, amortization and depletion - net | (1,841) | (1,846) | (1,863) | (1,897) |
| **Net added value provided by the Company** | (35,926) | (13,085) | (60,656) | (23,747) |
| **Added value received on transfer** | | | | |
| Equity accounting results | (44,363) | (23,841) | (6,528) | (398) |
| Financial income | 102 | 375 | 1,671 | 7,225 |
| | (44,261) | (23,466) | (4,857) | 6,827 |
| **Total added value to share** | (80,187) | (36,551) | (65,513) | (16,920) |
| **Added value distribution** | | | | |
| Personnel | | | | |
| Wages & Charges | 2,342 | 2,390 | 3,035 | 3,080 |
| Commissions on sale | - | - | 157 | 382 |
| Management fees | 1,608 | 820 | 1,608 | 1,691 |
| Taxes, rates and contributions | | | | |
| Federal | 19 | - | (401) | (741) |
| Municipal | 11 | - | 11 | - |
| Compensation of third-party capital | | | | |
| Interest | 9,538 | 6,182 | 23,924 | 25,076 |
| Rents | 171 | 159 | 173 | 171 |
| Compensation of the Company's own capital | | | | |
| Loss for the period | (93,876) | (46,102) | (93,876) | (46,102) |
| Non-controlling interest | - | - | (144) | (477) |
| | (80,187) | (36,551) | (65,513) | (16,920) |

Management's explanatory notes are part of the financial statements.

## 1 General information

Viver Incorporadora e Construtora S.A. ("Company" or "Viver") – Going through legally-backed financial restructuring, is a public limited-liability company with its head offices in São Paulo, State of São Paulo, and its shares are traded at B3 S.A. under ticker VIVR3, and there is no agreement amongst shareholders to form a controlling block.

The Company's main activity is, along with its subsidiaries and jointly-owned subsidiaries, the development of real estate projects, especially residential and commercial ones, upon interest in the projects, through companies established with specific purposes, partnerships or also through consortia, as well as the provision of management services for the real estate projects.

The Company has R$ 2,202,896 in accrued losses in its operations, with a loss of $ 79,080 during the quarter ended June 30, 2019.

### Legally-backed Financial Restructuring

Following the IPO in 2007, the Company adopted an expansionary strategy, following the industry driver, and later, with the market deteriorating, started facing the consequences of this growth model, both due to the market aspect and to the existing capital structure, which proved to be incompatible with the strategy adopted.

As of 2012, the Brazilian macroeconomic scenario started challenging the industry's expansion and cash generation expectations. Faced with this combination of factors, in 2012, Viver came to a crisis. At that time, Viver had extremely high fixed expenses, an organizational structure disproportionate to its operation, corporate debts with short-term maturities of over $ 700 million *Reais*, over 30 halted projects and no expectancy of funding to complete the works.

Also in 2012, the Company chose to start restructuring its activities by changing its board of directors and conducting business based on 5 pillars: (i) cost reduction and cash preservation; (ii) deleverage/sale of assets; (iii) delivery of projects; (iv) strengthening of the capital structure; and (v) generating value.

The restructuring strategy was thus implemented. 75% of the overall and administrative costs were reduced, assets were sold for around $ 500 million *Reais*, 62% of corporate debts were reduced (over $ 400 million *Reais*), in addition to the renegotiation of the other liabilities, over $ 150 million *Reais* in funds were raised for the completion of the works, and, finally and extremely important, the delivery of virtually every project under construction.

Notwithstanding all efforts and success in implementing the guiding pillars, the macroeconomic scenario impacted enormously the business model which was being developed under the new management and which result in the current crisis faced by the Company:

a) The expected gain in prices was not confirmed, just the opposite, the real estate market became drastically worse;

b) Sales speed at levels well below what history shows;

c) Transfer volume highly impacted by the macroeconomic perspective – Banks limiting a lot the granting of credit to individuals;

d) Heavy increase in returned units through dissolutions between purchasers;

e) Exponential increase in the number of shares, especially regarding dissolutions of promises of purchase and sale of real estate units, which affected and still affect the cash generation of the SPEs.

In 2016, the Company underwent a number of successful operational restructurings, which allowed it to improve its structure, and, consequently, the structure of the other subsidiaries. Some of the projects performed are: (i) Specific efforts to sell and monetize assets; (ii) Project for monetizing complex, "free cash" assets, with low conversion of sales into cash; (iii) Renegotiation of expenses with suppliers and lawyers; (iv) Negotiation with financial creditors, closing operations of discharge of financial debt with a discount; (v) Operational restructuring of key areas in the administrative structure, resulting in the reorganization of areas and in a reduced number of employees; (vi) Raising funds for the operations, in particular; and (vii) Equalization of lawsuits to reduce the contingent liabilities.

However, within the financial scope, the Company did not succeed in implementing the planned measures, which resulted in the worsening of its financial crisis and of that of the other subsidiaries: (i) Attempts to renegotiate debts faced resistance from its main creditors regarding the terms proposed; and (ii) Without a solution with its creditors, the Company went back to not being in good conditions for the entry of new capital. Several dealings with this purpose were finished due to there having been no agreement with the banks. With insufficient funds, the Company started renegotiating the installments of the payment of its debts with banks and suppliers, which caused a reduction in the amount of credit available for it.

The Company was currently in a cycle of deterioration of its value. In order to reverse this cycle, the Legally-backed Financial Restructuring was implemented on September 16th, 2016, which was the most appropriate measure in order to preserve value for all the stakeholders of the Viver Group, allowing the equalization of liabilities, the restoration of the relation of trust with its customers, suppliers and banks, the resumption of deployments and, finally, the overcoming of the economic-financial crisis.

On September 28th, 2016, the Trial Court Judge of the 2nd Bankruptcy and Legally-backed Financial Restructuring Court of the Judicial District of the Capital of the State of São Paulo accepted the Company's application for its Legally-backed Financial Restructuring, along with other companies in its corporate group, determining, among other measures: (i) Exemption from submitting debt clearance certificates so that the Company may perform its activities; (ii) Suspension of actions and executions against the Company and the other companies who are part of the restructuring for one hundred and eighty (180) business days, pursuant to the Law; (iii) Submission of demonstrative accounts, by the Company, by the 30th every month, under penalty of removal of its controllers and managers; (iv) Submission of the restructuring plan within 60 business days; and (v) Issuance of a public notice, pursuant to Paragraph 1 of article 52 of Law No. 11,101/2005, with a period of fifteen (15) business days for qualifications or discrepancies from creditors eventually not listed in the application for the Legally-backed Financial Restructuring.

The full ruling that accepted the application for the Legally-backed Financial Restructuring is available for the Company Shareholders on its website.

The Company reiterates that the purpose of the process for the Legally-backed Financial Restructuring is to keep providing quality services to customers and to even up its debt. The measure provided for in Brazilian law allows the Company's services to be maintained and preserved.

For this process, KPMG Corporate Finance Ltda. ("KPMG") was appointed as the bankruptcy trustee.

### Consolidation of the Legally-backed Financial Restructuring

On November 9th, 2016, the Judge issued a decision accepting the report submitted by the Bankruptcy Trustee, granting the request for substantial consolidation of Viver and another 47 subsidiaries, so that the 16 subsidiaries with incorporated assets submit an individual restructuring plan.

On February 6th, 2017, the 17 legally-backed financial restructuring plans were filed for the 64 companies which applied for it, and the full plan is available for the Company Shareholders on its website.

On June 12th, 2017, the 2nd Chamber Dedicated to Corporate Law of the São Paulo Court of Appeals accepted the appeals of banks Bradesco, Santander and others, determining, in this sense, the exclusion of the SPEs with Incorporated Assets from the Legally-backed Financial Restructuring, and determined the previous investigation, which was submitted on August 7th, 2017, of the SPEs with no Incorporated Assets, and, therefore, the submission of a separate plan for these SPEs with no Incorporated Assets.

On August 24th, 2017, a ruling was given, excluding the companies from the legally-backed financial restructuring (i) with incorporated assets, (ii) with finished work, occupancy permit issued and with no inventory (iii) without good standing in terms of lawsuits, and ratifying the acceptance of the application of the legally-backed financial restructuring of the companies which were not excluded from it. The Viver Group has appealed against these rulings and awaits the judgment of its appeals.

16 individual plans and one consolidated plan, comprising Viver and nine subsidiaries, were submitted, totaling 26 companies in the legally-backed financial restructuring process. The new legally-backed financial restructuring plans are in line with the understanding adopted by the Illustrious Court of Appeals in the recent judgments of the appeals resulting from the legally-backed financial restructuring and did not change substantially the legally-backed financial restructuring means appointed in the legally-backed financial restructuring plans submitted on February 6th, 2017.

On October 20th, 2017, the 2nd Chamber Dedicated to Corporate Law accepted the staying effect concerning Interlocutory Appeal No. 2198456-66.2017.8.26.0000, to maintain the following companies as the authors of the legally-backed financial restructuring: Projeto Imobiliário Viver Castanheira SPE 85 Ltda., Projeto Imobiliário Sports Garden Batista Campos SPE 61 Ltda., Projeto Imobiliário Ananindeua SPE 40 Ltda., Viver Des. e Construção Imob. SPE 141 Ltda., Inpar Projeto Unique SPE 93 Ltda., Inpar Projeto 111 SPE Ltda. and Inpar Projeto Residencial Quatro Estações Ltda. The ruling took into account that these companies were excluded only due to an alleged irregularity in the representation of the lawsuit or absence of real estate units in stock, considering that the companies remedied the irregularity at the first possible moment or proved that they had real estate units in stock.

No objection was raised concerning the Legally-backed Financial Restructuring Plans submitted by the following companies: Inpar Projeto Residencial Condomínio Wellness Resort SPE 42 Ltda. – Going through legally-backed financial restructuring; Projeto Imobiliário Canoas Happiness SPE 72 Ltda. – Going through legally-backed financial restructuring; Inpar Projeto Residencial Condomínio Ereditá SPE Ltda. – Going through legally-backed financial restructuring; Projeto Imobiliário Residencial Esporte & Vida Condomínio Gravataí SPE 53 Ltda. – Going through legally-backed financial restructuring; Inpar Projeto Residencial Grand Jardins SPE Ltda. – Going through legally-backed financial restructuring; Projeto Residencial Marine Home Resort SPE 66 Ltda. – Going through legally-backed financial restructuring; Inpar Projeto 50 SPE Ltda. – Going through legally-backed financial restructuring; Inpar Projeto Residencial Rio Claro Village SPE 67 Ltda. – Going through legally-backed financial restructuring; Inpar Projeto Residencial Von Schilgen SPE Ltda. – Going through legally-backed financial restructuring; Inpar Projeto Wave SPE Ltda. – Going through legally-backed financial restructuring.

On November 29th, 2017, the plans of SPEs Projeto Imobiliário Residencial Viver Zona Sul SPE 62 Ltda. and Projeto Imobiliário Residencial Viver Bosque SJP SPE 91 Ltda., as well as the Consolidated plan, which were approved by the judge on December 07th, 2017.

**Legally-backed Financial Restructuring Plan**

The Company's Consolidated Plan for its Legally-backed Financial Restructuring ("Plan") has, as its economic premise, among others things, the capitalization of the debt in bankruptcy, through the issuance of new Company shares, which will dilute the equity interest of shareholders who choose not to exercise their right to first refusal in the subscription of the new shares.

The Plan is based on splitting the creditors into the following classes: (i) holders of labor claims; (ii) creditors with collateral; (iii) unsecured creditors; (iv) micro-enterprise and small business creditors.

For holders of labor claims, the Plan provides for a linear payment of $ 12,000 *Reais*, limited to the amount of the credit, to all creditors. The remaining balance will be capitalized through the issuance of new Company shares.

Concerning creditors with collateral, the Company informs that, to date, no creditors have been listed in this class. However, if creditors with collateral are eventually enlisted, their credits will also be capitalized through the issuance of new Company shares.

Unsecured creditors, in turn, are split into two sub-classes: (i) purchasing creditors; and (ii) other unsecured creditors.

a) Purchasing creditors are those who (i) have a real estate unit of any of the Company's projects; (ii) still owe a certain amount to the Company due to the operation of purchase and sale of the unit; (iii) the unit is still tied to the purchase and sale operation; (iv) have filed a lawsuit against the Company.
In such cases, creditors may choose the following forms of payment: (i) to remain with the unit, to pay the remaining amount at a discount and withdraw from the lawsuit; (ii) to terminate prematurely the purchase and sale commitment, through dissolution, and returning the amount paid to the Company and to withdraw from the lawsuit; or (iii) to proceed with the lawsuit and receive its credit, at a 50% discount, through capitalization, through the issuance of new Company shares.

b) The credits of the other unsecured creditors, as well as those of the micro-enterprise and small business creditors, will be fully capitalized through the issuance of new Company shares.

The Plan also provides basic assumptions about the issuance of the new shares to be subscribed by the pre-bankruptcy creditors. The Company also informs that the option to creditors for the use of the Commissioner's service.

As previously mentioned, the Plan was approved by the creditors at a General Creditors Meeting held on November 29th, 2017, and ratified by the Court responsible for the Legally-backed Financial Restructuring through a ruling published in the Online Court Gazette of the State of São Paulo on December 14th, 2017.

The Plan provides that only unsecured creditors classified as purchasing creditors have options for paying for their credits. All other unsecured credits, credits of micro-enterprise and small business creditors and the remaining amount of labor credits will be capitalized through the issuance of new Company shares.

Concerning the issuance of new shares, the Company made available to the creditors the use of the figure of the Commissioner, who will receive the new shares in favor of creditors who opt to use them, will sell them at their current value at the time of the reverse auction and will deliver the net funds arising from the sale to the creditor.

**Increase in authorized Capital for private subscription**

With the approval of the legally-backed financial restructuring plans, as mentioned above, and in compliance with the foregoing terms, the Company has already recorded, in its financial statements for the 2017 financial year, the initial effect of the issuance of new shares to be subscribed and the amount payable to pre-bankruptcy creditors, as established in the Legally-backed Financial Restructuring Plan.

The following Preceding Terms shall be cumulatively verified and/or waived by Simple Majority of the Credits, for the realization of the Subscription with Capitalization of Credits by the Subscribing Creditors of the Viver Group:

a) Legally-backed approval of this Plan;

b) Non-existence of an appeal filed against the Legally-backed Approval of the Plan for which a staying effect and/or an effect of any administrative, legal or arbQFIation decision has been granted, preventing compliance with the provisions contained in this Plan, including decisions rendering corporate actions, assignments or waivers of rights of the Companies under restructuring ineffective; and

c) Obtaining the corporate, legal and regulatory approvals relevant to the respective Increase in Capital.

For purposes of inspection of all interested parties, the Companies under restructuring will inform, in the records and within ten (10) Business Days, when the Preceding Terms are verified and/or waived by Simple Majority of the Credits, which time marks the beginning of the period for the realization of the Subscription with Capitalization of Credits, through the tranches indicated in clause 5.12 of the Legally-backed Financial Restructuring Plan.

In case the Preceding Terms are not verified or waived by Simple Majority of the Credits, the Companies under restructuring must request, within thirty (30) Calendar Days, the calling of a new Creditors' Meeting, so that an addendum to this Plan or a new Plan is submitted by the Companies under restructuring to be discussed by the Creditors. In this case, the Credits will return to their original status and the Creditors will vote in such Creditors' Meeting for the value of their respective Credits contained in the Creditors' Listing, subtracting only the payments eventually made to Holders of Labor Claims.

The amounts expected to be paid with shares and cash disbursements were calculated based on the General Table of Creditors submitted by the bankruptcy trustee, which is published at Viver's website and at CVM. Eventual discrepancies in values and credit ratings are still under analysis before the Court of the Financial Restructuring, and should therefore be converted into the following tranches of the capital increase, which will produce the issuance of new shares and the decrease of Viver's liabilities.

The increase in capital is intended to comply strictly with the provisions contained in the Legally-backed Financial Restructuring Plan approved by the Company's creditors and ratified by the qualified Court, as well as to strengthen the Company's capital structure and balance sheet, aimed at developing, expanding and maintaining their business, within a more solid capital structure, with the consequent restructuring of a significant portion of the Company's group credits, and the Company Shareholders' right to first refusal is assured for the subscription of new shares.

Considering that the Company Shareholders will be entitled to first refusal pursuant to article 171, paragraph 2, of the Brazilian Corporations Law, there will be no dilution of shareholders who subscribe to all the shares to which they are entitled. Only shareholders who choose not to exercise their right to first refusal, either in full or in part, will have their interest diluted. The price of issuance was set, without undue dilution of the current Company Shareholders' interest, based on the share ratings at B3 prior to the presentation of the first version of the plan, in order to eliminate any possibility of the share prices being impacted by the price variation of the Company's shares after the presentation of the first version of the Legally-backed Financial Restructuring Plan.

### 1st Tranche of increase in capital

On May 21st, 2018, the capital stock increase was approved, which capital subscription amount reached $ 571,248 *Reais*, with the issuance of 288,508,781 common shares, and, as mentioned before, this increase was to comply strictly with the provisions contained in the Legally-backed Financial Restructuring Plan.

### 2nd Tranche of increase in capital

On November 12th, 2018, the Board of Directors approved the Company's capital increase, within the authorized capital, in the amount of $ 302,118 *Reais*, upon the issuance of 152,584,772 new common shares, all of them registered and with no face value.

### 3rd Tranche of increase in capital

On March 08th, 2019, the Board of Directors' meeting approved the Company's capital increase, within the authorized capital limit, in the amount of $ 35,195 *Reais*, upon the issuance of 17,775,438 new common shares, all of them registered and with no face value.

### Continuity of operations

The financial statements for the 2018 financial year and for the period ended on June 30, 2019, were prepared based on the Company's normal business continuity and on management's assessment concerning the approval of the legally-backed financial restructuring plan by the majority of its creditors and the confirmation of this plan by the Court.

The purpose of the Legally-backed Financial Restructuring is to ensure the continuity of Viver's operations. Based on the information available on this date, the Company has no reason to believe that reaching an agreement with most of Viver's creditors is not going to be possible. In addition, the Board of Directors has a reasonable expectation that Viver may maintain its activities and that its operations will remain in effect during the Legally-backed Financial Restructuring. The continuity of the Company's operations depends ultimately on the success of the Legally-backed Financial Restructuring process and on the materialization of other Viver's forecasts. These terms and circumstances show the existence of a significant uncertainty which may raise doubts about Viver's ability to continue operating.

In addition to allowing the renegotiation of the pre-bankruptcy liabilities of the companies who are part of the restructuring through the manners and terms set forth in this Plan, it also allows for the full economic upheaval of the Viver Group companies, to the extent that (i) it reverses the low-liquidity vicious cycle; and (ii) attracts new capital to the Company, upon investment by stakeholders in the assets and in the platform of the Viver Group.

With its economic upheaval, the Company is able to continue performing its corporate purpose, with the deployment of real estate projects.

The Company keeps following the main measures below, aimed at recovering its profitability:

(a) Continuous, strict control and reduction of operating costs and expenses (Note 26), considering that the annualized amount of general and administrative expenses (excluding restructuring and depreciation) was $ 13.0 million *Reais* (in 2018) in a downward trend when compared to previous years;

(b) Focus on the process of transfers from customers for the amortization of financing and generation of free cash for the Company, closing the period with R$ 255,058 of receivables;

(c) Sale of land which is not in the Company's deployment plan.

The Company announced the creation of a new business unit of the Viver Group named SerRe, created with the mission of offering the market customizable services for the management of real estate assets and solutions for all the stages of the real estate cycle.

Finally, as part of the restructuring which aims to ensure the continuation of the Company, the Court of the Legally-backed Financial Restructuring has authorized the raising of new funds for Viver, which will enable the companies who are part of the restructuring to maintain a minimum cash structure to support their current expenses until the proceeds from the Legally-backed Financial Restructuring plan enter the Company's accounts.

The Company is bound to arbQFIation with the Market ArbQFIation Chamber, pursuant to a binding clause contained in its articles of incorporation.

The individual and the consolidated financial information were analyzed by the Company's Board of Directors, which was in favor of its publication on August 13, 2019.

## 2 Main accounting policies

The main accounting policies applied in the preparation of these individual and consolidated Quarterly financial information (QFI) were not changed in relation to those submitted in the Standard Financial Statement (DFP) for the corporate financial year ended on December 31st, 2018.

In cases where the notes to these QFIs are not presented in their entirety due to redundancy of information in relation to what is presented in the Standard Financial Statement (DFP) for the financial year ended on December 31st, 2018, the complete information must be read in the corresponding note of the annual DFP. The numbering of the notes to this QFI is the same as of the annual DFP.

The individual financial information (Company) was prepared in accordance with Technical Pronouncement CPC 21 (R1) - "Interim financial statement", and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM). The consolidated financial information was prepared in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Information, including aspects related to the transfer of control in the sale of real estate units following the understanding of Company management, in compliance with that expressed by the CVM in Official Memorandum CVM/SNC/SEP/No. 02/2018 on the application of Technical Pronouncement CPC 47 (IFRS 15), which bases for the recognition of revenues are described in more detail in Note 3.2, as well as for the presentation of this information in a manner consistent with the standards issued by the CVM applicable to the preparation of QFIs.

## 3 Critical accounting estimates and judgments

The accounting estimates and judgments are continuously evaluated and are based on the historical experience and in other factors, including expectations of future events, which are considered reasonable for such circumstances.

### 3.1 Critical accounting estimates and assumptions

Based on assumptions, the Company and its investees make estimates for the future. By definition, the resulting accounting estimates will rarely be the same as the respective actual results. The estimates and assumptions with material risk, which are likely to cause a material adjustment in the accounting amounts of assets and liabilities for the coming periods and corporate financial years, are included below.

### (a) Revenue recognition and work margin estimate

The Company and its subsidiaries and jointly-owned subsidiaries use the Percentage of Completion (POC) method to account for their sale agreements for units in real estate development and service delivery ventures. The use of the POC method requires the Company to estimate the costs to be incurred until the completion of the construction and delivery of the keys to the real estate units belonging to each real estate development project to establish a ratio concerning the costs already incurred.

The total budgeted costs, consisting of costs incurred and expected to be incurred for the closure of works, are regularly reviewed as the works progress, and the adjustments based on this review are reflected in the Company's results in accordance with the accounting method used.

### (b) Contingencies

The Company and its subsidiaries and jointly-owned subsidiaries are subject, in the normal course of business, to investigations, audits, lawsuits and administrative proceedings in civil, tax-related, labor, environmental, corporate and consumer law matters, among others. Depending on the subject matter of the investigations, lawsuits or administrative proceedings brought against Company and its subsidiaries and jointly-owned subsidiaries, may adversely affect the Company and its subsidiaries and jointly-owned subsidiaries, regardless of the final outcome.
The Company and its subsidiaries and jointly-owned subsidiaries may be periodically inspected by different authorities, including tax-related, labor, social security, environmental and health surveillance authorities. There can be no assurance that these authorities will not fine the Company and its subsidiaries and jointly-owned subsidiaries, nor that such violations will not be converted into administrative proceedings and, subsequently, into lawsuits, nor the final outcome of any eventual lawsuit or administrative proceeding.

The Company recognizes a provision for tax-related, civil and labor claims. The assessment of the likelihood of loss includes the assessment of the available evidences, the hierarchy of laws, the available case law, the latest court decisions and their relevance for the legal system, as well as the evaluation of outside lawyers. The Provisions are reviewed and adapted to take into account changes in circumstances, such as applicable limitation period, findings of tax-related inspections or additional exposures identified on the basis of new matters or court decisions.

## 3.2 Judgments in the adoption of an accounting policy

### (a) Revenue recognition

For purposes of applying the revenue recognition accounting policy, management follows the principles described in Note 2.21 to the annual financial statements ended on December 31st, 2018, following the standards issued by the Brazilian Accounting Pronouncements Commission CPC) and approved by the CVM and by the Brazilian Federal Accounting Council (CFC).

On May 28th, 2014, the IASB published IFRS 15 - Revenue from Agreements with Customers, requiring an entity to recognize the amount of revenue reflecting the consideration it expects to receive in exchange for the control of those goods or services. On December 22nd, 2016, the CPC issued CPC 47, which is equivalent to IFRS 15. The new standard superseded most of the detailed guidelines on revenue recognition that existed previously and was applied from of January 1st, 2018.

The CVM, on December 12th, 2018, issued Official Memorandum/CVM/SNC/SEP/No. 2/2018, advising on revenue recognition in the purchase and sale agreements for unfinished real estate units in the Brazilian publicly-traded companies of the real estate development industry, to be complied with in the preparation of their financial statements. In summary, in the application of CPC 47 – IFRS 15 the central issues are: (i) the focus in the agreement; (ii) the continuous monitoring of agreements; (iii) a structure of internal controls in a quality standard considered to be at least acceptable for the purposes for which it is intended; (iv) the making of timely adjustments and (v) the quality of information. Thus, the CVM understands that the adoption of this accounting policy must take into account the proper analysis of the agreements by Company management, considering that the application of these controls defines the maintenance of the revenue recognition method named Percentage of Completion (POC) (over time) or, if not applicable, the adoption of the keys method ("at a point in time").

Upon this judgment, the appropriation of the revenue from the Company's real estate development projects is made through the method of percentage of completion (POC) of the work. This percentage, as established by CVM Resolution No. 963/2003, is calculated by the ratio of costs incurred up to the time of calculation, in relation to the total estimated cost until the completion of the work.

**(b) Revenue recognition - responsibility for contracting and paying the brokerage fee**

The tax related to the sales commission tends to be the responsibility of the property purchaser, without the incorporation of the sales price established in the agreements executed with the purchasers of the property and the corresponding revenue recognized by the Company. Company management has been monitoring, along with its legal advisors, the position of the Public Prosecutor's Office, which has been requesting from the brokerage firms that clear and accurate information is provided in the offers for the purchase of property that the responsibility for the payment of the brokerage fee is not of the property purchaser, and which has already executed a Behavior Modification Agreement (TAC) with one of the brokerage firms in the market, to determine eventual impacts in its operations and consequent repercussions in the financial statements, and we already have favorable decisions made by the Public Prosecutor's Office.

In addition, they also monitor the movements occurring in the industry concerning this subject, in order to constantly reassess the impacts in their operations and consequent repercussions in the financial statements.

**(c) Estimated losses - indemnities arising from the delivery of real estate units in arrears**

Law No. 4,591 from December 16$^{th}$, 1964, which provides for real estate developments, and the sale agreements of real estate units have a 180-day grace period in relation to the delivery period established in such agreements of the units sold under construction. However, agreements entered into up to mid-2011 do not establish any fine or other penalty on the Company and its subsidiaries and jointly-owned subsidiaries for delays exceeding such tolerance. Agreements entered into as of the second half of 2011 started posting a penalty corresponding to 2% of the amounts received, corrected according to the Brazilian National Civil Construction Index (INCC) and, after completion of the construction and delivery of the units sold, they will be corrected according to the Brazilian General Market Price Index (IGP-M) plus 0.5% per month of delay after the 180-day grace period (Note 6).

The Company and its subsidiaries and jointly-owned subsidiaries have been monitoring, along with their legal advisors, the lawsuits which have been filed individually by each purchaser who has received their unit purchased under construction in a period exceeding that of such grace period, requiring such compensation, as well as compensation for moral damages and material losses, and establishes specific losses for them based on individual analyzes of the lawsuits (Note 22(b)).

Some projects have been delivered and/or have dates for expected delivery which are different from the dates originally expected at the time the units were sold. As a result, it is likely that a price reduction will be granted or that charges will be paid for these customers (Note 6).

**(d) Adoption of accounting policies**

As mentioned before in Note 1, management has been adopting measures to manage its debt and obtain the funds needed to complete the development of its current projects, which total cost projected to complete them amounts to R$ 89,120 ($ 87,983 *Reais* on December 31$^{st}$, 2018) (Note 30), as well as to recover its profitability by reducing costs and expenses and to resume the pace of the works on current projects, thus maintaining the continuity of the Company's and its subsidiaries' operations, and believes that these measures will be enough to improve the Company's capital structure and the cash generation needed for its continuity.

**In thousand *Reais*, except when otherwise indicated**

Hence, management prepared the quarterly financial information using accounting policies applicable to continuing businesses, which do not consider any adjustments arising from uncertainties about its ability to operate on a going-concern basis.

## 4 Financial risk management

### (a) Market risk

The market risk factors and the management policy concerning these risks have not changed in relation to what is described in the Standard Financial Statement submitted on December 31, 2018.

The table below shows the financial assets and liabilities not derived from the Group, by maturity ranges, corresponding to the period remaining in the balance sheet until the maturity date contained in the agreement. The amounts shown in the table are the accounting balances as of June 30, 2019.

| | | | | Consolidated |
|---|---|---|---|---|
| **Description** | **Less than a year** | **From one to two years** | **From two to five years** | **Total** |
| Loans & financing | 47,270 | | | 47,270 |
| Bonds | 201,097 | | | 201,097 |
| Shared obligation on assignment of receivables | 4,074 | 592 | 1,104 | 5,770 |
| As of June 30, 2019 | 252,441 | 592 | 1,104 | 254,137 |
| Loans & financing | 71,863 | | | 71,863 |
| Bonds | 196,504 | | | 196,504 |
| Shared obligation on assignment of receivables | 6,794 | 1,161 | 1,207 | 9,162 |
| Real estate creditors | 75 | | | 75 |
| As of December 31, 2018 | 275,236 | 1,161 | 1,207 | 277,604 |

### (b) Sensitivity analysis of variation in interest rates and other indexes of financial assets and liabilities

In order to verify the sensitivity of the financial assets and liabilities linked to the different indexes (CDI, IPCA, IGP-M and TR), which make up the interest rate risk factor, three different scenarios were established. Based on projections released by Brazilian financial institutions on December 31st, 2018, except for the TR, for which a zero rate was assumed in the year, it was defined that:

**In thousand *Reais*, except when otherwise indicated**

| | | | Percentages |
|---|---|---|---|
| **Scenario** | **Probable (expected)** | **Possible stress 25%** | **Remote stress 50%** |
| Fall CDI | 6,32 | 4,74 | 3,16 |
| CDI | 6,32 | 7,90 | 9,48 |
| IGP-M | 4,38 | 5,48 | 6,57 |
| INCC | 4,55 | 5,69 | 6,83 |
| TR | 0,00 | 0,00 | 0,00 |
| IPCA | 3,67 | 4,59 | 5,51 |

The Company seeks to have no mismatches in terms of currencies and interest rates. Obligations are mostly tied to inflation (CDI or TR). No assets or liabilities are denominated in foreign currency and there is no significant dependence on imported materials for the production chain. The Company seeks to maintain a balance between liabilities and assets indexes, keeping the cash invested in CDI to balance the financial obligations and the receivables indexed to the INCC on the active side, to balance the construction cost to be incurred (Commitments undertaken - Note 30).

**In thousand *Reais*, except when otherwise indicated**

| | June 30, 2019 | | December 31, 2018 | | | Values for 2019 | | |
|---|---|---|---|---|---|---|---|---|
| **Consolidated Data** | **Assets** | **Liabilities** | **Assets** | **Liabilities** | **Risk** | **Probable** | **25% Deterioration** | **50% Deterioration** |
| Financial investments (Note 5) | 1,681 | | 3,482 | | | | | |
| 96% - 105% of the CDI | 1,681 | | 3,482 | | Queda do CDI | 106 | 80 | 53 |
| Accounts receivable from customers (Note 6) | 177,861 | | 255,530 | | | | | |
| IGP-M | 119,146 | | 197,529 | | Alta do IGP-M | 5,219 | 6,523 | 7,828 |
| INCC | 58,715 | | 58,001 | | Alta do INCC | 2,672 | 3,339 | 4,007 |
| Checking account with partners in the Projects (Note 9) | 13,191 | | 31,703 | | | | | |
| IGP-M | 13,191 | | 31,703 | | Alta do IGP-M | 578 | 722 | 867 |
| Loans & financing (Note 14) | | 47,270 | | 71,863 | | | | |
| TR | | 47,087 | | 44,817 | Alta da TR | - | - | - |
| CDI | | - | | 26,879 | Alta do CDI | - | - | - |
| IGP-M | | 183 | | 167 | Alta do IGP-M | 8 | 10 | 12 |
| Bonds (Note 14) | | 201,097 | | 196,504 | | | | |
| TR | | 178,264 | | 172,581 | Alta da TR | - | - | - |
| CDI | | 22,833 | | 23,923 | Alta do CDI | 1,443 | 1,804 | 2,165 |
| Related parties (Note 20) | | 29,534 | | 27,320 | | | | |
| CDI | | 29,534 | | 27,320 | Alta do CDI | 1,867 | 2,333 | 2,800 |
| Real estate creditors (Note 18) | | - | | 75 | | | | |
| INCC | | - | | 75 | Alta do INCC | - | - | - |

**In thousand *Reais*, except when otherwise indicated**

## (c) Capital management

The Company's and its subsidiaries' purposes in managing their capital are to safeguard their operating continuity, by strengthening their credit rating before the financial institutions in order to support the business and reduce that cost.

Consistent with other companies in the industry, the Company monitors the index-based capital which corresponds to net debt split by the full capital. Net debt, in turn, corresponds to total loans (including loans and bonds, both short- and long-term, as shown in the consolidated balance sheet), net of cash and cash equivalents, of the financial assets valued at fair value through the result and the accounts bound. The full capital is determined through the sum of the equity, as shown in the consolidated balance sheet, with the net debt.

Such indexes, according to the consolidated financial information, can be summarized as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Loans & financing | 183 | 167 | 47,270 | 71,863 |
| Bonds | 201,097 | 196,504 | 201,097 | 196,504 |
| Receivables from shared obligation | - | 2,303 | 5,770 | 9,162 |
| Related parties | - | - | 29,534 | 27,320 |
| | 201,280 | 198,974 | 283,671 | 304,849 |
| Cash and cash equivalents and bonds and securities | (55) | (56) | (6,231) | (7,810) |
| Net debt | 201,225 | 198,918 | 277,440 | 297,039 |
| Equity | (12,568) | 46,112 | (12,568) | 46,112 |
| Equity and net Debt | 188,657 | 245,030 | 264,872 | 343,151 |
| Percentage | 106.66 | 81.18 | 104.74 | 86.56 |

## (d) Fair value estimate

No changes were made to the criteria or technique for measuring the fair values concerning the balances submitted on December 31st, 2018. In addition, due to the nature of the values measured at fair value have not been changed, neither has the reference used (prices quoted or not).

**In thousand *Reais*, except when otherwise indicated**

### (e) Credit quality from financial assets

The credit quality of the other financial assets can be evaluated upon reference to the corresponding securities:

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Units delivered | | | | |
| With chattel mortgage | | | 177,412 | 205,816 |
| With no chattel mortgage | 349 | 342 | 1,751 | 1,717 |
| | 349 | 342 | 179,163 | 207,533 |
| Units under construction | | | | |
| With chattel mortgage | | | 61,047 | 60,455 |
| Accounts receivable from customers | 349 | 342 | 240,210 | 267,988 |
| Estimated losses for doubtful debtors | (349) | (342) | (62,349) | (12,458) |
| Accounts receivable from customers | - | - | 177,861 | 255,530 |

Of the total accounts receivable from completed units, R$ 105,547 are overdue (Note 6), mainly due to delayed transfer of financing from financial institutions to committed purchasers, who do not own the properties until the price based on the financing obtained by them is fully paid and due to unresolved lawsuits.

Hence, the worse risk of this portfolio corresponds to the dissolution of the sale made, with the return of the unit to the inventory available for sale (Note 7). Based on past experience and on the speed each of the projects is sold, the probable losses were analyzed as a result of possible dissolutions, and an estimated loss of the contracts that have lawsuits that management considers as possible dissolutions was calculated, as shown in Note 6.

## 5 Cash and cash equivalents

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Cash and bank accounts-transfers | 53 | 55 | 4,550 | 4,328 |
| Investment fund | - | - | 1,679 | 3,481 |
| Automatic application | 2 | 1 | 2 | 1 |
| Total cash and cash equivalents | 55 | 56 | 6,231 | 7,810 |

On June 30, 2019, nearly R$ 3,500, rated as bank accounts-transfer and investment funds, are bound to limited operations and to the payment of debts.

**In thousand *Reais*, except when otherwise indicated**

## 6 Accounts receivable

| | Company | | Consolidated | |
|---|---|---|---|---|
| | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| Amounts receivable from completed projects | 349 | 342 | 179,163 | 207,533 |
| Estimated losses due to doubtful debtors and dissolutions | (349) | (342) | (60,017) | (10,004) |
| Net balance receivable from completed projects | - | - | 119,146 | 197,529 |
| Total from the portfolio receivable from projects under construction | | | 138,244 | 136,229 |
| Estimated losses due to doubtful debtors | | | (2,332) | (2,454) |
| (+) Installments received | | | 87,046 | 87,046 |
| (=) Updated contracted sales | | | 222,958 | 220,821 |
| (-) Contracted sale to be appropriated | | | (85,811) | (84,441) |
| (+) Installment rated as advances from clients (Note 19) | | | 8,614 | 8,667 |
| (=) Revenue from appropriations | | | 145,761 | 145,047 |
| (-) Installments received | | | (87,046) | (87,046) |
| Net balance receivable from projects under construction | | | 58,715 | 58,001 |
| Accounts receivable from appropriated sales (completed and under construction) | - | - | 177,861 | 255,530 |
| Other accounts receivable and services | 12,329 | 12,339 | 12,506 | 12,516 |
| Estimated losses due to doubtful debtors | (12,304) | (12,304) | (12,481) | (12,481) |
| Accounts receivable from other operations | 25 | 35 | 25 | 35 |
| Total accounts receivable | 25 | 35 | 177,886 | 255,565 |
| (-) Current | (25) | (35) | (96,993) | (245,194) |
| Non-Current | - | - | 80,893 | 10,371 |

Amounts are corrected according to clauses contained in the agreements, namely:

- until the keys for the properties sold are delivered, according to the Brazilian National Civil Construction Index (INCC);
- after the keys for the properties sold are delivered, according to the Brazilian General Market Price Index (IGP-M), plus a 12% interest per year, appropriated on a pro rata temporis basis and recorded as financial income in the income statement for the financial year.

**In thousand *Reais*, except when otherwise indicated**

Accounts receivable from unfinished real estate were measured at the fair value of the considerations receivable, considering the Company's weighted average cost of financing charges, disregarding the effect of inflation during the period (expected IGP-M variation for the following 12 months – smoothed, announced by the Focus Report of the Brazilian Central Bank). However, if the NTN-B's compensation rate is higher, the higher rate found is used.

The interest rate charged for the accounts receivable from completed properties is considered identical to the usual market rates, which is why they are presented at their fair value. The considerations of the reversal of the fair value occur until the date the keys are delivered, and are thus reversed in consideration of the revenue from real estate development.

Estimated schedule of receipt of the total receivables portfolio, minus the estimated losses due to doubtful debtors and the correction at present value, per year:

| | | | | **Consolidated** |
|---|---|---|---|---|
| | | **Property** | **June 30, 2019** | **December 31, 2018** |
| **Year - description** | **Completed** | **Under construction** | **Total** | **Total** |
| Overdue | 90,547 | 128,378 | 218,925 | 302,582 |
| Falling due | | | | |
| 2019 | 4,901 | 688 | 5,589 | 11,608 |
| 2020 | 18,063 | 1,264 | 19,327 | 4,624 |
| 2021 | 2,632 | 1,416 | 4,048 | 4,580 |
| 2022 onwards | 3,003 | 4,166 | 7,169 | 7,910 |
| | 119,146 | 135,912 | 255,058 | 331,304 |

As mentioned in Note 1, the delivery of projects was delayed, which directly reflected the expected receipt of the receivables portfolio. Due to the revision of the deadlines for the completion of the works, the expected realization of a portion of the accounts receivable from customers was moved, after estimated losses having been calculated for the payment of damages to customers in the amount of R$ 4,518 (December 31st, 2019 - $ 5,433 *Reais*).

The Company has completed projects, from which customers are in the process of obtaining financing for the property from financial institutions at more attractive rates than those established in the sales agreements entered into with the Company (in general, these are subject to IGP-M variation, plus a 12% interest per year). Due to the slow nature of this process, a significant portion of the accounts receivable from completed properties is pending financial realization.

**In thousand *Reais*, except when otherwise indicated**

As mentioned in Note 4 (e), the Company has active clients with lawsuits. In June 2019, the Company opened the estimated loss by group of financial accounts, instead of the net amount which affects gross profit (margin from operations). Hence, the adjustments were carried over by accounts receivable, inventory and dissolutions payable. In order to cover the risks of such portfolio not being realized and the sale being canceled, Management incorporated estimated losses for dissolutions, from operations in which it expects risks of dissolutions, and returned unit costs to inventory of properties for sale (Note 7). Such estimate is based on analysis of historical information and legal proceedings. The estimated losses on operations which may be canceled amount to R $ 50,899 (December 31, 2018 - R$ 34,767). The estimated losses on the margin of operations which may be canceled based on the 2018 criteria amount to R$ 7,113 (December 31, 2018 - R$ 122).

The estimated losses due to doubtful debtors in the accounts receivable may be shown as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| Losses | 12,653 | 12,646 | 19,413 | 19,384 |
| Dissolutions | | | 50,899 | 122 |
| Damages | | | 4,518 | 5,433 |
| | 12,653 | 12,646 | 74,830 | 24,939 |
| Completed projects | | | 60,017 | 10,004 |
| Projects under construction | | | 2,332 | 2,454 |
| Other accounts receivable | | | 12,481 | 12,481 |
| | | | 74,830 | 24,939 |

The table below shows the transfers of estimated losses from accounts receivable:

| Description | Company | Consolidated |
|---|---|---|
| As of December 31, 2017 | (10,630) | (19,887) |
| Reversal of estimated losses of margins for dissolutions | | 106 |
| Reversal of estimated losses for the payment of damages | | 29 |
| Estimated losses | (2,008) | (3,483) |
| As of June 30, 2018 | (12,638) | (23,235) |
| Estimated losses of margins for dissolutions | | (71) |
| Reversal of estimated losses for the payment of damages | | 1,008 |
| Estimated losses | (8) | (2,641) |
| As of December 31, 2018 | (12,646) | (24,939) |
| Estimated losses for dissolutions | | (50,777) |
| Reversal of estimated losses for the payment of damages | | 915 |
| Estimated losses | (7) | (29) |
| As of June 30, 2019 | (12,653) | (74,830) |

The Company works with its lawyers and its customers to resolve the lawsuits, so that they are able to receive the outstanding amounts, the table below shows the amounts of accounts receivable which are in the legal department, but dissolutions are not necessarily required for all actions.

**In thousand *Reais*, except when otherwise indicated**

| Description | Completed | Under construction | Total |
|---|---|---|---|
| Overdue | 116,840 | 61,548 | 178,388 |
| Falling due | 4,887 | 3,733 | 8,620 |
| As of June 30, 2019 | 121,727 | 65,281 | 187,008 |

As described in note 22 (b), the Company keeps, a provision of R$ 91,968 as of June 30, 2019 (R$ 96,271 as of December 31, 2018) for the probable payment of damages to customers who have filed lawsuits.

## 7 Properties held for sale

| | Company | | Consolidated | |
|---|---|---|---|---|
| Description | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| Land for incorporation | 2,670 | 2,670 | 240,477 | 239,988 |
| Property under construction | | | 37,873 | 37,862 |
| Property completed | | | 106,811 | 104,080 |
| Property completed (dissolutions) (i) | | | 46,727 | - |
| | 2,670 | 2,670 | 431,888 | 381,930 |
| (-) Impairment completed property (ii) | | | (26,307) | (26,540) |
| (-) Impairment land (ii) | (2,670) | (2,670) | (62,789) | (62,795) |
| | (2,670) | (2,670) | (89,096) | (89,335) |
| | - | - | 342,792 | 292,595 |
| Current | - | - | (175,411) | (172,381) |
| Non-Current | - | - | 167,381 | 120,214 |

(i) As mentioned in note 6, the Company recognized estimated losses for dissolutions based on the analysis of sales contracts with lawsuits, and returned the cost of units to the inventory of properties for sale;

(ii) Due to strategies adopted by the Company regarding inventory repricing and land valuation by sale value.

**In thousand *Reais*, except when otherwise indicated**

The table below shows a breakdown of the costs incurred for projects under construction:

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** |
| Accrued cost incurred | 139,996 | 139,780 |
| Cost appropriated to units sold | (114,245) | (114,040) |
| Capitalized interest | 70,791 | 70,791 |
| Capitalized interest appropriated to units sold | (58,669) | (58,669) |
| At the end of the financial year / period | 37,873 | 37,862 |

The transfers and the balance of the interest capitalized in inventories are shown in Note 14.

## 8 Other credits

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Advances to suppliers | 506 | 504 | 738 | 596 |
| In-court deposits | 484 | 481 | 5,951 | 5,028 |
| Transfers on undue financing (*) | | | 476 | 400 |
| Advances to employees | 101 | 34 | 246 | 161 |
| Others | 108 | 9 | 113 | 546 |
| Estimated losses for other credits | (510) | (510) | (510) | (510) |
| | 689 | 518 | 7,014 | 6,221 |
| Current | (205) | (518) | (1,063) | (6,221) |
| Non-Current | 484 | - | 5,951 | - |

(*) Amortizations made by the banks which funded some projects following the request for the legally-backed financial restructuring, however, the Company appealed in court to have the amounts returned, and further amortized after the approval of the legally-backed financial restructuring plan.

**In thousand *Reais*, except when otherwise indicated**

## 9 Checking account with partners in the projects

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Zappi Construções e Empreend. Imobiliários Ltda. | 14,198 | 14,198 | 14,198 | 14,198 |
| CTS Empreend. Imob. Ltda. | - | - | 17,624 | 17,624 |
| Meta Holding S.A. | 1,305 | 1,250 | 1,305 | 1,250 |
| Others | 946 | 946 | 946 | 946 |
| Estimated losses for doubtful debtors | (16,449) | (16,394) | (34,073) | (34,018) |
| | - | - | - | - |
| Menin Incorporadora Ltda. (i) | 1,266 | 1,064 | 1,427 | 1,256 |
| L. Priori Incorporações Ltda. (i) | 30,499 | 30,447 | 30,499 | 30,447 |
| Estimated losses for doubtful debtors (ii) | (18,735) | - | (18,735) | - |
| | 13,030 | 31,511 | 13,191 | 31,703 |
| Non-Current | 13,030 | 31,511 | 13,191 | 31,703 |

(i) The Company participates in the development of real estate development projects jointly with other partners, through corporate participation or through the formation of consortia. The management structure of these projects and the cash management are centered in Viver Incorporadora e Construtora S.A., which oversees the development of the works and budgets. Thus, the leader of the project ensures that the applications of the necessary resources are made and allocated as planned. The balances are subject to financial charges contained in the agreement, which correspond to the IGP-M variation, plus interest ranging from 9% to 12% per year and do not have predetermined maturity. The average period for the development and completion of the projects in which the funds are invested is 36 months, always based on the projects and on the physical-financial schedules of each work. The financial resources are invested directly in the real estate projects being developed with the partners. These amounts will be received through the realization of the receivables of each real estate project;

(ii) The Company estimated a loss of R$ 18,735 from the amount receivable from partner L.Priori Incorporacoes Ltda., based on the recovery of Beira Mar venture assets. The checking account value with such partner increased considerably with the payment of the SFH debt of the aforementioned venture with common shares of Viver in the 2nd Tranche of capital increase (Note 1).

**In thousand *Reais*, except when otherwise indicated**

The movement in the estimated losses for losses may be shown as follows:

| Description | Company | Consolidated |
|---|---|---|
| As of December 31, 2017 | (16,234) | (33,858) |
| Complement of estimated losses | (54) | (54) |
| As of June 30, 2018 | (16,288) | (33,912) |
| Complement of estimated losses | (106) | (106) |
| As of December 31, 2018 | (16,394) | (34,018) |
| Complement of estimated losses | (18,790) | (18,790) |
| As of June 30, 2019 | (35,184) | (52,808) |

## 10 Taxes and contributions to offset

The Company and its subsidiaries and jointly-owned subsidiaries have recoverable taxes (federal taxes) in the amounts described below, which will be offset against future and/or restitution and compensation taxes with debits in installments, as provided for in the tax-related legislation:

| | Company | | Consolidated | |
|---|---|---|---|---|
| Description | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| PIS | 220 | 190 | 1,277 | 1,241 |
| COFINS | 997 | 860 | 5,878 | 5,709 |
| CSLL | 43 | 41 | 215 | 77 |
| IRPJ | 44 | 44 | 700 | 574 |
| IRRF w/o financial investments | | | 105 | 140 |
| Others | 24 | 22 | 1,589 | 1,480 |
| | 1,328 | 1,157 | 9,764 | 9,221 |
| Current | (35) | (18) | (1,871) | (3,822) |
| Non-Current | 1,293 | 1,139 | 7,893 | 5,399 |

**In thousand *Reais*, except when otherwise indicated**

## 11 Investments, provision for unsecured liabilities and assets intended to be sold

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Investments in subsidiaries and jointly-owned subsidiaries | 386,935 | 413,854 | 9,426 | 15,969 |
| Provision for investment losses (b) | (109,461) | (92,003) | (229) | (230) |
| Investments (a) | 277,474 | 321,851 | 9,197 | 15,739 |
| Re-rating as liabilities | 109,461 | 92,003 | 229 | 230 |
| Appropriated financial charges (*) | 9,381 | 9,243 | | |
| | 396,316 | 423,097 | 9,426 | 15,969 |

(*) The Company raises interest-bearing financial resources, which are invested in the subsidiaries and jointly-owned subsidiaries to fund their real estate projects. The financial charges of these funds raised by the Company and related to the real estate units in inventories with the subsidiaries and jointly-owned subsidiaries are presented under this entry. In the consolidated balance sheet, they were re-rated for entry "Properties held for sale", which transfers are shown in Note 14.

**In thousand *Reais*, except when otherwise indicated**

### (a) Transfer of investments

| Subsidiary | Balance as of December 31, 2017 | Capital increase (decrease) | Equity Accounting | Balance as of June 30, 2018 | Balance as of December 31, 2018 | Profit shared | Equity Accounting | Balance as of June 30, 2019 |
|---|---|---|---|---|---|---|---|---|
| Viver Desenvolvimento Imobiliário Ltda. - Going through legally-backed financial restructuring | (9,047) | | (8,800) | (17,847) | (75,633) | | (17,750) | (93,383) |
| Viver Empreendimentos Ltda. - Going through legally-backed financial restructuring | 465,290 | | (14,445) | 450,845 | 387,694 | | (20,075) | 367,619 |
| Viver Participações Ltda. - Going through legally-backed financial restructuring | (110) | | (59) | (169) | (169) | | - | (169) |
| Inpar Participações e Associados Ltda. - Going through legally-backed financial restructuring | (1,931) | | (862) | (2,793) | (2,454) | | 324 | (2,130) |
| Inpar Investimentos II S.A. - Going through legally-backed financial restructuring | (8,221) | | - | (8,221) | (8,221) | | (12) | (8,233) |
| Viver Desenvolvimento e Construção Imobiliário Ltda. - Going through legally-backed financial restructuring | (5,316) | | (35) | (5,351) | (5,367) | | (21) | (5,388) |
| Inpar Projeto 126 SPE Ltda. - Going through legally-backed financial restructuring | 3,026 | | (78) | 2,948 | 2,948 | | - | 2,948 |
| Inpar Projeto 39 SPE Ltda - Going through legally-backed financial restructuring | 134 | (134) | - | - | - | | - | - |
| Inpar Projeto 50 SPE Ltda - Going through legally-backed financial restructuring | 6,328 | | 836 | 7,164 | 7,314 | | (301) | 7,013 |
| Subsidiaries | 450,153 | (134) | (23,443) | 426,576 | 306,112 | - | (37,835) | 268,277 |
| Jointly-owned subsidiaries controlled by Viver Empreendimentos Ltda. - Going through legally-backed financial restructuring | 4,292 | | (377) | 3,915 | 12,225 | | (6,618) | 5,607 |
| Inpar Projeto 33 SPE Ltda. | 43 | | | 43 | 50 | (14) | 3 | 39 |
| Inpar Projeto 107 SPE Ltda. | 78 | | (1) | 77 | 77 | | | 77 |
| Inpar Projeto 110 SPE Ltda. | 2,959 | | (1) | 2,958 | 2,947 | | (2) | 2,945 |
| Tibério - Inpar Projeto 133 SPE Ltda. | 49 | | 3 | 52 | 51 | | 2 | 53 |
| Tibério - Inpar Proj. Res. Guarulhos SPE Ltda. | 288 | | 4 | 292 | 284 | | (7) | 277 |
| Tibério - Inpar Proj. Res. ER-Barueri SPE Ltda. | (158) | | (1) | (159) | (159) | | 1 | (158) |
| Tibério - Inpar Projeto Residencial Ernesto Igel SPE Ltda. | 777 | | (25) | 752 | 264 | | 93 | 357 |
| Joinyly-owned subsidiaries | 8,328 | - | (398) | 7,930 | 15,739 | (14) | (6,528) | 9,197 |
| **Total** | **458,481** | **(134)** | **(23,841)** | **434,506** | **321,851** | **(14)** | **(44,363)** | **277,474** |

**In thousand *Reais*, except when otherwise indicated**

### (b) Provision for losses on investments

The Company undertakes the obligations related to its subsidiaries and jointly-owned subsidiaries and, due to this, provisions for losses for the following investments were made and recorded as current liabilities:

| | Company | | | Consolidated | | |
|---|---|---|---|---|---|---|
| **Companies** | **Balance as of December 31, 2018** | **Increase/ decrease** | **Balance as of June 30, 2019** | **Balance as of December 31, 2018** | **Increase/ decrease** | **Balance as of June 30, 2019** |
| Viver Desenvolvimento Imobiliário Ltda. - Going through legally-backed financial restructuring | 75,633 | (17,750) | 93,383 | | | |
| Inpar Investimentos II S.A. - Going through legally-backed financial restructuring | 8,221 | (12) | 8,233 | | | |
| Viver Desenvolvimento e Construção Imobiliário Ltda. - Going through legally-backed financial restructuring | 5,367 | (21) | 5,388 | | | |
| Viver Vendas Ltda. | 2,454 | 324 | 2,130 | | | |
| Tibério - Inpar Projeto Residencial ER-Barueri SPE Ltda. | 159 | 1 | 158 | 159 | 1 | 158 |
| Viver Participações Ltda. - Going through legally-backed financial restructuring | 169 | - | 169 | | | |
| PMCS Participações S.A . | - | - | - | 71 | - | 71 |
| | 92,003 | (17,458) | 109,461 | 230 | 1 | 229 |

**In thousand Reais, except when otherwise indicated**

## 12 Fixed assets

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **June 30, 2018** | **June 30, 2019** | **June 30, 2018** |
| At the beginning of the year | 3,066 | 4,573 | 4,374 | 5,922 |
| Additions | 76 | 9 | 83 | 9 |
| Depreciation | (757) | (762) | (777) | (782) |
| At the end of the period | 2,385 | 3,820 | 3,680 | 5,149 |

## 13 Intangible assets

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **June 30, 2018** | **June 30, 2019** | **June 30, 2018** |
| At the beginning of the year | 4,743 | 6,912 | 4,749 | 6,950 |
| Amortizations | (1,084) | (1,084) | (1,086) | (1,115) |
| At the end of the period | 3,659 | 5,828 | 3,663 | 5,835 |

**In thousand Reais, except when otherwise indicated**

## 14 Loans & financing, bonds and Certificates of Real Estate Receivables

Breakdown of loans & financing, bonds and Certificates of Real Estate Receivables, net of transaction costs:

| | | | Company | | Consolidated | |
|---|---|---|---|---|---|---|
| **Type** | **Indexer** | **Annual commissions and interest rate** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Loans & financing | | | | | | |
| SFH | TR | 8.30% - 11.60% | | | 47,087 | 44,817 |
| Projects – CCB | CDI | Up to 6.5% | | | | 26,879 |
| Projects - CCB/CCI | IGP-M | Up to 12% | 183 | 167 | 183 | 167 |
| | | | 183 | 167 | 47,270 | 71,863 |
| Bonds | | | | | | |
| Issuance January 18th, 2011 (a) | TR | 8.77% | 178,264 | 172,581 | 178,264 | 172,581 |
| Issuance June 24th, 2011 (b) | DI | 5.75% | 22,833 | 23,923 | 22,833 | 23,923 |
| | | | 201,097 | 196,504 | 201,097 | 196,504 |
| Total debts | | | 201,280 | 196,671 | 248,367 | 268,367 |
| Current | | | (201,280) | (196,671) | (248,367) | (268,367) |
| Loans & financing | | | (183) | (167) | (47,270) | (71,863) |
| Bonds | | | (201,097) | (196,504) | (201,097) | (196,504) |

**In thousand Reais, except when otherwise indicated**

As collateral for the loans & financing made by the Company, chattel mortgage of purchase rights over property, chattel mortgage of equity interest rights over the capital stock of subsidiaries and jointly-owned subsidiaries, chattel mortgage of property, collateral of purchase rights over property and conditional assignment of shares were granted.

### (a) Issuance on January 18th, 2011 (first issuance)

The Company obtained an approval for its first public issuance program for the distribution of simple bonds, non-convertible into shares, in a single series, secured bonds and senior bonds in the amount of $ 300,000 *Reais* in the amount of 300 bonds with a unit rated value of $ 1,000 *Reais* each.

The funds obtained through the issuance were used solely to fund real estate projects and projects which met the eligibility criteria.

Collaterals comprise the conditional assignment of credit rights and bank accounts.

In 2019, interests in the amount R$ 1,600 were paid.

### (b) Issuance on June 24th, 2011 (second issuance)

The Company obtained an approval for its second public issuance program for the distribution of simple bonds, non-convertible into shares, in a single series, secured bonds in the amount of $ 100,000 *Reais* in the amount of 10,000 bonds with a unit rated value of $ 10,000 *Reais* each.

The net proceeds obtained by the Company were used to refinance the financial debts of the Company and subsidiaries and jointly-owned subsidiaries.

Collaterals comprise chattel mortgage of property owned by the Company and by subsidiaries and jointly-owned subsidiaries.

The amounts of R$ 494 of Principal and R$ 596 of interest were paid in 2019.

### Capitalized financial charges

Financial charges arising from loans, financing and bonds, which funds are attributable to the construction of the projects, are capitalized at the cost of each project, according to the use of the funds by subsidiaries and jointly-owned subsidiaries, and appropriated on the income statement according to the ratio of units sold, as shown below. All other financial charges are allocated on the income statement of the financial year, when incurred.

| | Company | | Consolidated | |
|---|---|---|---|---|
| | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| Financial charges incurred | 9,515 | 9,477 | 12,402 | 100,020 |
| Capitalized financial charges (*) | - | - | - | (2,448) |
| Financial charges appropriated at the financial statement (Note 28) | 9,515 | 9,477 | 12,402 | 97,572 |

**In thousand Reais, except when otherwise indicated**

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Financial charges included as "Properties held for sale"** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Initial balance | 9,243 | 18,577 | 41,688 | 72,025 |
| Capitalized financial charges (*) | | | | 2,448 |
| Charges appropriated on the income statement (Notes 25 & 28) | 138 | (3,810) | 687 | (27,261) |
| Write-off of financial charges capitalized by impairment of the corresponding assets (Notes 7 & 29) | | (5,524) | | (5,524) |
| Final balance (Notes 7 & 11) | 9,381 | 9,243 | 42,375 | 41,688 |

(*) Capitalized financial charges arise from loans obtained through the Brazilian Housing Finance System (SFH) and other funding lines such as the issuance of bonds, used to purchase land for real estate development, as well as for the funding for the construction of projects. As a result of the measures being taken by Company management referred to in Note 1, certain areas no longer have a defined date for the deployment of the corresponding project, and, as a result, as of May 2012, interest is no longer capitalized in some areas considered as non-strategic to the Company, and are directly appropriated on the financial statement. The capitalized interest may be presented as follows, by origin of the corresponding funds raised:

| | Consolidated | |
|---|---|---|
| **Capitalizes financial charges** | **June 30, 2019** | **December 31, 2018** |
| Brazilian housing finance system | - | 2,448 |
| Total balance (**) | - | 2,448 |

(**) Only the financial charges from projects under construction are being capitalized.

**In thousand Reais, except when otherwise indicated**

## 15 Shared obligation on assignment of receivables

The operations of assignment of receivables through the issuance of Real Estate Credit Notes (CCIs) that the Company retained the risks and responsibilities over the assigned credits, with an obligation to repurchase the real estate credits in default (shared obligation), are rated as liabilities and the balances are made up according to the collaterals and the interest rate:

| | | Company | | Consolidated | |
|---|---|---|---|---|---|
| **Collateral** | **Discount rate - %** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Fidejussory | 12,00% | | | 4,034 | 4,397 |
| Chattel mortgage | 13,00% | | 2,303 | | 2,303 |
| Fidejussory Guarantee/Chattel mortgage | 11,25% | | | 1,186 | 1,740 |
| Fidejussory | 10,95% | | | 550 | 722 |
| | | - | 2,303 | 5,770 | 9,162 |
| Current | | - | (2,303) | (4,074) | (6,794) |
| Non-Current | | - | - | 1,696 | 2,368 |

Non-Current balances may be as shown below per year of maturity:

| | Consolidated | |
|---|---|---|
| **Year of maturity** | **June 30, 2019** | **December 31, 2018** |
| 2020 | 592 | 1,161 |
| 2021 | 739 | 808 |
| From 2022 | 365 | 399 |
| | 1,696 | 2,368 |

## 16 Suppliers

Certain balances of operations made with suppliers which were past due were negotiated. The table below shows the balance of suppliers, considering the renegotiation of debts to be due:

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Debts** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Past due | 405 | 928 | 8,091 | 9,088 |
| Falling due within 30 days | 342 | 302 | 657 | 595 |
| Falling due from 31 to 60 days | 12 | 338 | 50 | 871 |
| Falling due from 61 to 90 days | 363 | 23 | 437 | 23 |
| Falling due from 91 to 120 days | 10 | 24 | 10 | 31 |
| Falling due from 121 to 180 days | 38 | 23 | 38 | 23 |
| Falling due after 180 days **(i)** | 6,430 | | 6,871 | 13 |
| | 7,195 | 710 | 8,063 | 1,556 |
| | 7,600 | 1,638 | 16,154 | 10,644 |

(i) The Company's restructuring payments, in the amount of R$ 6,250, are expected in installments falling due from suppliers.

**In thousand Reais, except when otherwise indicated**

## 17 Accounts payable

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30,nho de 2019** | **December 31, 2018** |
| Commissions payable (i) | | | 3,858 | 3,898 |
| Dissolutions payable (ii) | | | 48,533 | 37,224 |
| Construction costs payable | | | 637 | 2,912 |
| Behavior modification agreement (iii) | | | 4,155 | 4,155 |
| Condo fee of completed units payable (iv) | | | 38,515 | 23,348 |
| Restructuring expenses | | 3,744 | | 3,744 |
| Other accounts payable | 752 | 896 | 898 | 1,054 |
| | 752 | 4,640 | 96,596 | 76,335 |
| Current | (752) | (4,640) | (93,891) | (73,749) |
| Non-Current | - | - | 2,705 | 2,586 |

(i) Related to the sales of real estate units, by prospection of land or partners for the development of real estate projects and by bank fees.

(ii) As described in Note 6, the Company recognized estimated losses on possible dissolutions of units which have lawsuits in June 2019. The impact of such dissolutions amounts to R$ 2,941. The provision refers to the estimated amount payable arising from the reversal of sales of real estate units;

(iii) Estimated amount to be spent with Behavior Modification Agreements (TACs) with the town halls of Nova Lima and Porto Alegre;

(iv) The debts of units with lawsuits that are considered as possible dissolutions are also foreseen in the amount of condominium payable, with the return thereof to the inventory of properties for sale. The Company estimated an amount of R$ 10,993 of debt with condominiums payable referring to units that may be canceled.

The long-term amount refers to fees, which are broken down as follows, by year of maturity:

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** |
| 2020 | 10 | 22 |
| 2021 | 20 | 24 |
| From 2022 | 2,675 | 2,540 |
| | 2,705 | 2,586 |

## 18 Real estate creditors

The liabilities refer to the purchase of land. In March 2019, R$ 75 were paid for the land of the Total Life project.

**In thousand Reais, except when otherwise indicated**

## 19 Advances from clients and others

| Description | Company June 30, 2019 | Company December 31, 2018 | Consolidated June 30, 2019 | Consolidated December 31, 2018 |
|---|---|---|---|---|
| Advances from customers incorporations | 8 | 8 | 4,277 | 4,017 |
| Receipt from customers exceeding the appropriated revenue (Note 6) (i) | | | 8,614 | 8,667 |
| Physical exchanges (ii) | | | 13,234 | 13,156 |
| | 8 | 8 | 26,125 | 25,840 |
| Current | (8) | (8) | (12,891) | (12,684) |
| Non-Current | - | - | 13,234 | 13,156 |

(i) Receipts from customers with amounts exceeding those of the receivables arising from the balances of the credits receivable arising from the sale of property are recorded as advances from clients in the current liabilities;

(ii) In certain land purchase operations, the Company made physical exchanges with units to be built. These physical exchanges were recorded at fair value as a land inventory for incorporation, in consideration of advances from clients, considering the lump sum value of the real estate units delivered in accord and satisfaction, considering that these exchange operations are appropriated on the income statement considering the same assumptions used to recognize the sales of real estate units.

## 20 Related parties

### (a) Loans & financing in checking accounts

| Description (Assets) | Consolidated June 30, 2019 | Consolidated December 31, 2018 |
|---|---|---|
| Jive Asset Gestão de Recursos Ltda | 7,721 | 12,317 |
| Agre API Empreendimentos Imobiliários S.A. | 4,929 | 5,485 |
| Tiberio Inpar Proj. Res. Er-Barueri Spe Ltda. | 153 | 153 |
| Inpar Projeto 122 SPE Ltda. | | 69 |
| Inpar Projeto 110 SPE Ltda. | 52 | 52 |
| Projeto Imob. Res. Viver Teresópolis SPE 63 Ltda | | 31 |
| Inpar Projeto 128 SPE Ltda | | 29 |
| | 12,855 | 18,136 |

**In thousand Reais, except when otherwise indicated**

| | Consolidated | |
|---|---|---|
| **Description (Liabilities)** | **June 30, 2019** | **December 31, 2018** |
| Paladin Prime Residential Investors (*) | 29,534 | 27,320 |
| Inpar Projeto 33 SPE Ltda. | 18 | 18 |
| Tiberio - Inpar Projeto 133 SPE Ltda | 23 | 17 |
| Tiberio - Inpar Projeto 107 SPE Ltda | 10 | 10 |
| | 29,585 | 27,365 |
| Current | (25,210) | (20,798) |
| Non-Current | 4,375 | 6,567 |

(*) On February 07th, 2017, the financing agreement in mode debtor-in-possession-financing was entered into with Paladin Prime Residential Investors (Brazil) LLC in the amount of up to $ 20,000 *Reais*. The purpose of the DIP financing disbursement is to strengthen the working capital structure. In 2017, the money made available totaled $ 14,200 *Reais*. In 2018, the funds of the DIP financing amounted to $ 5,800 *Reais* and the amortizations totaled $ 3,818 *Reais*.

On November 01st, 2018, a new provision of funds amounting to $ 7.0 million *Reais* occurred as a result of a DIP Financing Agreement entered into on October 31st, 2018, between the Company and Paladin Prime Residential Investors (Brazil) LLC.

The balances of accounts held with subsidiaries and jointly-owned subsidiaries represent loan operations in the form of checking account loans, with no financial charges being levied upon and do not have a pre-defined maturity.

Balances receivable by the Company correspond to funds transferred to subsidiaries and jointly-owned subsidiaries, with the purpose of developing real estate development projects in those companies. Balances in the liabilities correspond to the receipt of funds from subsidiaries and jointly-owned subsidiaries, arising from receipts from customers for the sale of the projects.

### (b) Commercial transactions with subsidiaries and jointly-owned subsidiaries

The commercial operations made with subsidiaries and jointly-owned subsidiaries are for the development of project incorporation and construction activities. These operations could produce a different result in the Company, if they had been made with unrelated parties, not producing an effect on the consolidated income statement.

Among the current business with subsidiaries and jointly-owned subsidiaries, the following stand out: (i) the execution of construction agreements for projects; (ii) incorporation or joint development agreements for projects; (iii) agreements for granting reciprocal guarantees, where all investments in subsidiaries are decided by management, which activities are controlled by the Company.

**In thousand Reais, except when otherwise indicated**

### (c) Compensation of managers, directors and the Audit Committee

The compensation paid to managers, directors and to the Audit Committee as of June 30, 2019, was R$ 1,608 (June 30, 2018 - R$ 1,754) and is appropriated as General and administrative expenses, as shown below:

| Description | Board of Directors | Statutory Management | Audit Committee | Total |
|---|---|---|---|---|
| Number of members (*) | 5,00 | 2,00 | 3,00 | 10,00 |
| Wage/compensation for corporate officers | 107 | 1,354 | 89 | 1,550 |
| Direct and indirect benefits | 1 | 55 | 2 | 58 |
| As of June 30, 2019 | 108 | 1,409 | 91 | 1,608 |

| Description | Board of Directors | Statutory Management | Audit Committee | Total |
|---|---|---|---|---|
| Number of members (*) | 5,00 | 2,00 | 3,00 | 10,00 |
| Wage/compensation for corporate officers | | 1,628 | 63 | 1,691 |
| Direct and indirect benefits | | 61 | 2 | 63 |
| As of June 30, 2018 | - | 1,689 | 65 | 1,754 |

(*) The number of members was calculated by weighing the period in which they worked at the Company.

The Annual General Meeting (AGO) held on April 29th, 2019, established the annual global compensation of the Company's managers for the 2019 financial year within R$ 4,000.

## 21 Labor and tax liabilities

| | Company | | Consolidated | |
|---|---|---|---|---|
| Description | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| Charges from the labor regulations | 724 | 654 | 995 | 904 |
| | 724 | 654 | 995 | 904 |
| Payment in installments - Law No. 11,941/09 | | | 1,223 | 1,313 |
| Tax-related payment in installments | 1,851 | 1,462 | 6,243 | 4,724 |
| Payment in installments - Law No. 12,996/14 | | | 223 | 228 |
| Payment in installments PERT - MP 783/17 | | | 24,629 | 25,392 |
| Current taxes (i) | 122 | 29 | 2,581 | 5,319 |
| IPTU (municipal property tax) payable (ii) | | | 10,350 | 8,992 |
| Deferred IRPJ & CSLL | | | 4,615 | 4,864 |
| Deferred PIS & COFINS | | | 5,490 | 5,719 |
| | 1,973 | 1,491 | 55,354 | 56,551 |
| | 2,697 | 2,145 | 56,349 | 57,455 |
| Current | (1,297) | (1,013) | (21,971) | (24,951) |
| Non-Current | 1,400 | 1,132 | 34,378 | 32,504 |

**In thousand Reais, except when otherwise indicated**

(i) Current taxes include overdue installments, plus interest and a fine, in the amount of R$ 1,128 (December 31st, 2018: R$ 371), for which management plans to enter a process of payment in installments.

(ii) The Company has IPTU tax debts from lands in the amount of $ 6,192 *Reais* and from units completed in inventory in the amount of R$ 4,158.

Long-term amounts are broken down as follows, by year of maturity:

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| 2020 | 225 | 330 | 8,438 | 8,622 |
| 2021 | 450 | 330 | 4,199 | 3,672 |
| 2022 | 450 | 330 | 3,836 | 3,334 |
| From 2023 | 275 | 142 | 17,905 | 16,876 |
| | 1,400 | 1,132 | 34,378 | 32,504 |

In PERT, it was possible to migrate previous payments in installments, as well as the possibility of paying in installments all other overdue debts within April 30th, 2017. The consolidation of the debts with the Brazilian Federal Internal Revenue Services (RFB) and with the Brazilian National Treasury Attorney's Office (PGFN) occurred during 2018, the year of adherence to the PERT. The payment in installments will be amortized according to the table below:

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** |
| 2019 | 1,021 | 2,444 |
| 2020 | 2,466 | 2,387 |
| 2021 | 2,424 | 2,357 |
| 2022 | 2,391 | 2,325 |
| From 2023 | 16,327 | 15,879 |
| | 24,629 | 25,392 |

The Company is still discussing with the PGFN regarding the use of the compensation for Tax-related Losses and Negative Social Contribution Calculation Basis by the Company, as PGFN Ordinance No. 1,207/2017 provides only for the compensation of their own credits, and due to this, MS (Writ of Mandamus) No. 5002232-78.2018.4.03.6100 was brought upon, in process before the 12th Federal Justice Court of São Paulo.

## (a) Deferred income tax & social contribution and deferred PIS & COFINS

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **June 30, 2018** |
| At the beginning of the financial year | 4,864 | 7,174 |
| Corrections | 22 | 6 |
| Expenses (revenue) in the income statement | (271) | (315) |
| Deferred income tax & social contribution | 4,615 | 6,865 |
| Deferred PIS & COFINS | 5,490 | 7,838 |
| **Deferred taxes** | 10,105 | 14,703 |

**In thousand Reais, except when otherwise indicated**

### (b) Reconciliation between the income tax and the social contribution consolidated charge by the nominal and the actual tax rates

| | C | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **June 30, 2018** | **June 30, 2019** | **June 30, 2018** |
| Loss before income tax & social contribution | (93,876) | (46,102) | (93,944) | (47,763) |
| Corrections to reflect the actual tax rate | | | | |
| Income from equity interests | 44,363 | 23,841 | 6,528 | 398 |
| Tax basis | (49,513) | (22,261) | (87,416) | (47,365) |
| Nominal tax rate - % | 34 | 34 | 34 | 34 |
| Nominal charge (credit) | (16,834) | (7,569) | (29,721) | (16,104) |
| Unconsolidated credit | 16,834 | 7,569 | 16,834 | 7,569 |
| Effect of subsidiaries and jointly-owned subsidiaries taxed by presumed income and RET | | | 12,811 | 9,719 |
| Income tax & social contribution | - | - | (76) | 1,184 |
| Current | - | - | (347) | 869 |
| Deferred | - | - | 271 | 315 |
| Income tax & social contribution | - | - | (76) | 1,184 |

## 22 Provisions

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| Provision for assurance of works (a) | | | 3,435 | 3,582 |
| Provision for lawsuits (b) | 10,396 | 11,496 | 117,814 | 122,677 |
| | 10,396 | 11,496 | 121,249 | 126,259 |
| Current | - | - | (2,823) | (2,975) |
| Non-Current | 10,396 | 11,496 | 118,426 | 123,284 |

**In thousand Reais, except when otherwise indicated**

## (a) Provision for assurance of works

The money transfers for the provision may be as follows:

| | Consolidated | |
|---|---|---|
| | June 30, 2019 | December 31, 2018 |
| At the beginning of the financial year | 3,582 | 3,216 |
| Complement (reversal) of provision | (147) | 366 |
| At the end of the financial year / period | 3,435 | 3,582 |

The provision for assurances of work is made up to cover eventual disbursements to cover expenses during the warranty period of the projects, which are not the responsibility or which are not eventually covered by the companies contracted to build the project.

## (b) Provision for lawsuits

| | Company | | Consolidated | |
|---|---|---|---|---|
| Description | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| From labor regulations | 2,877 | 3,219 | 7,213 | 8,218 |
| Tax-related | | | 2,834 | 2,610 |
| Civil | 3 | 3 | 15,799 | 15,578 |
| Civil - damages, fines and other losses with customers | 7,516 | 8,274 | 91,968 | 96,271 |
| Non-Current | 10,396 | 11,496 | 117,814 | 122,677 |

The money transfers for the provision is shown in the table below:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | June 30, 2019 | December 31, 2018 | June 30, 2019 | December 31, 2018 |
| At the beginning of the financial year | 11,496 | 9,740 | 122,677 | 124,413 |
| Complement (return) of provision (Note 29) | (1,100) | 1,756 | (4,863) | (1,736) |
| At the end of the financial year/ period | 10,396 | 11,496 | 117,814 | 122,677 |

Among the provisions from labor regulations, as of June 30, 2019, the Company and its subsidiaries are party to 221 labor lawsuits, including probable, possible and remote estimates, 89.1% of which relate to cases in which the Company is liable for subsidiary and joint liability, for which a provision for probable losses was made, the balance of which, as of June 30, 2019, is R$ 7,213 (December 31, 2019 - R$ 8,218).

**In thousand Reais, except when otherwise indicated**

Among the civil provisions, a material portion corresponds to lawsuits filed by customers claiming, among other things, (i) fines for the delayed delivery of real estate units; (ii) premature termination of agreements; (iii) interest charges on the agreements executed and (iv) suits with partners.
Along with their legal advisors, the Company, its subsidiaries and jointly-owned subsidiaries have been monitoring the lawsuits which have been filed individually by each purchaser who has received their unit purchased under construction after the 180 days provided for in the Real Estate Development Law, requiring such compensation and indemnification due to moral and material damages, and determines specific provisions for them, based on individual analyzes of the lawsuits.

The Company also monitors the correlated movements occurring in the industry in order to constantly reassess the impacts on its operations and consequent repercussions on the financial statements. All accounting provisions necessary to reflect the effects of these lawsuits were made in the accounting.

No provision was made for lawsuits in progress which management and its legal advisors consider as possible losses. The amounts of these lawsuits are shown below:

| | **Company** | | **Consolidated** | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** | **June 30, 2019** | **December 31, 2018** |
| From labor regulations | 1,239 | 2,663 | 4,303 | 6,023 |
| Tax-related | | | 310 | 1,907 |
| Civil | 24,698 | 25,402 | 36,316 | 36,175 |
| Civil - damages, fines and other losses with customers | 6,238 | 5,737 | 124,708 | 123,098 |
| | 32,175 | 33,802 | 165,637 | 167,203 |

Due to the Company's legally-backed financial restructuring plan described in note 1, the civil claims were reduced in the last fiscal years.

## 23 Equity

### 23.1 Capital stock

| **Description** | **Number of shares** |
|---|---|
| Balance as of December 31, 2017 | 4,301,368 |
| Capital stock increase in compliance with the Legally-backed Financial Restructuring Plan | 288,508,781 |
| Balance on June 30, 2018 | 292,810,149 |
| Capital stock increase in compliance with the Legally-backed Financial Restructuring Plan | 152,584,772 |
| Balance as of December 31, 2018 | 445,394,921 |
| Capital stock increase in compliance with the Legally-backed Financial Restructuring Plan | 17,775,438 |
| Balance of shares before reverse split of April 12, 2019 | 463,170,359 |
| Reverse share split - 10 to 1 | 46,317,035 |
| Balance as of June 30, 2019 | 46,317,035 |

In 2017, R$ 93 from convertible bonds were converted into shares, with the Company's capital stock going to R$ 1,319,544, split into 4,301,368 registered, common shares with no face value.

On May 21st, 2018, the members of the Board of Directors approved the partial increase in the Company's capital stock, within the authorized capital, which, partially subscribed, resulted in an increase in the amount of $ 571,247 *Reais* at the issuance price of $ 1.98 *Real* (One *Real* and ninety-eight cents of *Real*) each, totaling an issuance of 288,508,781 registered, common shares with no face value.

On November 12th, 2018, the Board of Directors approved the partial increase in the capital stock at the Board of Directors' Meeting on August o1st, 2018, within the authorized capital, which, partially subscribed, resulted in an increase in the amount of $ 302,118 *Reais* at the issuance price of $ 1.98 *Real* (One *Real* and ninety-eight cents of *Real*) each, totaling an issuance of 152,584,772 registered, common shares with no face value.

Continuing in compliance with the Company's Legally-backed Financial Restructuring Plan, on March 08th, 2019, the Board of decided to approve the Capital Increase approved on December 13th, 2018, which, partially subscribed, totaled an increase in the amount of $ 35,195 *Reais*, with the consequent issuance of 17,775,438 common shares, all registered, without certificates and with no face value, at the issuance price of $ 1.98 *Real* (One *Real* and ninety-eight cents of *Real*) per share.

This way, the Company's capital stock increased to $ 2,228,183 *Reais*, represented by 463,170,359 registered, common shares with no face value ($ 2,192,987 *Reais* as of December 31st, 2018).

The capital increases are intended to strictly comply with the provisions of the Judicial Reorganization Plan approved by the Company's creditors and ratified by the competent court.

On April 12, 2019, the Extraordinary General Meeting approved the reverse split of 463,175,359 (four hundred and sixty-three million, one hundred and seventy thousand, three hundred and fifty-nine) common, registered, book-entry shares, without par value, issued by the Company to the extent of 10 (ten) shares to form one (1) share ("Reverse split"). The reverse stock split occurred in compliance with the Official Letter of July 12, 2018, Official Letter 1,446 / 2018-SAE ("Official Letter"), sent by the B3 Superintendency for Company Monitoring and Offering of Securities and Variable Income, stating that, in the period from 29.5.2018 to 11.7.2018, the shares issued by Viver remained quoted below R $ 1.00 (one real) per unit, which constitutes the breach of items 5.1.2 (vi) and 5.2 of the Manual Issuer and 5.2 (f) of the B3 Listing and Issuance Listing Regulations.

The purpose of the reverse split of the Company's shares is to: (i) reduce the volatility of the shares and (ii) give a better level to the share price in order to prevent ridiculous fluctuations, in cents, from representing percentages. in line with B3 issuer registration guidelines and rules.

With the reverse stock split, the share capital of R$ 2,228,183 is now represented by 46,317,035 registered common shares with no par value.

### 23.2 Share subscription expenses

The amount of capital subscription expenses, considering the bank commissions and the financial, legal and market advisory services in the subscription of shares made in prior financial years, totaling $ 37,855 *Reais*.

### 23.3 Dividend policy

According to the Company's articles of incorporation, 5% out of the net income for the financial year will be allocated for legal reservation, limited to 20% of the fully paid-in capital stock and minimum dividends of 25% on the net income.

In thousand Reais, except when otherwise indicated

## 24 Loss per share

The basic and diluted loss per share as of June 30, 2019, is R$ 2.04 (June 30, 2018 - basic loss of R$ 0,25).

| | June 30, 2019 | June 30, 2018 |
|---|---|---|
| Loss attributable to Company shareholders | (93,876) | (46,102) |
| Weighted average number of outstanding common shares | 45,990,746 | 181,358,811 |
| Basic and diluted loss per share - R$ | 2.0412 | 0.2542 |

## 25 Gross profit (loss)

| | Company | | Consolidated | |
|---|---|---|---|---|
| Description | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Revenue from real estate | - | - | (60,081) | 12,267 |
| Revenue from services | 213 | - | 213 | - |
| Gross operating revenue | 213 | - | (59,868) | 12,267 |
| Taxes levied against | (30) | - | 467 | (443) |
| Net operating revenue | 183 | - | (59,401) | 11,824 |
| Costs with land, incorporation, construction and services | - | - | (5,145) | (12,224) |
| Financial charges | | | 46,727 | |
| Cost of units to cancel (i) | | | 233 | 12 |
| Investory impairment | | | 687 | (2,743) |
| Costs with properties | - | - | 42,502 | (14,955) |
| Gross profit (loss) | 183 | - | (16,899) | (3,131) |

(i) As mentioned in Note 6, the Company opened the estimated losses with clients in litigation, reversing accounts receivable balances and returning unit costs to the inventory of properties for sale (Note 7).

Since 2014 there have been no new deployments. In addition, the Company has been working to expedite the money transfer processes for the financing of the completed units, which indirectly cause dissolutions to increase, with the reversal of sales (revenues and costs) and respective previously appropriated margins. The reconciliation of the gross profit with the projects under construction is shown in Note 30.

**In thousand Reais, except when otherwise indicated**

## 26 General and administrative expenses

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **June 30, 2018** | **June 30, 2019** | **June 30, 2018** |
| Salaries and charges | (3,950) | (3,210) | (4,643) | (4,771) |
| Advisory & consulting | (1,320) | (171) | (2,154) | (377) |
| Corporate expenditures | (342) | (347) | (457) | (453) |
| Rents | (171) | (159) | (173) | (171) |
| | (5,783) | (3,887) | (7,427) | (5,772) |
| Restructuring expenses | (4,276) | (1,690) | (4,276) | (2,988) |
| Depreciation & amortization | (1,841) | (1,846) | (1,863) | (1,897) |
| | (6,117) | (3,536) | (6,139) | (4,885) |
| | (11,900) | (7,423) | (13,566) | (10,657) |

The Company has been working to reduce and control its general and administrative expenses since the 2012 financial year (Note 1).

## 27 Expenses with sales

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Description** | **June 30, 2019** | **June 30, 2018** | **June 30, 2019** | **June 30, 2018** |
| Advertising | | | (353) | (538) |
| Commissions | | | (157) | (382) |
| Expenses with assurance of works | | | (775) | (502) |
| Estimated losses | (7) | (8) | (29) | 17 |
| Other expenses | | | (179) | (192) |
| | (7) | (8) | (1,493) | (1,597) |

**In thousand Reais, except when otherwise indicated**

## 28 Financial statement

| | Company | | Consolidated | |
|---|---|---|---|---|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| **Financial income** | | | | |
| Interest and monetary correction | 102 | 375 | 1,116 | 6,570 |
| Income from investments | | | 83 | 49 |
| Other financial income | | | 472 | 606 |
| | 102 | 375 | 1,671 | 7,225 |
| **Financial expenses** | | | | |
| Charges on agreements | (9,515) | (73) | (12,402) | (10,189) |
| Write-off of capitalized corporate charges (Note 14) | | (5,524) | | (5,524) |
| Appropriated corporate charges (Note 14) | 138 | (1,099) | | |
| Fine | (89) | (83) | (498) | (226) |
| Interest | (64) | 615 | (1,006) | (2,028) |
| Deductions granted | (1) | | (3,107) | (2,493) |
| Other financial expenses | (7) | (18) | (7,598) | (1,873) |
| | (9,538) | (6,182) | (24,611) | (22,333) |

Some projects related to certain lands were shut-down and, as a result, as of May 2012, interest was no longer capitalized, and started being appropriated directly on the financial statements, reflecting in the decrease of the capitalized corporate charges and in the increase of the financial expenses.

## 29 Other operating income and (expenses)

| | Company | | Consolidated | |
|---|---|---|---|---|
| **Other operating income and (expenses)** | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Revenue from sale of ownership interest | | 3,818 | | 3,818 |
| Cost of sale of ownership interest | | (136) | | (136) |
| Provision for lawsuits (Note 22) | 1,100 | (7,969) | 4,863 | (14,985) |
| Estimated losses (i) | (18,790) | (2,054) | (18,790) | (3,554) |
| IPTU and condo fees of completed units in inventory (ii) | | | (11,984) | |
| Agreements with creditors - Legally-backed Financial Restructuring | (10,566) | | (5,698) | |
| Other income and operating (expenses) | (97) | (2,682) | (909) | (2,015) |
| | (28,353) | (9,023) | (32,518) | (16,872) |

(i) As described in Note 9, an estimated loss, in the amount of R $ 18,735, was recorded with partner L.Priori Incorporacoes Ltda.;

(ii) The Company estimated R$ 10,993 of condominium debts payable referring to units which may be canceled (Note 17).

**In thousand Reais, except when otherwise indicated**

## 30 Commitments undertaken in real estate development operations in progress

In order to complete the projects under construction, the Company expects the following costs to be incurred:

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** |
| Units sold under construction | 70,221 | 69,341 |
| Units in stock under construction | 18,899 | 18,642 |
| Budgeted cost to be incurred (*) | 89,120 | 87,983 |
| Inventory of properties under construction (Note 7) | 37,873 | 37,862 |
| Total cost to be appropriated in the future | 126,993 | 125,845 |

(*) Construction commitments do not include financial charges and provision for assurance, which are appropriated at the cost of the properties, proportionally to the real estate units sold, when incurred.

The margin to be appropriated related to the units sold, taking into account the estimate of the cost to be incurred with the commitments undertaken, may be shown as follows:

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** |
| Contracted sale to be appropriated (Note 6) | 85,811 | 84,441 |
| Cost to be incurred on units sold (*) | (70,221) | (69,341) |
| | 15,590 | 15,100 |
| Gross margin percentage to be appropriated (*) | 18,2% | 17,9% |
| Estimate of taxes (PIS & COFINS) (**) | (3,132) | (3,082) |
| Expenses with unearned sales | (1,298) | (1,288) |
| | 11,160 | 10,730 |
| Margin percentage to be appropriated (*) | 13.0% | 12.7% |

(*) Construction commitments do not include financial charges and provision for assurance, which are appropriated at the cost of the properties, proportionally to the real estate units sold, when incurred.
(**)Estimated value of 0.65% as PIS and 3% as Cofins.

The variation of the contracted sales to be appropriated compared to December 31st, 2019, is represented by new sales, net of dissolutions, occurring in the period, less the revenue appropriated due to the evolution of projects under construction.

The contracted sale to be appropriated is not adjusted at present value, since it is only materialized for the appropriated sales.

**In thousand Reais, except when otherwise indicated**

The table below shows the appropriated results of the units sold of projects under construction:

| | Consolidated | |
|---|---|---|
| **Description** | **June 30, 2019** | **December 31, 2018** |
| Appropriate revenue from projects under construction (Note 6) | 145,761 | 145,047 |
| (-) Canceled sales | (19,188) | (19,188) |
| (-) Estimated losses | (2,332) | (2,454) |
| (-) Contributions to PIS & COFINS | (4,106) | (4,083) |
| Appropriated cost of projects under construction (Note 7) | (114,245) | (114,040) |
| Total | 5,890 | 5,282 |
| Income appropriated in previous financial years | (5,549) | (2,999) |
| Income appropriated in the financial year | 341 | 2,283 |
| Provision for work warranty | (5) | (13) |
| Financial charges appropriated at the income of the financial year (Note 14) | - | (1,643) |
| Gross income from projects under construction | 336 | 627 |
| Gross income from completed projects and other | (17,235) | (32,875) |
| | (16,899) | (32,248) |

The difference from the expected and the realized margin is substantially represented by the allocation of the financial charges (Note 25).

## 31 Subsequent Events

At a Board of Directors meeting held on 07/16/2019, the Company and Paladin Prime Residential Investors (Brazil) LLC entered into a debtorin-possession financing agreement ("DIP Financing"), in the total amount up to R$ 6,114. DIP Financing aims to help the Company maintain its activities and overcome the momentary economic and financial crisis that has been facing and that has caused a bottleneck in its working capital. The loan amount, although fundamental to the current cash flow, does not significantly aggravate the overall indebtedness of the Viver Group.

The conclusion of the DIP Financing is part of the judicial recovery process that the Company has been going through, which will be duly notified to the Court of the 2nd Bankruptcy Court and Judicial Reorganization of the State of São Paulo.

The Board of Directors also approved the extension of the payment term of the DIP Financing contracted in 2017, as well as its assignment, together with the DIP Financing signed in 2018 and July 2019 for the FINANCIAL SETTLEMENT FUND - INVESTMENT FUND IN NON-STANDARD CREDITORY RIGHTS (which is a shareholder of the Company, holding 32.45% of the share capital), the current balance of the three loans, together, of which is approximately R$ 35,854.

## 32. Explanation added to the translation for the English version

The accompanying financial statements were translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Company that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where these financial statements may be used.